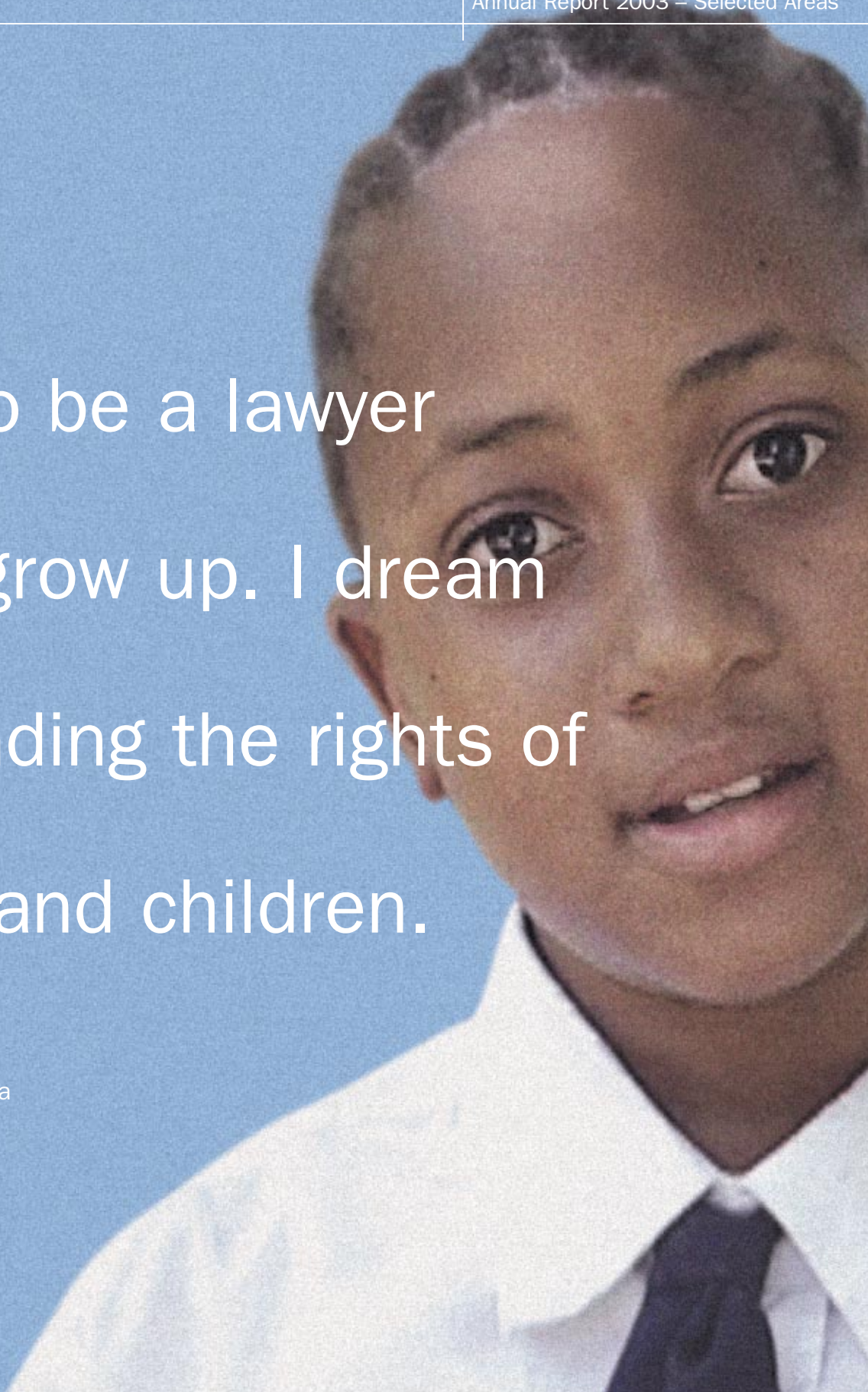




I want to be a lawyer  
when I grow up. I dream  
of defending the rights of  
women and children.

Aida Othman (12), Tanzania



Norad aims to be a driving  
force in the effort to bring  
Norway's experience and  
expertise into the international  
fight against poverty.

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**Print:** Mediehuset GAN

ISBN 82-7548-073-6

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# Introduction

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Norad provides technical advice in many areas of development cooperation. This annual report describes Norad's efforts relating to nine of the most important areas in Norwegian development co-operation in 2003. In all these technical areas, Norway is well qualified to be an important partner for poor countries.

Norwegian expert institutions and organisations play an important role in contributing technical advice and in the exchange of know-how between Norway and its partner countries. Norad has agreements with more than thirty Norwegian expert organizations and institutions, both public and private.

The Ministry of Foreign Affairs, Norwegian embassies in Norway's partner countries and multilateral delegations are Norad's clients. The technical advice Norad provides is an important element in assuring the quality of Norwegian development cooperation. Norad also assures quality by improving the financial, planning and monitoring systems used by its clients in the administration of Norwegian development assistance funds. Norad is also responsible for ensuring that development cooperation is evaluated by independent consultants.

As a result of the growing emphasis on comprehensive sector programmes, budget support and coordination with other bilateral and multilateral donors, it is even more important than before for Norway to be able to offer up-to-date technical expertise in development cooperation. Norad aims to be a driving force in the effort to bring Norway's experience and expertise into the international fight against poverty.



*Tove Strand*



# Health



Several of the UN Millennium Development Goals are directly linked to health and reducing the incidence of diseases. There is broad international consensus that investments in health are a prerequisite for economic development and poverty reduction.

Poor health is just as much a cause as a consequence of poverty. Combating diseases such as HIV/AIDS, tuberculosis, malaria, sexually transmitted diseases (STDs), diseases related to pregnancy and childbirth, diseases that can be prevented by vaccination, and childhood diseases is a major challenge that has priority in Norwegian development assistance to the health sector.

Developing countries face significant challenges in developing health services that provide both prevention and treatment of diseases and that reach the very poorest population groups. Inadequate health systems and the lack of qualified health professionals are fundamental problems which are compounded by the widespread unavailability of medicines and medical equipment.

In Mozambique, Uganda and Malawi, Norway provides support for the national health sector, and contributes towards developing their capacity for sector planning and economic administration. In Mozambique, Norway has been one of the donors most actively involved in establishing a joint fund for the health sector. Norway also provided support for a fund that improves access to vital medicines, as well as providing budget support directly to provinces. In Uganda all Norwegian development assistance for the health sector programme is channelled through the Swedish development assistance agency, Sida.

Norway makes substantial contributions to global health funds. A feature common to all of these funds is that many different partners, ranging from UN agencies,

the World Bank, bilateral donors, non-governmental organizations, research institutions and the pharmaceutical industry to private donors, join forces with the authorities to finance health services for the population. Norad focuses attention on the concept of "global funds as effective aid". In collaboration with the Norwegian Ministry of Foreign Affairs, the Global Alliance for Vaccines and Immunization (GAVI), the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), the World Health Organization (WHO) and UNAIDS, work in this field has continued and been intensified in 2003. Norad participates in GAVI's working group where it heads a project aimed at making GAVI an effective tool for overcoming barriers that prevent effective vaccination services.

Norad supports the work of the World Health Organization (WHO) through its regional branches in Africa and Latin America. Norad also participates in the technical activities of the WHO through its participation in meetings of experts and working groups. Norad is engaged in technical cooperation with the Centre for Health and Social Development (HeSo), with the University of Oslo and the University of Bergen, and with the Norwegian public health administration.

Norway provides substantial support for health programmes through Norwegian, local, regional and international non-governmental organizations. These NGOs make a vital contribution in efforts to combat AIDS and tuberculosis. A large share of development assistance for the health sector has traditionally been channelled through Norwegian NGOs. In 2002, 12.3 per cent of Norad's total development

assistance was allocated for health and anti-HIV/AIDS programmes. In 2003 this figure was 11.9 per cent, and it is expected to be as low as 10 per cent in 2004. 8.8 per cent of total development assistance for 2002 was allocated to the health sector alone, and 8.5 per cent in 2003. Since the transition to budget support, the actual figure is slightly higher, depending on how much of the budget support is allocated for health and anti-HIV/AIDS programmes.

#### Example – Norwegian support for Malawi

Malawi is one of the poorest countries in the world. The AIDS situation in the country is dramatic: 15 per cent of persons aged 59 to 49 years are infected with the disease, and the number of tuberculosis cases has quintupled in the last ten years. Almost half of all children under five are undernourished, and the infant mortality rate is high. A massive effort on the part of both the Malawian authorities and donors is required if the trend is to be reversed and the country is to start making progress towards achieving the UN Millennium Development Goals.

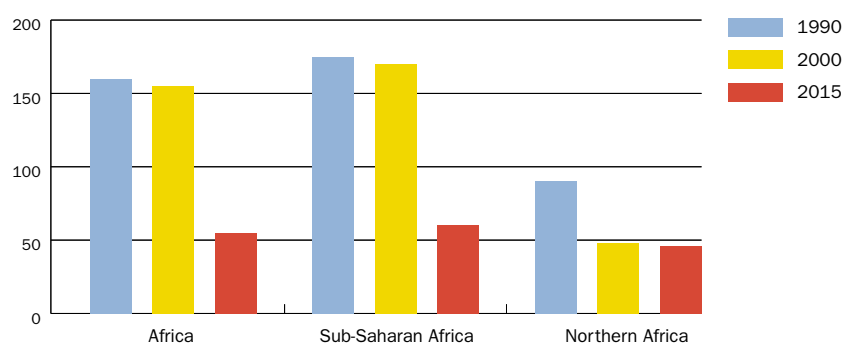
In its development assistance for Malawi, Norway has focused primarily on establishing a health sector programme. A plan of action has been drawn up, and an agreement between donors and the Malawian authorities is to be signed in the first half of 2004. Because it has taken time to set up the sector programme, Norway has contributed direct financial support for rural health services, so as to enable rural areas to provide basic health services for local inhabitants. So far this support has produced good results, and other donors have shown interest in the initiative. As part of the efforts to improve donor coordination, all Swedish bilateral development assistance for Malawi is administered by Norway.

Norway, the UK and the Netherlands have signed a new cooperation agreement with the National Tuberculosis Programme that will run for the next five years. Partly as a result of the HIV/AIDS epidemic, the number of tuberculosis cases has risen sharply in the past few years. Preliminary figures show that this trend may now have been reversed. A four per cent reduction has been reported, but further research and quality assurance of data are required to determine whether this is a real reduction and this new trend will continue or not. Norway continued to provide support for measures to improve water supplies and sanitation in 2003. At the request of the Ministry of Health, Norway has also helped to rebuild a centre for orthopedic services in Blantyre.



The Dentist Office at Kasulu District Hospital gets support through the Norwegian development assistance to the Health Sector Program. Photo: Stein Inge Nesvåg.

#### Under-five Mortality Rate in Africa



Source: UNDP

Millennium Development Goal 4: From 1990 to 2015: Reduce the mortality rate among children under five by two-thirds.

# Economic development and trade



Without broad-based economic growth it will be impossible to achieve the Millennium Development Goal of halving the proportion of people who live in poverty by 2015. To achieve this goal, it is important to organize value creation in such a way that it promotes long-term growth, increases employment and generates higher tax revenues.

Local business and industry in developing countries face many challenges, including limited market access, inadequate infrastructure, deficient legislation and regulations, and a limited supply of skilled labour. The primary industries are the platform for business and industry, and for large groups of poor people struggling to improve their life situation. Norway is especially well qualified to assist developing countries in the fields of energy (hydropower and petroleum), fisheries and natural resource management.

The Ministry of Foreign Affairs' Strategy for Norwegian Support of Private Sector Development in Developing Countries stresses the importance of a coherent approach to Norwegian assistance and participation to encourage investment in the South, promote trade and improve national operating parameters. There is strong emphasis on utilizing Norwegian expertise and involving Norwegian business and industry.

In 2003, Norad initiated efforts to find a way of renewing cooperation in the economic field in order to promote greater participation from the private sector and improved coordination of Norwegian instruments. There is emphasis on establishing closer partnership between the development cooperation authorities, non-governmental organizations and business and industry in order to promote sustainable private sector development. There is also emphasis on improving the terms of trade. On the basis of these efforts, a review of the industrial and commercial financing facilities will be carried out in order to better adapt them to the new forms of cooperation.

In 2003, Norad continued its work with country-by-country studies to develop the private sector. In the course of the year, studies of this type were carried out in Vietnam, Nepal and Nicaragua. These studies will provide the basis for Norwegian assistance for private sector development in the countries concerned. In Uganda, the second phase of a study under the auspices of the Confederation of Norwegian Business and Industry (NHO) was carried out. It focused on potential cooperative projects between Norwegian and Ugandan companies. This resulted in the visit of a Ugandan business delegation to Norway in November 2003 and a return visit to Uganda in 2004.

## **Measures to promote exports**

Developing countries face many technical barriers to trade, one of which concerns the quality requirements for export products. If developing countries are to increase their exports, it is crucial that they meet the standards of quality required on international markets, especially for food products. Norad and the Swedish development agency, Sida, have carried out a study of the experience gained so far as regards quality assurance and certification of food products in various African countries. The study is intended to provide a basis for further cooperation on projects in this field. Specific projects have been initiated in the SADC area and in Uganda. In Asia, Norway supports several regional and national projects aimed at developing the necessary certification and accreditation agencies.



Another main focus has been to increase imports to Norway from the least developed countries (LDCs). In 2003, Norad entered into a cooperation agreement with the Federation of Norwegian Commercial and Service Enterprises (HSH), which will be Norad's contact with Norwegian importers. In cooperation with the Dutch import organization, CBI, HSH has established a MatchMaking database of export companies in developing countries and Norwegian importers. Agreements have also been extended with the Initiative for Ethical Trade (IEH), Max Havelaar and the Forum for Development Trade to increase imports from developing countries, with special emphasis on ethical trading.

#### **Institutional operating parameters for the fishery sector**

The fishery sector creates employment and generates values. In conjunction with the agricultural sector, the fishery sector is important, both for food supplies and as a basis for other economic activity. Norway has comparative advantages in several areas of development in the fishery sector, including institutional strengthening of fishery management, aquaculture, resolving conflicts between the petroleum and fishery sectors, quality assurance and environmental labelling.

Norad has provided technical advice in connection with a new Fisheries Act in Vietnam, which was approved and adopted by the Vietnamese parliament in November 2003. This is the first and, so far, only legislation entailing aid-financed technical advice that has passed through parliament during the project period. In Mozambique, Norad has contributed to new regulations in the fishery sector to safeguard and strengthen the rights of canoe fishermen to fish resources.



Fish is an important factor in the food supply and is basic to economic growth. Photo: Gøril Trondsen Booth

Norad cooperates closely with technical institutions in Norway, and in January 2003 a Fishery Forum for Development Cooperation was established in Norway comprising representatives of Norwegian fishery institutions and organizations, and of companies that participate in international development cooperation.

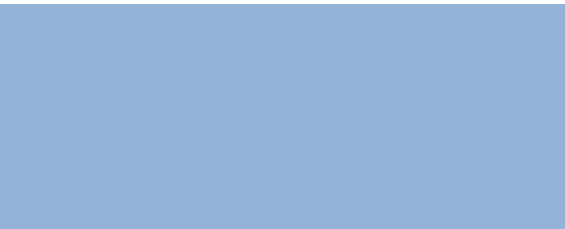
#### **Registers of property and enterprises**

Institutional operating parameters are important for private sector development. The registration of formal rights is crucial to a well-functioning market economy. In Mozambique, Norad supported a process to modernize the national register of enterprises in 2003.

#### **Industrial and commercial facilities**

The MatchMaking programmes in Sri Lanka and South Africa were evaluated in 2003 with a view to deciding whether they would continue. The evaluation was positive and will provide a basis for further work in this area. The programme in Sri Lanka was expanded to include trade in 2003. On the basis of the experience gained here, Norad will consider including trade in the other MatchMaking programmes. Norad regards MatchMaking programmes as important instruments for generating interest and opportunities for cooperation between companies in Norway and its respective partner countries, and the programmes have generated many concrete results.

# Human rights and assistance for indigenous peoples



Norway incorporates focus on human rights into all areas of development cooperation, i.e. government-to-government cooperation, industrial and commercial cooperation, cultural cooperation, institutional cooperation and cooperation with non-governmental organizations.

To further promote respect for human rights, Norway also finances specific human rights projects. In this work, priority is given to projects that strengthen civil society and differentiated media. Indigenous peoples are an important target group in this respect.

In government-to-government cooperation, Norway bases its activities on the conventions its partner countries have ratified and the extent to which international obligations are reflected in national legislation and fulfilled in practice.

Norway's partner countries have ratified most of the conventions that concern human rights. This is followed up at different levels. In cases where Norway is engaged in government-to-government cooperation, regular meetings are held on development cooperation, which provide an opportunity for dialogue on human rights in the country concerned. In other countries Norway seeks to adopt a variety of approaches which, as far as possible, are adapted to local conditions.

## **Civil society**

The focus on support to civil society, represented by Norwegian, international and national non-governmental organizations, has changed in recent years, from being based on needs to being based on rights.

The activities of organizations in civil society are an important element of democratic development in many countries. The strength of civil society organizations in this type of work is that they can work with ordinary population groups without being tied by party loyalties or specific

political agendas. This helps to ensure political and popular participation at all levels of society and thereby plays an important role in the development of a democratic nation. Norway seeks to support influential players who identify national, regional and international challenges that have not received general attention. Organizations that function as meeting places, motivators or disseminators of information for poor and vulnerable groups – often across national borders – constitute an important part of civil society.

## **Differentiated media**

As watchdogs and persistent critics, the media play a crucial role in promoting human rights and democratic development. Equally important are their efforts to provide the population with varied, reliable information on these issues. Such information is essential to enable individuals to form well-founded, personal opinions and thereby for the development of a democratic society. It is important that information reaches as many people as possible through media that are widely available. For example, far more people have access to radio than it is possible to reach through newspapers or television.

Free, independent media are vitally important. Norway supports some organizations that are working to train and motivate journalists, and others that regard it as their role to disseminate information about democratization and human rights, both nationally and globally. In this field, Norway stresses the importance of high quality standards and good media ethics.





Photo: Ole Bernt Frøshaug

### Indigenous peoples

Norad's efforts to assist indigenous peoples through development cooperation are based on ILO Convention No. 169 concerning Indigenous and Tribal Peoples in Independent Countries. These activities aim to promote recognition of the fundamental rights of indigenous peoples and improve indigenous peoples' possibilities and capacity to promote their own interests and manage their own affairs. Assistance to indigenous peoples must also be viewed in close conjunction with the follow-up to the Plan of Action from the Johannesburg Summit.

Most of Norway's assistance for indigenous peoples is channelled through Norwegian non-governmental organizations. After working with local indigenous organizations for many years, several NGOs have acquired unique expertise in this area. Examples include the Rain Forest Fund in Brazil and Indonesia, Norwegian Church Aid in Botswana and the SAIH in Nicaragua and Bolivia. Sami organizations also receive support from Norad for projects that

focus on the rights of indigenous peoples. Norway otherwise supports the International Work Group for Indigenous Affairs (IWGIA). Norad finances an annual conference of indigenous peoples under the auspices of the Centre for Sami Studies at the University of Tromsø, Norway. Direct support is also provided for indigenous organizations in Chile, Peru and Paraguay.

Although most development cooperation in this field focuses on strengthening the rights of indigenous peoples in Latin America, Norway's assistance for indigenous peoples in Africa and Asia has increased in recent years. A substantial proportion of this cooperation aims to strengthen the indigenous peoples' own organizations and is incorporated into measures to support and strengthen civil society.

### Land rights in Paraguay

In Paraguay, Norad supports four organizations working in different indigenous communities, mainly in Chaco Province. The main problem is that they do not have a legal right to land. Land distribution in Paraguay is among the least equitable in the world. Many Chaco Indians work under slave-like conditions. The exploitation of forest resources throughout Paraguay has been extremely rapid and short-sighted. Several Indian tribes have been forced out of their traditional areas by timber companies, which have purchased rights to Indian land from the authorities. Consequently, the Indians have been forced into small, reserve-like areas, which has rendered their traditional way of life as hunters and gatherers impossible.

One of the organizations Norad supports is Tierraviva, a group of lawyers working to support Indians' claims to land in their legal battle with the authorities. They are seeking to push forward the legal and administrative processes associated with reclaiming land rights. Since 1994, seven communities belonging to the Enxet tribe have been awarded deeds to land thanks to Tierraviva's efforts. There is a great deal of opposition to transferring land to Indians in Paraguay, despite the fact that their rights are laid down in the Constitution and Paraguay has ratified ILO Convention No. 169 concerning Indigenous and Tribal Peoples in Independent Countries.

# Environment

Long-term efforts to combat poverty must take place within the tolerance limits of the environment and the natural resource base.

To a far greater extent than others, poor people are directly dependent on natural resources. Consequently, sustainable resource management and measures to prevent environmental degradation are particularly important for poor and vulnerable population groups. Improving the natural resource base is therefore a priority area in the Norwegian Government's Action Plan: Fighting Poverty. The follow-up to the World Summit on Sustainable Development in Johannesburg, the UN Millennium Development Goals and national Poverty Reduction Strategy Papers will provide the fundamental principles for Norway's environmental assistance in the years ahead.

There was strong focus on following up the recommendations from the World Summit on Sustainable Development (WSSD) in 2003. In Johannesburg, Norway committed itself to spending an additional NOK 375 million in the period 2003-2005 to follow up the recommendations of the conference within the sectors of water and sanitation, renewable energy, agriculture and biodiversity. A total of approximately NOK 750 million has been

spent on these types of projects and programmes in recent years. Of the additional funds, only NOK 34 million was spent in 2003. This is because it takes time to plan good projects and Norad wishes the recipient country to lead the planning process. Many of the projects that were planned in 2003 will be implemented in 2004.

Norway will expand and strengthen its existing portfolio of projects in the field of water and sanitation, renewable energy, agriculture and biodiversity in its partner countries. Norway will also finance several major global and regional partnership initiatives, such as the UN Environment Programme (UNEP), the New Partnership for Africa's Development (NEPAD) and the Global Mechanism under the UN Convention to Combat Desertification (UNCCD).

Most of the additional funds will be spent on measures relating to biodiversity. Only a small proportion of development funds have traditionally been allocated to this area. The main focus is on sub-Saharan Africa, which has the largest proportion of poor people directly dependent on natural resources to maintain their livelihoods.

## Environmental assistance channelled through Norad in 2003, by region

Region	Environmental related agreements		Environmental-related disbursements	
	Number	Percentage	Amount disbursed (NOK 1000)	Percentage
Africa	208	40.1 %	488 101	51.7 %
Asia	157	30.3 %	235 782	25.0 %
Europe	5	1.0 %	5 577	0.6 %
Global	46	8.9 %	68 005	7.2 %
Latin America	94	18.1 %	104 274	11.1 %
Middle East	7	1.3 %	39 911	4.2 %
Oceania	2	0.4 %	1 604	0.2 %

**The projects that received allocations from the additional funds in 2003 included:**

- Additional support for a rural water and sanitation programme in Malawi
- Support for the work of the Water Supply and Sanitation Collaborative Council in the fields of water supplies, hygiene, sanitation projects and local institution-building.
- Support for Tadedo, a local organization that is working to develop and introduce energy efficient ovens in rural Tanzania.
- Additional support for rural electrification in Bangladesh.
- Additional support for the National Integrated Pest Management Programme in Nepal. This programme aims to develop alternative methods for controlling plant pests and diseases and reducing the use of polluting pesticides.
- Support for the development and introduction of Conservation Farming in Zambia. This is a method of cultivation that makes crops less vulnerable to drought and is a very promising method for areas that experience recurrent droughts.
- Support to combat poaching in non-commercial national parks in Zambia
- Support for human resource development in the field of genetically modified organisms (GMO) and biosecurity in Zambia.

In 2003, environmental assistance channelled through Norad totalled NOK 943 million and was divided between 519 agreements. 46.4 per cent of these agreements are environment-specific, i.e. aimed at improving the physical or biological environment. 53.2 per cent have been posted in the statistics as environment-integrated, i.e. environmental considerations are one of several components of the agreement. Environmental assistance accounted for 20.9 per cent of the bilateral development cooperation budget in 2003, compared with 16 per cent in 2002.



Farmers Meeting. Photo: Daniel van Gilst.

In 2003, 40.1 per cent of Norad's environmental cooperation agreements were with countries in Africa, 30.3 per cent with countries in Asia and 18.1 per cent with countries in Latin America. Approximately 8.9 per cent of these agreements concerned regional and global programmes.

Among Norway's main partner countries, the environment was defined a priority area in Tanzania in 2003. Among Norway's other partner countries, the environment has high priority in Zambia, Indonesia and China. The environment is also an important area of focus in South Africa and Central America.

**Reducing industrial pollution**

In Zambia, the Environmental Council of Zambia (ECZ) is working with the Norwegian Pollution Control Authority (SFT) and Det norske Veritas (DNV) to regulate air pollution, monitor polluted rivers and control water pollution. The SFT has helped to develop regulations and licences and provided training in waste management. DNV has helped to develop advisory services for industry to promote cleaner production. An information system has also been established. Norad has provided NOK 4.1 million to support this cooperation in the period 2003-2004.

**Proportion of population with sustainable access to an improved water source, urban and rural**

	1990	2000
World		
Total	77	82
Urban	94	95
Rural	64	71
Northern Africa	86	90
Sub-Saharan Africa	54	58
Eastern Asia	71	76
South-central Asia	72	85
South-eastern Asia	72	78
Western Asia	n.a.	82
Latin America and the Caribbean	82	86
Oceania	40	48



# Women and gender equality



About one third of the Norwegian bilateral development assistance budget is allocated for activities that particularly target women and gender equality. Norad supports efforts to empower women and promote gender equality through programmes in several sectors, such as health and education, and by providing direct assistance for programmes to strengthen women's rights and women's participation in decision-making and income-generating processes.

A great deal of the work to strengthen women's rights and promote gender equality within the framework of development cooperation is funded from the quota of Norwegian assistance allocated for good governance in Norway's partner countries.

Women are a key target group in Norway's efforts to reduce poverty, which are largely defined by the UN Millennium Development Goals. In order to achieve the overarching goal of reducing the proportion of people living in poverty in the world, it is essential that efforts are focused on empowering women and strengthening their rights. In light of this, the UN Millennium Declaration contains a special goal that commits the international community to promoting gender equality and strengthening the position of women. Focus on women is also necessary in order to achieve almost all the other Millennium Development Goals.

The Millennium Development Goal for promoting gender equality and empowering women is to eliminate gender disparity in primary and secondary education by 2005, and at other levels by no later than 2015. Education is considered to be the foremost means of strengthening the position of women and is one of the most important priorities in the fight against poverty. In the substantial support provided by Norway for the education sector in Zambia, for instance, special emphasis is placed on monitoring the percentage of girls who are given access to education.

Focus on health in development cooperation is fundamental to achieving several of the Millennium Development Goals. The goals of reducing infant mortality, improving maternal health, with particular emphasis on reproductive rights, and combating HIV/AIDS, malaria and other diseases are particularly significant in the context of development assistance that promotes the interests of women. While a relatively large share of the total support provided by Norad for the health sector targets

women, health programmes specifically oriented towards women are largely in the field of reproductive health. A great deal of work has also been done to follow up the Government's plan to support international efforts to prevent female genital mutilation. In Ethiopia, Norway will focus its human rights efforts in 2004 on eliminating gender-based discrimination, and in this connection Norway wishes to follow up international efforts to combat female genital mutilation.

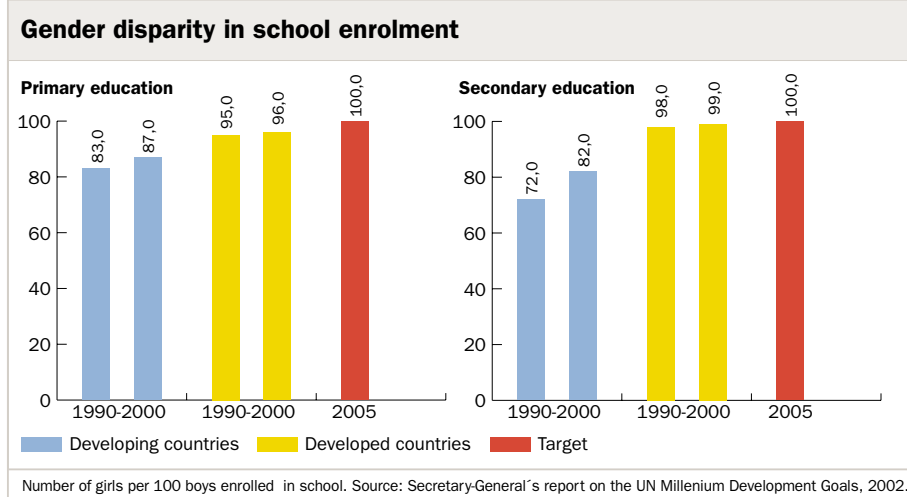
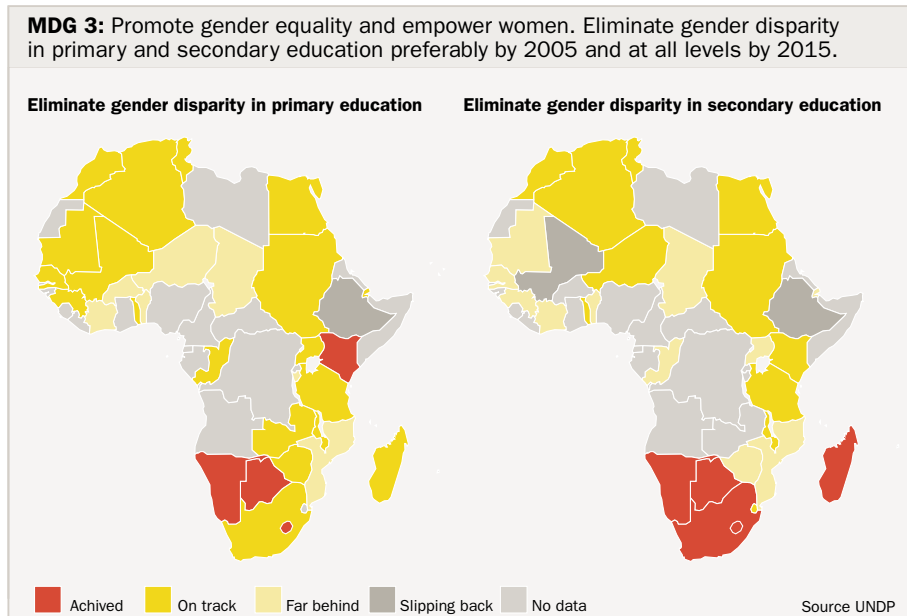
One of the indicators for the Millennium Development Goal for gender equality is women's participation in the social economy. Creating possibilities for economic growth is an important element of efforts to reduce poverty, and focus on the role of women in both private sector development and the agricultural sector is therefore crucial if we are to strengthen women's possibilities of achieving financial security and independence. With a view to improving the financial position of women, Norad has provided support in Tanzania for the well-reputed micro-financing programme PRIDE, under which around 60 per cent of the borrowers are women. A large percentage of employment in Norway's partner countries is in the informal sector, which is where a majority of the countries' poor people and a high proportion of women are to be found. Providing women with training and advisory services on market opportunities and credit facilities has proved to make an important contribution towards improving the economic and social conditions of women in countries like Bangladesh and India.

Human trafficking is a problem of growing attention in international cooperation. As part of the effort to combat organized transboundary crime, a number of activities have been initiated to shed light on this problem. There has been particular emphasis on protecting the most exposed, vulnerable victims of human trafficking, women and children.

In 2003, as part of the follow-up of the Government's Plan of Action to combat trafficking in women and children, Norad primarily focused on general preventive activities. Most of the support provided by Norway was channelled through Norwegian non-governmental organizations, among which Save the Children Norway received the largest amount of funding. Support was also provided for direct co-operation with authorities and international agencies such as UNICEF. While South-Eastern Europe is the region that receives the largest share of Norwegian support, Asia is the region in which there is the largest number of Norwegian-funded projects.

Norway targets women in development assistance both by integrating women's interests and gender equality into development cooperation, and through measures specially oriented towards women. Integration of women's interests and gender equality in development cooperation is necessary in order to achieve the goal of ensuring that women and men have equal rights and opportunities. Support is still required for measures aimed directly at empowering women in Norway's partner countries. In 2003 there was continued focus on strengthening the position of women in all sectors, with particular emphasis on education, population policy, reproductive health and good governance.

Norad has supported the efforts of its partner countries to meet their own international political and legal commitments under the UN Convention on the Elimination of All Forms of Discrimination against Women and in following up the Fourth World Conference on Women in Beijing. In many countries, Norwegian assistance helps to promote gender equality by strengthening central government institutions that have a special national responsibility for following up activity in this field. In Pakistan and Malawi, Norway provides assistance for government institutions that have special responsibility for



coordinating and following up efforts to promote gender equality. In Bangladesh and Zambia, support is mainly channelled through organisations in civil society.

With new types of cooperation, such as sector support and budget support, it will be important to further develop models for integrating women's concerns and gender equality. Several of Norway's partner countries have begun to take account of women and gender equality in their national poverty reduction strategies, and Norway has actively participated in some

of these processes. In Pakistan, as a direct result of financial contributions from the Canadian agency CIDA and Norad, the government has decided to institutionalize gender budgeting in connection with the formulation of the country's poverty reduction strategy. In Zambia, too, work on gender budgeting is well under way, the aim being to ensure that the central government budget promotes gender equality. In Uganda, gender has been a key topic in the ongoing revision of the national poverty reduction strategy paper.

# Infrastructure and energy



Business and industry need good physical infrastructure. Efficient, accessible infrastructure reduces production and transaction costs, and increases productivity and international competitiveness.

In many impoverished countries, good, cheap products are seldom exploited commercially because of poor physical infrastructure, particularly in the transport sector. Norway has many years of experience of helping to develop key physical infrastructure in its partner countries, in the electricity, road development, ports, water management and telecommunications service sectors.

In many countries major investments in infrastructure have not been accompanied by the necessary arrangements for maintenance, and substantial values have been lost. This is due to weak institutions that lack qualified personnel, the failure to make provisions for maintenance and inefficient institutional framework conditions. Many developing countries are planning to implement, or are currently implementing, important institutional and economic restructuring processes. These often include rationalization of public administration, necessary regulation of sectors, defining the role of the government, increased use of the private sector (such as joint government-private ownership) and decentralization of decision-making authority and responsibility. Norway contributes to this process by transferring expertise and experience in sectors in which it has considerable competence and successful experience from Norwegian public administration. Norway also contributes funding for investments.

## **East Timor**

East Timor has requested that Norway provide assistance in the energy sector for its petroleum and power sectors. Norwegian experience and expertise in the management and development of

hydropower and offshore petroleum resources are particularly in demand. Exploitation of the country's petroleum resources, both identified resources and those that are considered likely to exist, will form the new nation's main source of revenue, and thus the foundation that will enable the government to fulfil its responsibilities in the social sectors.

The sound management of the power and petroleum sectors will provide a platform for the development of industry and other economic activities.

Norwegian support is provided through institutional contracts between the East Timor authorities and the Norwegian Petroleum Directorate and the Norwegian Water Resources and Energy Directorate. The primary goal of these multi-year contracts is to build up national administration and results are already evident. In the petroleum sector, the foundation has now been laid for formal negotiations with Australia concerning the seabed boundary between the two countries.

## **Mozambique**

Norway has been engaged in close co-operation with Mozambique in the energy sector ever since the country gained its independence. Efforts have focused on both the petroleum and the power sectors. As in the case of East Timor, cooperation has taken place through long-term institutional contracts, as well as through the provision of assistance for specific priority projects.



In the petroleum sector, through an institutional contract between the Mozambican authorities and the Norwegian Petroleum Directorate, Norway has helped to build up a national petroleum directorate and confirm the commercial viability of Pande, a natural gas field. Largely thanks to Norwegian assistance, commercial exploitation of the gas field will soon begin. In addition to being available for commercial purposes in Mozambique, gas will be exported to South Africa.

#### **Regional cooperation in the power sector**

By providing assistance for the energy sector in southern Africa through the South African Development Community (SADC) for many years, Norway has contributed towards the formal establishment of the Southern African Power Pool. One of the responsibilities of this power pool is to develop regional energy cooperation in southern Africa. Norway makes available the expertise and experience of the Norwegian Water Resources and Energy Directorate and NordPool (the Nordic power market). This assistance is part of a major, coordinated programme that is funded by the World Bank.

#### **The Philippines**

Norway has provided support for maritime training in the Philippines for several years, particularly as regards compliance with new IMO conventions, and for the central administrative apparatus that is required to monitor and approve training programmes. Norwegian funding has totalled NOK 12 million in the past five years. Twenty per cent of the world's merchant shipping fleet is manned by Filipino crews. A total of NOK 2.5 billion (1998 figures) in foreign currency earnings is sent to the Philippines every year by seamen trained at the school. To wind up Norwegian assistance for the Filipino maritime authorities, Norad is contributing technical assistance to establish distance learning programmes for seamen.



Photo: Ole Bernt Frøshaug

#### **Nepal**

Norad has contributed to a programme run by the UN World Food Programme (WFP) to build small rural roads in the impoverished remote areas of West-Nepal through a Food-for-Work programme. This programme is part of the effort to provide basic services and activities aimed at defusing the current conflict in the country. The programme also highlights the vital importance of basic infrastructure in these inaccessible areas, where it can take several days to walk to the nearest road. Surveys show that the price of basic staples such as rice, salt and sugar fell by around 25 per cent in areas where a road was built.



Besides being a prerequisite for private sector development, investments in infrastructure in sectors such as power and telecommunications can in themselves play a very important role. A good example of this is Telenor's investment in Grameen Phone in Bangladesh. Photo: Norad.

# Education



The UN Millennium Development Goals states that universal primary education must be achieved by 2015.

Education gives people the opportunity to learn, utilize their own resources and gain insight into and influence on society. Secondary and higher education are essential for the development of knowledge and expertise, and for the formulation of national policies. At the international level there is strong focus on primary education for all, not without reason: more than one hundred million school-age children do not attend school. Approximately 860 million people are illiterate.

In most countries in sub-Saharan Africa, less than five per cent of the population have access to higher education. In about half of these countries, one in four children leave school before they have reached fifth grade, often because they have to work instead of attending school. More vocational training will ensure that they are better qualified for the labour market and will also provide a better foundation for local economic development.

Many of the poorest countries have neither enough money nor enough administrative capacity to develop and administer a satisfactory educational system. It is therefore important to strengthen the capacity of educational systems at all levels. Surveys show that the educational systems in Norway's partner countries are generally inefficient. In Zambia, a survey has shown that less than 30 per cent of pupils who leave primary school will achieve a minimum of reading skills and less than 5 per cent will achieve the desired level. Consequently, measures to improve quality and encourage more efficient use of resources in the educational sector will be essential to the achievement of universal education.

A Monitoring Report published by UNESCO provides a detailed review of the current status of international efforts to promote education. The report's main conclusion is that if development proceeds along the same lines as it has done so far, a large proportion of the world's population will still not have access to education in 2015. If the Millennium Development Goals are to be achieved, an additional USD 5.6 billion of international aid is required. Norway aims to ensure that 15 per cent of its total development assistance is spent on education by 2005. The Ministry of Foreign Affairs' new strategy for education stresses that education is a human right and focuses particularly on providing assistance for educational programmes for girls, and for disadvantaged and marginalized groups. In many of Norway's partner countries, the education sector is also severely affected by the HIV/AIDS epidemic. In several partner countries, the spread of HIV/AIDS will marginalize groups of children.

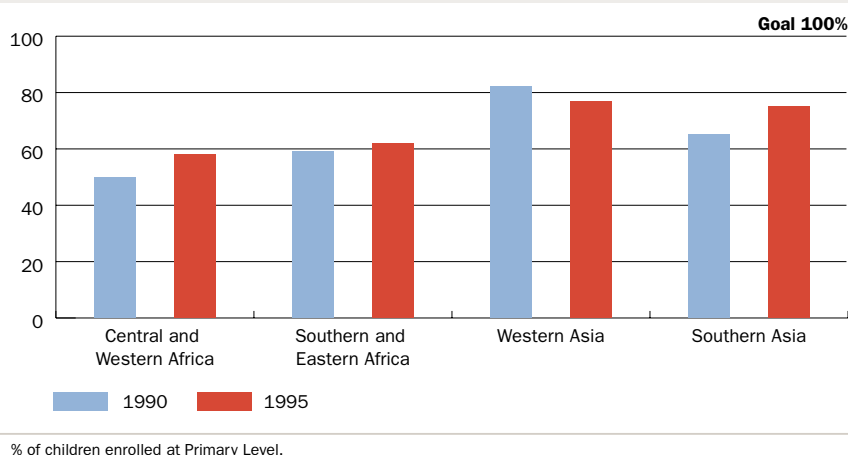
Cooperation in the education sector has accounted for a stable 13-14 per cent of the total development assistance channelled through Norad in recent years, and increased to 16.1 per cent in 2003. This is ascribable to a rise in assistance for primary education. However, assistance for secondary education dropped between 2002 and 2003. If we include vocational training, which is not reported as education to the OECD Development Assistance Committee (DAC), 18 per cent of development assistance went to the education sector in 2003. In the case of higher education, the most significant contributions are the framework agreements with universities in South Africa, Tanzania and Uganda and the Norad grant programme. Norway is appreciated as a partner in dialogue on educational affairs, partly because of its strong focus on recipient responsibility and on the importance of the recipient's contribution to the dialogue, and partly because Norway is neither a superpower nor a former colonial power.

The Norwegian educational system, which focuses on comprehensive education for all, has resulted in the development of specialist expertise in many areas relevant to the development of the educational sector in developing countries. The development of systems for integrated education, gender equality, special education, mother tongue education, bilingual education, curriculum development with local adaptation and mixed-age classes will be an important contribution from Norway.

#### Different forms of cooperation in different countries

Several sector programmes have been established in the education sector. In such cases, Norwegian development assistance funds are incorporated into the education programme of the partner country and technical resources are placed at the disposal of the education authorities in that country. Efforts are being made to increase the use of sector programmes in educational cooperation. Another favoured channel of financing is budget support, whereby Norwegian funds are incorporated into the central government budget of the partner country and allocated by the authorities in accordance with national priorities. Good planning, in the form of strategic plans and budgets, is important. As a result of the increased cash flows, pressure to spend the money that has been allocated and the potential for corruption, transparent, robust financing systems are essential. In cooperative relationships of this nature, coordination with the authorities of partner countries and other donors is highly resource-intensive. A great deal of time is spent on central processes and less time is spent on monitoring in the field and evaluation of the effects for users. The education sector is a priority area in Tanzania, Zambia, Nepal and Bangladesh. In these countries, Norway participates in sector programmes with the authorities and other donors. There are plans to enter into sectoral cooperation in Vietnam as well. Assistance is provided for several education projects in Uganda

#### Children in primary school



and for certain projects in Malawi. There are no separate educational projects in Mozambique, but in this case budget support is provided which, in principle, also covers the education sector. Education is also a priority area in Pakistan. In Madagascar, Angola, Guatemala and Mali, assistance is provided for projects, sometimes in cooperation with multilateral organizations. Efforts are being made to identify new countries in which education is a priority sector. In Afghanistan, educational assistance is currently being developed. Stronger focus on the education sector will be relevant in Sudan, provided that the political situation improves enough to facilitate greater cooperation. In several countries where education would be a relevant priority, wars and internal conflicts have destroyed or impeded the development of a functioning educational administration.

Aid for education is primarily provided in the form of government-to-government assistance. In 2003, assistance provided by Norad through non-governmental organizations amounted to approximately NOK 232 million and accounted for 31 per cent of total aid for education. Non-governmental organizations play an important role in testing alternative methods of organizing tuition and education. Norad intends to contribute to a summary of the experience

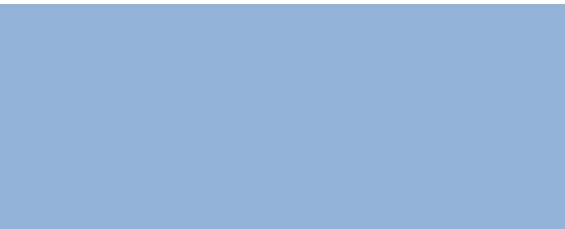
gained from alternative education so far. Norad will also consider in more detail how this type of trial and development work can be linked to sector programmes. Assistance at the secondary level has largely been provided through non-governmental organizations, but sector programmes for education will increasingly include the secondary level, as does the new sector programme in Zambia.

#### Brings results:

Norway has been contributing to a primary education programme in Nepal since 1998. A review has shown that the programme has achieved 60 per cent of its goals. The Nepalese authorities have realized that the UN Millennium Development Goal of universal primary education by 2015 is extremely ambitious in their case. Their ambition is therefore to achieve universal primary education by 2020. Nepal is well on the way towards achieving this goal, but it will require additional efforts from everyone involved in the educational system, including the local community, parents, and the countries and organizations that contribute funding and technical assistance for education. In the last five-year period, the proportion of children registered in primary schools has increased from 69 to 82 per cent. The ambition for the next five years is to increase this proportion to 90 per cent. The last 15-20 per cent of children who do not attend school today are the ones who are the most difficult to reach. The proportion of children who leave school early has been reduced from 19.2 per cent to 14.5 per cent. Fifty-four percent now complete their primary education in a normal period of time, compared with 40 per cent in 1998.



# HIV/AIDS



The AIDS epidemic is a global disaster with far-reaching effects that jeopardize the development of many countries, and thus is one of the greatest challenges facing mankind today.

At the end of 2003, the United Nations AIDS programme (UNAIDS) estimated that some 40 million people are infected with HIV. Around 3 million people died of AIDS in 2003. The number of newly infected cases totalled about 5 million people, of whom about 700,000 are children. Young women are particularly exposed to HIV infection. The UN estimated that 13 million children have been orphaned due to AIDS. The countries in sub-Saharan Africa are still the ones that have been hardest hit. In Botswana, close to 40 per cent of the population is estimated to be infected. However, countries in Asia and Eastern Europe are now also increasingly affected by the epidemic. UNAIDS reckons that the situation will get worse before it gets better. The HIV/AIDS epidemic is of singular importance in relation to the UN Millennium Development Goals: one of the goals is to stop and reverse the spread of HIV/AIDS and other diseases that threaten humanity by 2015. Moreover, the epidemic is in itself an obstacle to the achievement of the other goals.

In countries where the fight against HIV/AIDS has long been on the agenda, statistics show that the spread of the epidemic is flattening out in several places. This proves that long-term efforts produce results. Key factors for a successful anti-AIDS strategy are strong political leadership, openness about the situation and broad-based partnership with players at all levels.

## Norway's efforts

Combating HIV/AIDS is a key focus of Norwegian development cooperation policy. The majority of development assistance for anti-HIV/AIDS work goes to southern

Africa. In 2003, Norway allocated NOK 977.7 million of its bilateral assistance to international AIDS-related programmes. NOK 434.0 (44.4 per cent) of the total amount was spent on AIDS-specific programmes. Norwegian funding for efforts to combat HIV/AIDS is provided in the form of government-to-government assistance and channelled through the major UN organizations, global funds and non-voluntary organizations. Furthermore, the HIV/AIDS perspective is integrated into all programmes supported by Norway where this is relevant, such as in programmes in the education and public road sectors.

## Stigmatization and discrimination

The stigmatization of and discrimination against persons with HIV are one of the greatest barriers to both prevention and treatment. UNAIDS therefore made this problem a main topic in its HIV/AIDS work in 2002 and 2003. The stigma and shame that accompany HIV/AIDS inhibit open debate, hamper the provision of information and make people afraid to be tested. The reasons for these problems include lack of information, a variety of myths concerning the sources of HIV infection, prejudices and attitudes towards sexuality. The net result of these factors is that heads of state and politicians have failed to take the epidemic seriously enough.

## Prevention vs treatment

So far the global campaign against HIV/AIDS has focused on prevention, particularly because medical treatment has been too expensive. New AIDS medicines have recently come on the market, and prices have fallen after pressure from several quarters. The right to treatment is now high on the international agenda.

Treating and caring for persons with HIV reduce the enormous social and economic consequences of the epidemic, in addition to being important instruments in efforts to prevent the disease.

International discussion has now shifted from whether we should support costly treatment components in AIDS programmes to how we are to manage to do so. In Africa, only 1 per cent of HIV-infected persons have access to treatment. The goal of the World Health Organization (WHO) is to ensure treatment for three million HIV patients by 2005.

There are several challenges linked to medical treatment of HIV. Many people fear that the heavy focus on treatment will be to the detriment of prevention.

#### Examples from Norwegian development cooperation

- Norway works closely with several countries to combat HIV/AIDS. Malawi, which is located in southern Africa, is one of Norway's seven main partner countries. HIV/AIDS is one of four main sectors on which Norwegian development cooperation with Malawi is focused. Zambia is also a main partner country with a large HIV/AIDS portfolio. Both these countries are hard hit by poverty and HIV/AIDS. Norway has actively contributed towards helping these countries to develop national aid programmes to which other donors can also contribute.
- In Malawi, Norway and other international donors, including the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), jointly support a major new, national AIDS programme. Norway, which also administers Sweden's development assistance for Malawi, will contribute over NOK 50 million to this programme in the next three years. Malawi's national AIDS programme entails a comprehensive increase in AIDS treatment services. Prevention also has high priority in the programme. The goal is to increase the percentage of the population who receive voluntary counselling and testing from 1.5 per cent

#### Regional HIV/AIDS statistics and features, end of 2003

Source UNDP

	Adults & children living with HIV/AIDS	Adults & children newly infected with HIV	Adult prevalence rate (%)*	Adult & child deaths due to AIDS
Sub-Saharan Africa	25.0-28.2 million	3.0-3.4 million	7.5-8.5	2.2-2.4 million
North Africa & Middle East	470 000-730 000	43 000-67 000	0.2-0.4	35 000-50 000
South and South-East Asia	4.6-8.2 million	610 000-1.1 million	0.4-0.8	330 000-590 000
East Asia & Pacific	700 000-1.3 million	150 000-270 000	0.1-0.1	32 000-58 000
Latin America	1.3-1.9 million	120 000-180 000	0.5-0.7	49 000-70 000
Caribbean	350 000-590 000	45 000-80 000	1.9-3.1	30 000-50 000
Eastern Europe & Central Asia	1.2-1.8 million	180 000-280 000	0.5-0.9	23 000-37 000
Western Europe	520 000-680 000	30 000-40 000	0.3-0.3	2 600-3 400
North America	790 000-1.2 million	36 000-54 000	0.5-0.7	12 000-18 000
Australia & New Zealand	12 000-18 000	700-1000	0.1-0.1	<100
<b>Total</b>	<b>40 million</b> <b>(34-46 million)</b>	<b>5 million</b> <b>(4.2-5.8 million)</b>	<b>1.1%</b> <b>(0.9-1.3)</b>	<b>3 million</b> <b>(2.5-3.5 million)</b>

to at least 10 per cent by 2008.

Norway also provides support for anti-HIV/AIDS work in Malawi through other channels. Norwegian Church Aid receives funding for its work with churches in Malawi, which run 40 per cent of the health services in the country. Norway also supports the organization Banja La Mtsogolo, which runs prevention programmes for young people and has 29 clinics throughout the country.

- In Zambia Norway is an active partner of the National AIDS Council, which is responsible for coordinating anti-AIDS efforts in the country. Norway has helped to build up the Zambian National AIDS Network (ZKAN), which has 300 member organizations. ZKAN is establishing a system of grants, based on applications, through which funds can be channelled to local organizations.
- In several partner countries, Norway provides support for major construction projects in the road and hydropower sectors. This type of project employs many men for long periods of time, and also results in increased prostitution. Establishing local prevention programmes in construction areas has proved to be effective.
- In a trial project in connection with the transport of emergency relief in Malawi, the wives of drivers were also hired to enable couples to travel together and thereby prevent transport routes from also becoming infection routes.

- Norway also contributes funding through the UN and the global funds. In 2004, Norway plans to provide NOK 115 million to UNAIDS, NOK 125 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and NOK 15 million to the International AIDS Vaccine Initiative (IAVI).

#### Challenges on which Norway focuses particular attention:

- Protecting and assisting orphans
- Preventing mother-child infection
- Prevention among young people
- Encouraging men to become actively involved in combating HIV/AIDS and emphasizing the man's responsibility
- Developing and supporting strategies that focus on the workplace and the working environment in cooperation with business and industry, trade unions and the informal sector
- Counteracting social exclusion and stigmatization related to HIV/AIDS, and focusing attention on the human rights of HIV-infected persons
- Ensuring that treatment becomes cheaper and more accessible
- Contributing towards the development of well-functioning national AIDS institutions and towards national coordination and harmonization of efforts

# Good governance

Good governance means the sound administration of financial resources, a responsible economic policy and active efforts to combat corruption.

Good governance is also a vital prerequisite for good, effective development cooperation. A good system of government is characterized by a well-functioning constitutional state and an economic policy that aims at reducing poverty.

As a specialized area of development cooperation, the focus on good governance encompasses:

- democracy, including support for national assemblies, elections and independent media
- administrative reforms and decentralization
- anti-corruption work
- peace-building, post-conflict assistance and transitional assistance
- institutional matters and the institutional sustainability of programmes and projects
- a constitutional state and legal reforms
- human rights
- women and gender equality
- development of civil society
- public financial management

Development assistance for good governance is provided through all the different channels utilised by Norway, such as bilateral government-to-government assistance, non-governmental organizations and multilateral assistance. Good governance plays a prominent role in the political guidelines that have been laid down for Norwegian development cooperation, and must be a priority focus in all Norway's partner countries. In Norway's main partner countries and most of its major partner countries, the Norwegian embassies aim to make active efforts to follow national reform processes. Norway has an opportunity to play a proactive role in promoting reforms through its policy dialogue with national authorities and other

donors. The possibility of engaging in constructive dialogue with the authorities enables Norway to link development assistance more closely to the countries' own reform processes, through the provision of financial support for financial management, decentralization, administrative reforms and sector programmes. Considerable assistance is also provided for players in civil society, and many embassies wish to make strategic use of these means to strengthen agents of change in society. In other stable countries, where development cooperation is more limited, Norway's contribution is usually linked to projects and to a greater degree concentrated on support for civil society.

Assistance for countries in conflict or emerging from conflict is important. The organization of and focus on development assistance programmes must be assessed in the light of the situation of such countries. A feature common to countries that are in various kinds of conflict or post-conflict situations is the uncertainty regarding all planning of assistance and the difficulties involved in establishing stable, predictable frameworks for programmes and projects. In such cases, it is necessary to choose flexible solutions and alternative channels, while maintaining a long-term perspective as regards poverty reduction. The need to find peaceful solutions is pivotal to the success of development cooperation and good governance is largely promoted by focusing on such solutions. The governance dimension of development assistance is concentrated on programmes and projects related to human rights, peace and reconciliation. There is emphasis on competence-building in the justice sector and the constitutional



state, as well as on specific peace and reconciliation programmes linked to demobilization, demining programmes, etc.

**The grassroots population must be involved:**

In Pakistan Norad provides assistance for women who meet every day in private homes to learn to read and write in a programme run by the Working Women Organization. They also learn about human rights and how they can exercise these rights in their dealings with local government authorities. The organization also helps women market the products they make in their homes. In the last local elections in Pakistan, the goal was for women candidates to be elected to 33 per cent of municipal council seats; this objective was achieved. The problem is that a great many of the women can neither read nor write, nor can they afford to take the bus to attend council meetings. Norad is now funding training programmes for these women.

In Tanzania, Norway and a number of other donors have provided assistance for the national reform of local government. The reform aims at transferring political and administrative responsibility for all services to district authorities. This reform has been under way since 1998 and although progress has been slow, many districts have gradually built up reasonably good capacity and competence and are able to carry out the tasks assigned to them. An important objective of the reform has been to build up financial management expertise at the local level. Many districts have now established computerized systems and routines which ensure significantly better control and follow-up of financial management at the district level. Planning capacity has also been improved, although it is still relatively weak in many districts. In conjunction with other sector-based decentralization reforms, such as in the health and education sectors, there have been relatively



Free elections are a necessary condition for democratic development. Photo: Norad

significant changes in local services in the past few years. Both the authorities and donors agree that this reform process is essential to reducing poverty and that it will continue to have priority.

# Partner Countries

## Main Partner Countries

### Africa

Malawi  
Mozambique  
Tanzania  
Uganda  
Zambia

### Asia

Bangladesh  
Nepal

## Other Partner Countries

### Africa

Angola  
Eritrea  
Ethiopia  
Mali  
Nigeria  
South Africa  
Zimbabwe

### Asia

India  
Indonesia  
China  
Pakistan  
The Palestinian Area  
Sri Lanka  
Vietnam  
East Timor

### Latin America

Guatemala  
Nicaragua

