



Norad

I like maths and english.

I want to be a doctor.

My dream is to treat
patients, including my
own parents.

Lugano Mwaipopo (11), Tanzania

Assistance for education increased to more than 16 per cent of the total and thereby exceeded the Government's target of ensuring that 15 per cent of all development assistance goes to this sector.

Norad

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This annual report is the last from Norad in its capacity as an agency with the primary responsibility for Norway's bilateral cooperation. Whereas Norad formerly focused on the administration of long-term bilateral development cooperation, we have now been given a new, more concentrated role and will from now on be responsible for providing technical advice to the aid administration, financing Norwegian and international aid organizations, and assuring the quality of, and evaluating, Norway's development cooperation with poor countries. In this way, Norad will contribute to the Government's Action Plan for Combating Poverty in the South and efforts to achieve the UN Millennium Development Goals.

The proportion of bilateral assistance going to the least developed countries (LDCs) increased from 57 per cent in 2002 to 58 per cent in 2003. All in all, Norad managed a budget of NOK 4.9 billion in 2003. The proportion of development assistance that went to Norway's 24 partner countries, which are the subject of this report, increased from 64 to 65 per cent. Assistance for education increased to more than 16 per cent of the total and thereby exceeded the Government's target of ensuring that 15 per cent of all development assistance goes to this sector. Norad's efforts to increase contributions to new forms of cooperation, such as budget support, also brought results: from less than five per cent in 1999, this type of assistance accounted for 16.2 per cent of all bilateral assistance in 2003.

Assistance provided through Norwegian and international aid organizations is playing an increasing role in Norway's bilateral development cooperation. No other donor country channels such a large proportion of development assistance through players in civil society. In 2003, approximately one third of the funds administered by Norad were channelled through various organizations and their partners in poor countries. Bilateral assistance channelled through Norwegian and international aid organizations will continue to be administered by Norad.

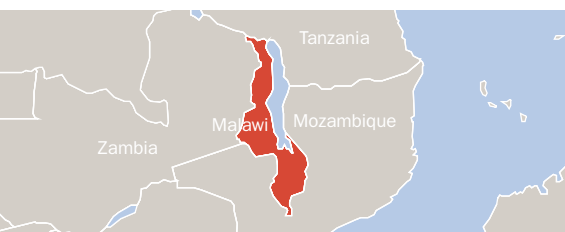
All UN member states have acceded to the Millennium Development Goals. The UN Secretary General prepares annual reports on the progress that has been made. According to the most recent report, published in September 2003, it is possible to achieve the Millennium Development Goals on a global basis. They can also be achieved at the national level in almost all countries, although the situation varies significantly between and within individual countries. However, forecasts also show that some areas of the world are highly unlikely to reach the targets, partly due to internal political conditions in individual countries and partly because the political and financial assistance provided for needy regions is far from sufficient.



Tove Strand



Malawi



Facts about Malawi

Form of government Republic

Head of State President Bakili Muluzi

Population 10.7 million*

Languages English (official), Chichewa (official)

Independence 1964

Capital Lilongwe

Per capita GDP USD 170

Annual population growth 2.21 %
(estimate for 2003)

Infant mortality 105.15 per thousand births
(2002)*

Life expectancy 36.6 years (2002)*

Literacy rate 58 % (72.8 % for men,
43.4 % for women)

HIV/AIDS infection rate approximately 14 %

Percentage population below the poverty line
65 %

Sources

CIA World Factbook 2002, World Development Indicators Database, EIU Country Profiles

* Estimated figures, CIA 2002.

(Updated March 2003)

Important partners

The Norwegian and Swedish institutions, companies and organizations cooperating with Malawi include: Norwegian Church Aid, the Atlas Alliance, the Norwegian Association of the Disabled, ABB, the Norwegian Association of Local and Regional Authorities, Fredskorpset (Partnership for Development), the Chr. Michelsen Institute, the Development Fund, NORAGRIC, the University of Oslo, Statistics Norway, the Norwegian Confederation of Trade Unions, the Swedish Office of the Public Auditor, the Raoul Wallenberg Institute, SIPU International.



Malawi was a British protectorate – Nyasaland – from 1891.

In 1953 Nyasaland joined a federation with South and North Rhodesia (later Zimbabwe and Zambia). The federation with Rhodesia was dissolved in December 1963 and on 6 July 1964 Malawi became an independent state with Hastings Banda as prime minister. Hastings Banda's rule gradually developed into a dictatorship with Banda himself as absolute ruler. Democracy and a multi-party system were not established until 1994. At the election that year, Bakili Muluzi was elected president. New presidential and parliamentary elections will be held on 18 May 2004. Malawi is one of the poorest countries in Africa and in the world and has few natural resources apart from agricultural land. Its most important export product is tobacco.

Malawi has been one of Norway's main partner countries in development cooperation since 1997. It receives a relatively large amount of international assistance and is heavily dependent on aid. In 2003 Norwegian development assistance for Malawi totalled NOK 199 million. Norway also administers Swedish bilateral assistance for Malawi.

Malawi's Poverty Reduction Strategy Paper was formulated in 2002.

Norwegian/Swedish assistance is concentrated on good governance, HIV/AIDS, macro-economic reform and health.

Due to negative economic growth and the food shortage, agriculture is included as a priority sector.

Donor coordination with Sweden

In 2001, Norad and SIDA entered into an agreement to coordinate development cooperation with Malawi. Under this agreement, the Norwegian embassy in Malawi administers development assistance funds on behalf of both Sweden and Norway. Improved donor coordination, with joint meetings, reporting and development cooperation procedures means less administrative work for the recipient country. SIDA's role is to contribute financing and provide technical assistance as and when required.

The background for this agreement was that Sweden wished to increase assistance for Africa in general, but was not represented in Malawi. Instead of establishing its own local office, it contacted Norad. The Malawian authorities have agreed to Norwegian-Swedish cooperation, which will be evaluated in 2004.

Good governance

Norway supports several programmes aimed at strengthening and developing democracy in Malawi. Among other things, 60 parliamentarians have received education in governance, economics and constitutional issues. All the tuition is provided by Malawian experts. Norway also supports a weekly radio drama on democracy and human rights, and human rights clubs in 29 upper secondary schools.

The HIV/AIDS situation is extremely serious

Approximately 14 per cent of Malawi's population is infected with HIV/AIDS. Norway will contribute NOK 52.5 million to Malawi's National AIDS Plan up to 2006. Seven other donors also provide extensive funding. One of the goals is to increase the number of HIV-infected persons who receive treatment from 3000 in 2002 to 85,000 by 2008. HIV/AIDS is increasingly a subject of public debate and all districts and most ministries have formulated their own AIDS plans. Norway has also joined forces with UNFPA and UNICEF to support HIV prevention efforts among pupils in primary and secondary schools.

The fight against tuberculosis

The Malawian authorities have established a National Tuberculosis Programme which aims to combat the spread of tuberculosis and treat infected persons. Norway has supported Malawi's National Tuberculosis Programme since 1987 and this programme is now included in Norwegian-Swedish efforts in Malawi.

The Tuberculosis Programme has achieved significant results despite the HIV/AIDS epidemic and the modest resources of the health authorities. Mortality has been substantially reduced and as many as 70 per cent of tuberculosis patients recover. This is the best recovery rate in the region and is partly due to the fact that, unlike most countries in the region, Malawi has avoided multi-resistance problems in the treatment of tuberculosis patients.

In recent years, Malawi has experienced floods and drought which have led to a serious food shortage for many people. In 2003 Malawi was ranked 162nd of the 175 countries in the UNDP Human Development Index. Life expectancy is currently less than 40 years, down from 48 years in 1990. This is primarily due to the HIV/AIDS epidemic. Approximately 14 per cent of the population between the ages of 14 and 49 are infected. There are signs that the level of infection is stabilizing.

Bilateral assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	51 609	27.7 %
HIV/AIDS	13 272	7.1 %
Economic development and trade	72 451 *	38.9 %
Good governance	29 985	16.1 %
Environment and energy	18 634	10.0 %
Emergency relief and other unspecified assistance	356	0.2 %
Total	186 307	100.0 %

* of which NOK 12.6 million was spent on agriculture.



The aim of the health sector programme is to enable districts to supply primary health services to the population. Photo: Odd Iglebæk

Since 1986, the programme has been followed up professionally by the International Union Against Tuberculosis and Lung Disease (IUATLD) and the National Association for Public Health. The programme benefits from close cooperation between donors, with joint financing, joint reporting, joint



The statistics office at the Kasungu District Hospital helps to improve information regarding the health situation in Malawi. Photo: Stein Inge Nesvåg

quarterly audits and joint six-monthly management meetings, combined with reviews. Malawi's efforts to treat infected patients have been so successful that the World Health Organization (WHO) intends to use it as a model in other African countries.



Mozambique



Facts about Mozambique

Form of government Republic

Head of State President Joaquim Alberto Chissano

Population 18.9 million (estimate 2003) UN Statistics Division of EIU, 17.5 million (estimate 2003) CIA

Languages Portuguese (official), local languages

Independence 1975

Constitution 30 November 1990

Capital Maputo

Per capita GDP USD 210 (2002), WDI

Annual population growth 0.82 % (estimate 2003) CIA, 2 % (2002) WDI

Infant mortality 199 per 1000 births (2003) CIA

Life expectancy 41 years (2002) WDI

Literacy rate 46.4 % (adults over 15) (2002-3) INE

HIV/AIDS infection rate 13.5 % (2002) MISAU

Percentage population below the poverty line 54 % (2003) INE CIA

Unemployment rate 21 % (estimate 1997) CIA

Sources

CIA World Factbook 2003; World Development Indicators Database, Instituto Nacional de Estatística (INE), Mozambique, the Mozambique Ministry of Health (MISAU).

Important partners

In development cooperation with Mozambique, Norad works with many Norwegian institutions, companies and organizations. Its most important partners include the Petroleum Directorate, the Norwegian Water Resources and Energy Directorate, the Directorate of Fisheries, the Directorate of Public Roads, the Norwegian Red Cross, Norwegian People's Aid, Save the Children Norway, NIBR, Christian Michéens Institute, Norconsult, and the Institute of Marine Research.



Mozambique is a republic in South-East Africa. It borders

South Africa, Swaziland and Zimbabwe in the south and east, Zambia in the northwest and Malawi and Tanzania in the north. Mozambique gained its independence from Portugal in 1975. After seventeen years of civil war, a peace treaty was signed in 1992. As a result of this treaty, multi-party elections were held in 1994. The next presidential and parliamentary elections will take place towards the end of 2004.

Mozambique has been one of Norway's main partner countries in development cooperation since 1977 and is one of the countries that receive the most development assistance from Norway. It also receives a large amount of international aid and is strongly aid-dependent. In 2003, Norway's development assistance for Mozambique totalled NOK 383 million, NOK 378.5 million of which was channelled through Norad.

Cooperation between Norway and Mozambique focuses on five main areas: health, energy, fisheries, decentralization and the macroeconomy/budget support. The main aim of development cooperation is to help reduce poverty in accordance with the country's own Poverty Reduction Strategy Paper (PRSP), which was adopted in 2001. The PRSP defines education, health, infrastructure, increased productivity on family farms, governance, judicial reform and fiscal and macro-economic policy as the main priority areas in efforts to combat poverty.

Development cooperation with Mozambique

In the health sector, Norway and other donors contributed to a joint general health fund. Norway also channels funds for reproductive health through the United Nations Population Fund (UNFPA). Assistance is also provided for imports of medicines and medical consumer goods and for the development of health services at provincial and district levels.

Cooperation in the energy sector is focused on responsible management of the country's hydropower and natural gas resources. It includes technical and financial assistance for the petroleum and energy directorates and the development of a nationwide power grid. All district capitals will be electrified by 2005.

In the fishery sector, Norway supports institutions responsible for managing fishery resources and working to increase food security, increase foreign currency earnings and improve living conditions for the coastal population. Assistance is also provided for a rural development programme along the coast. A review carried out in 2003 concluded that Norwegian assistance for small-scale fishermen promoted local ownership, positive development in the field of maritime policy and legislation, and good strategies for local resource management.

Norway contributes to a fairly large decentralization programme in which Norway's inputs are concentrated in the northernmost province of Cabo Delgado. Norway supports the rehabilitation of rural roads, the development of small industry and human resource development in the provincial and district administrations. Mozambique has also asked Norway to assist in a general strengthening of the government administration in accordance with the public sector reform programme (2001-2011).

With thirteen other donors, Norway contributes to a joint budget support programme. In following up this support, there is focus on the authorities' efforts to promote poverty reduction, reform the management of public finances, and generate domestic income. With other donors, Norway is supporting an ongoing financial management reform, which is expected to lead to efficiency improvements in this area. Norway also supports anti-corruption efforts, among other things by supporting the office of the Director of Public Prosecutions and through dialogue with the authorities.

Mozambique is one of the very poorest countries in the world and ranked as 170 of the 175 countries in the UNDP Human Development Index for 2003. A household survey completed at the end of 2003 shows that the proportion of the population living in absolute poverty has been reduced to 54 per cent. Most of these people live in rural areas. Mozambique's Poverty Reduction Strategy Paper (PRSP) aims to reduce absolute poverty to 50 per cent by 2010, and it is clear that this goal is within reach.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	126 044	33.3 %
HIV/AIDS	12 495	3.3 %
Economic development and trade	92 648	24.5 %
Good governance	59 533	15.7 %
Environment and energy	87 259	23.1 %
Emergency relief and other unspecified assistance	555	0.1 %
Total	378 535	100.0 %

Donor cooperation in the health sector in Mozambique

The health sector is one of the priority areas in Mozambique's Poverty Reduction Strategy Paper. In this area, Norway participates in broad-based donor cooperation. In April 2001, the Mozambican Government approved its first five-year strategic plan for the health sector. It emphasises that the strategy must be implemented in cooperation with the Government's partners in a Sector Wide Approach (SWAP).

The strategic plan for the health sector defines the following goals:

- Improve access to health services
- Improve the quality of health services
- Prevent and combat widespread epidemics
- Improve planning and budget processes in order to be able to define priorities in relation to the available resources
- Ensure more efficient use and allocation of available resources/ result-based planning
- Develop human resources and capacity
- Stress the importance of the participation of private players in the health sector, both those who work for profit and those who have more idealistic motives.



Norway provides funding for imports of medicines and the development of health services at provincial and district levels. Photo: Gunnar Zachrisen



Tanzania



Facts about Tanzania

Form of government Republic
Head of State President Benjamin Mkapa
Population 37.1 million (2002)*
Languages Kiswahili (official), English (official)
Independence 9 December 1961
Capital Dodoma
Per capita GDP USD 270 (2001)
Annual population growth 2.5 % (2002)*
Infant mortality 77.85 deaths per 1000 births (2002)*
Life expectancy 44 years **
Literacy rate 76 % **
HIV/AIDS infection rate 7.8 % (2001)
Percentage population below the poverty line 51 %

Sources

CIA World Factbook 2002,
 World Development Indicators Database,
 EIU Country Profiles
 * Estimated figures, CIA 2002
 ** UNDP Human Development Index 2003

Important partners

In its development cooperation with Tanzania, Norway works with the following Norwegian institutions, companies and organizations: The Directorate of Public Roads, the Ministry of Finance, the Agricultural University of Norway, the University College of Agder, the Norwegian Institute for Urban and Regional Research, the Christian Michelsen Institute, Norconsult, NORPLAN, the Royal Norwegian Society for Rural Development, Norwegian People's Aid, CARE Norge, SOS Children's Villages, the Norwegian Nurses' Association, the Fredskorpset (Partners for Development) and the Norwegian Confederation of Trade Unions.



Tanzania forms part of the East African mountain plateau.

Large parts of the country are protected in national parks, the best known of which are Serengeti, Ngorongoro and Arusha. Politically, Tanzania is one of Africa's most stable nations. After gaining its independence in 1961, the country developed its "African socialism", also known as "ujamaa". In the 1980s this policy was abandoned, and a multi-party system was introduced and free elections were held in the first half of the 1990s.

Tanzania is one of the very poorest countries in the world. It ranks 160th of the 175 countries in the UNDP Human Development Index 2003. The country has been a priority partner country in Norwegian development cooperation since 1966, and among those countries that have received the most Norwegian development assistance for several decades. In 2003, Norwegian development assistance for Tanzania totalled NOK 477 million, NOK 380.9 million of which was channelled through Norad. Development cooperation is based on Tanzania's poverty reduction strategy paper, which was drawn up in 2000. Focus is on budget support and assistance for programmes in the sectors of good governance, social development with emphasis on education, and rural development with emphasis on access roads and natural resource management. Budget support includes support for financial management and implementation of the poverty reduction strategy.

When the ujamaa policy and strong government participation in the private sector did not lead to the desired results, Tanzania was plunged into a deep economic crisis in the early 1980s. This led to the implementation of several structural adjustment programmes with the assistance of the International Monetary Fund (IMF) and the World Bank. These programmes continued in the 1990s. Key objectives of the reform policy were increased focus on the private sector, which has led to extensive privatization of government property and liberalization of fiscal policy in the course of the 1990s.

Tanzania has initiated several major reform programmes in its public administration in recent years. One of the main objectives is to reform the local administration responsible for delegating authority and resources at the local level in order to ensure better services close to users. Agriculture, which is clearly the most important economic sector, provides a livelihood for around 88 per cent of the population.

Tanzania now enjoys macro-economic stability. In 2002 the growth rate was 6.2 per cent and the inflation rate about 4 per cent. However, the growth rate is lower than it should be to really improve the economy and reduce poverty.

The reform programme in the public administration sector is considered to be pivotal to efforts to reduce corruption in the public sector. Among other things, this means strengthening the institutions that have been established to combat corruption. While progress has been made in these institutions, it will take

some time before they can operate effectively due to lack of capacity and expertise.

Rural development

The sector programme in the fields of environment and natural resource management, which aims at helping to reduce poverty particularly in rural areas, is progressing as planned. Broad-based training has been provided in the use of energy-saving ovens and local game-keepers have been trained in wildlife management. At Mafia Island Marine Park, the village population has begun to earn an income from lawful activities rather than activities that are harmful to the natural environment. There is emphasis on involving the local community in the management programme. Investments in capacity-building to enable the local authorities to participate have led to increased food security and higher earnings for small farmers, particularly women.

The development of transportation services in rural areas has facilitated necessary transport and improved social conditions, particularly for women. Roads have been upgraded and women now have free time to devote to productive activities. This has been achieved at a low cost.

The goal is to halve the percentage of the population living below the poverty line by 2010 in both urban and rural areas. Between 1991/92 and 2000/01 the percentage of poor living below the poverty line was reduced from 38.6 to 35.7.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	109 859	28.8 %
HIV/AIDS	7 543	2.0 %
Economic development and trade	211 965	55.6 %
Good governance	24 589	6.5 %
Environment and energy	26 716	7.0 %
Emergency relief and other unspecified assistance	260	0.1 %
Total	380 932	100.0 %



Improving public roads enables people to spend more time on productive activities. Photo: Mette Winther



Uganda



Facts about Uganda


Form of government Republic ("zero party system")
Head of State President Yoweri K. Museveni
Population 24.6 million (according to the 2002 census)
Languages English (official), several local languages
Independence 1962
Capital Kampala
Per capita GNP USD 250 (2002)
Annual population growth 2.96 %*
Infant mortality 87.9 per thousand births*
Life expectancy 44.88 years
Literacy rate 69.9 % (adults over 15)
HIV/AIDS infection 600,000 persons (2001 estimate)
Percentage population below the poverty line 38 % (2002-2003)

Sources

CIA World Factbook 2003
 World Development Indicators Database
 * Estimated figures, CIA 2003

Important Norwegian partners

The following Norwegian institutions and organizations take part in development cooperation with Uganda: Statistics Norway, Statskog SF, the Norwegian Water Resources and Energy Directorate, the Confederation of Norwegian Business and Industry, the Norwegian Confederation of Trade Unions, the Norwegian Refugee Council, Save the Children Norway, the Norwegian Red Cross, Norwegian Church Aid, the Stromme Foundation, the Royal Norwegian Society for Development, Lions Aid Norway, the Norwegian Association for the Blind and Partially Sighted, Caritas Norway, the Atlas Alliance, FOKUS, the Pentecostal Foreign Mission of Norway, Hand in Hand Uganda, Quaker Service Norway, the Norwegian Bar Association, the Norwegian Physiotherapist Association, the Christian Relief Network, Friends of Uganda, Norplan AS, Jacobsen Electro, ABB and Norconsult.

 Uganda, which is often described as "The Pearl of Africa", was one of Norway's first priority partner countries in development cooperation. Cooperation between the two countries was discontinued in 1973 during the terror regime of Idi Amin and resumed in the second half of the 1980s.

Since President Museveni came to power in 1986, Uganda has had a political "zero party system", based on the principle of an individually participant democracy. In 2001 President Museveni was re-elected for a second and, according to the Constitution, final five-year period.

Uganda receives a substantial amount of international assistance and is highly dependent on aid. It was the first country in Africa to produce its own poverty reduction strategy paper in 1997. In 2003, Norwegian assistance for Uganda totalled NOK 271.6 million, NOK 247.9 million of which was channelled through Norad. The main areas of focus in development cooperation between Norway and Uganda are good governance, human rights, democratic development, economic growth, development of the productive sector and social development. There is general emphasis on HIV/AIDS, anti-corruption measures, women and gender equality, institution-building and the environment.

Economic development

Until fairly recently, Uganda's annual economic growth rate was stable at around 6 per cent. However due to the global economic decline, falling prices for coffee, which is Uganda's most important export product, and higher oil prices it has become more difficult to maintain this

high rate of growth. Economic growth is estimated to have been 4.4 per cent in 2003.

Budget support

In 2003, Norad channelled its budget support, which amounted to NOK 61.8 million, to the Poverty Action Fund (PAF), which is earmarked for primary health care, basic education, rural roads and monitoring and control mechanisms. The fund is protected from expenditure cuts. If Uganda's revenues are lower than estimated, cuts must be made in sectors other than those linked to the Fund. Earmarked assistance for the health sector is also channelled through the PAF.

Education

Universal primary education has been introduced, but families must cover certain costs, including writing materials and school uniforms. Almost 80 per cent of children start school, but only 40 per cent complete four years of education. The drop-out rate is particularly high among girls. Nevertheless, the focus on education has brought results, for girls too. The number of children who can read and write has more than doubled since 1999. All the same, it appears unrealistic to believe that Uganda will be able to achieve the Millennium Development Goal of universal primary education by 2015. In the over-18 age-group the strongest rise in the literacy rate has been among women, where it rose from 51 per cent in 1999 to 64 per cent in 2002.

Health

Uganda is one of the few countries in sub-Saharan Africa that has managed to reverse the AIDS epidemic. The proportion of HIV-infected persons dropped from 20 per cent in 1992 to 6 per cent in 2003. The main reason for this is assumed to be the openness of political leaders in breaking down the cultural taboos associated with HIV and AIDS. Nevertheless, the HIV/AIDS disaster has had a strong impact on Uganda's population. Today, there are one million children who have lost their parents due to AIDS.

Infant mortality in Uganda is higher than in neighbouring countries. To improve the situation, primary health services became free of charge from 2001 and the number of visits to doctors has increased by 77 per cent. Malaria is the most deadly disease in Uganda. One of the reasons for the prevalence of malaria in Uganda is that only 13 per cent of the population have mosquito nets.

Energy

In the period 1995-2002, Norad contributed approximately NOK 400 million to the energy sector. Support for improvements and expansion of Owen Falls and the electricity grid has been essential to meet the growing demand for electric power and has reduced both rationing and unplanned power cuts. The proportion of the population linked to the power

Uganda is ranked as 147 of the 175 countries in the UNDP Human Development Index for 2003. The proportion of the population living below the poverty line is estimated to have declined from 56 per cent in 1992 to 35 per cent in 2000. Recent surveys indicate that the number rose again to 38 per cent in 2002-2003. The authorities' goal is to reduce the proportion of people living under the poverty line to 10 per cent by 2017.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	102 768	41.4 %
HIV/AIDS	5 838	2.4 %
Economic development and trade	77 723	31.3 %
Good governance	23 447	9.5 %
Environment and energy	36 430	14.7 %
Emergency relief and other unspecified assistance	1 731	0.7 %
Total	247 937	100.0 %

grid has increased from 5 per cent to 7 per cent, and this in a period when the population has grown rapidly (3.4 per cent). Moreover, Norway's assistance has contributed to a comprehensive re-structuring of the electricity sector with a view to rationalization and paving the way for private investment. Prices have been increased and now reflect the actual costs. State subsidies for electricity supplies have thereby been reduced or totally eliminated.

Norway has been Uganda's most important partner in the forestry sector since development cooperation began. Uganda is experiencing a growing gap between the supply of and demand for forestry products due to deforestation and poor management. Wood and charcoal account for more than 90 per cent of the

country's energy consumption, and much of the burden of having to cover increasingly large distances to find fuel is borne by women and children. The main result of Norway's assistance is that plans have now been adopted for extensive restructuring of the forestry sector, with a view to achieving sustainable, efficient and less corrupt resource management and facilitating the participation of the local community and the private sector in the development of forest resources. Uganda has an extremely rich natural heritage (1300 species of trees and 11 per cent of the world's bird species) and conservation of biodiversity in forest areas is an important objective of these efforts.

Owen Falls Power Plant. Photo: Marianne Rønnevig





Zambia



Facts about Zambia

Form of government Republic
Head of State President Levy Mwanawasa
Population 9.9 million (2002)*
Languages English (official), many local languages
Independence 24 October 1964
Capital Lusaka
Per capita GDP USD 396 (2003 estimate)
Annual population growth 1.9 % (2002)*
Infant mortality 89.39 deaths per 1000 births (2002)*
Life expectancy 37.35 years (2002)*
Literacy rate 78.9 % (adults over 15 years of age)
HIV/AIDS infection rate 16 %
Percentage population below the poverty line 86 %


Sources

CIA World Factbook 2002,
 World Development Indicators Database,
 EIU Country Profiles

* Estimated figures, CIA 2002

Important partners

In development cooperation with Zambia, Norad works in close cooperation with the following Norwegian institutions, companies and organizations: The Ministry of Education and Research, the Centre for International Education at Oslo University College (LINS), Norwegian Church Aid, the Directorate of Public Roads, the Norwegian Pollution Control Authority (SFT), Agder Research Foundation, Save the Children Norway, Det Norske Veritas, the Office of the Auditor General, World Wildlife Fund, Médecins sans Frontières, the Norwegian Confederation of Sports, FOKUS and the Norwegian Confederation of Trade Unions.

 Zambia is one of Africa's richest countries in terms of natural resources, with significant mineral deposits and good conditions for farming. When it became an independent country in 1964, Zambia had a developed economy in many ways, with a larger industrial base and a higher degree of urbanization than most other countries in Africa. Nevertheless, 73 per cent of the population live below the poverty line. Low economic growth, an explosive HIV/AIDS epidemic, dependence on copper for export earnings, an unproductive agricultural sector, coupled with poor planning and governance, are some of the main causes of the country's poverty.

Zambia has been one of Norway's most important partner countries since 1967. Norway is one of the largest bilateral donors in Zambia, which receives a relatively large amount of international development assistance and is heavily dependent on such aid. In 2003 Norwegian development assistance for Zambia totalled NOK 252 million. Zambia drew up a poverty reduction strategy paper in 2002. The main pillars of development cooperation between Norway and Zambia are education, good governance, roads and natural resource and wildlife management. Norway also provides support for agriculture, but this assistance is channelled through the Netherlands. HIV/AIDS, gender equality and private sector development are ongoing topics.

Norway as development cooperation partner in Zambia

Norway is one of the biggest bilateral donors of development assistance for Zambia, after the UK, Japan and the USA. The World Bank and other parts of the UN system are also extensively involved in Zambia. Like other countries that receive a great deal of assistance, Zambia devotes a very large amount of resources to innumerable meetings with its many donors and varying reporting requirements. In March 2003, the Zambian authorities and seven bilateral donors from the Nordic countries, the Netherlands, Ireland and the UK agreed on a "harmonization in practice" initiative. Harmonization means that donors act as a single, coordinated unit and that they adapt their procedures to the recipient country's systems and routines. This will reduce Zambia's administrative costs and lead to more effective development assistance. Over time, donors' transaction costs are also expected to be reduced. The aim of this initiative is to achieve full harmonization of development cooperation in all sectors and between all donors, under the leadership of the Zambian authorities. Support for the education programme is one example where donors contribute funds in a common basket, making it possible for Zambia to deal with a single donor forum.

Education

Zambia is the country that receives the most Norwegian bilateral support for education. In the past few years, Norway has been one of the biggest donors of assistance for the education sector in Zambia. In autumn 2003 Norway signed a major agreement with the Zambian

Ministry of Education to provide almost NOK 500 million over a period of five years. The Norwegian Ministry of Education and Research and the Zambian Ministry of Education have entered into institutional cooperation aimed at reorganizing the administration of education in Zambia at central, regional and local levels, making better use of resources, developing model schools, developing statistics and providing support for HIV/AIDS prevention programmes. Save the Children Norway and Norwegian Church Aid also receive funding for development cooperation programmes with Zambian partners in the education sector.

In 2003, Norway provided NOK 82 million for the national education programme. The number of newly trained teachers doubled from 2000 to 4000 in the period 1999-2001. Six hundred new classrooms were built of a total of 1350 that were planned. The proportion of the population who can read and write increased from 69 per cent in 1990 to 79 per cent in 2000. Net basic school attendance rose from 72 per cent in 2002 to 76 per cent in 2003. The goal is to achieve 100 per cent by 2015. The percentage of children who complete primary and lower secondary school rose from 66 per cent in 2002 to 73 per cent in 2003.

Private sector development and the road sector

Zambia has great potential for economic growth in the agriculture and tourism sectors. An important prerequisite for development in these industries is a well developed and well maintained road network. While the network of main roads in Zambia is relatively well developed, the standard of the other roads is generally poor. The need to improve infrastructure is a central element of Zambia's Poverty Reduction Strategy Paper (PRSP). Norway has been an active donor to the public roads sector in Zambia, and

Zambia is ranked as 163 of the 175 countries in the UNDP's latest Human Development Index (2003).

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	124 954	50.2 %
HIV/AIDS	25 151	10.1 %
Economic development and trade	43 104	17.3 %
Good governance	24 536	9.9 %
Environment and energy	30 137	12.1 %
Emergency relief and other unspecified assistance	945	0.4 %
Total	248 827	100.0 %



contributed NOK 27 million in 2003. Norway has provided assistance for the institutions that manage the road sector in Zambia, and Norwegian public road authorities and centres of expertise have worked closely with their Zambian colleagues within the framework of a variety of agreements. Since 1995, the percentage of roads of a good standard has increased from 20 per cent to 57 per cent, and over 16,000 jobs have been created.

Natural resource management with emphasis on the wildlife sector

Norway has contributed actively to the establishment of the government administrative body, the Zambia Wildlife Authority, which is responsible for managing Zambia's national parks and wildlife resources. For over ten years, Norway has provided support for a local wildlife management programme in the Luangwa Valley around the national park in South Luangwa. One of the goals of the programme is to increase awareness



The Mpunde Girls' Secondary School located approx about three hours' drive from Lusaka.
Photo: Tone Bratteli

of the importance of conserving and developing wildlife resources in an ecological perspective, and as a basis for tourism and private sector development. This programme has been highly successful. Revenues generated by tourism in this area are estimated to be around NOK 50 million. This amount includes earnings from commercial hunting in the hunting reserves outside the national park. Some of these funds are allocated to the local population for use for priority development objectives.



Bangladesh



Facts about Bangladesh

Form of government Republic

Head of State Jajuddin Ahmed (since September 2002)

Prime Minister Khaleda Zia (since October 2001)

Population 138 million (2003)*

Languages Bangla (official, also known as Bengali), English

Independence 16 December 1971

Capital Dhaka

Per capita GDP USD 380

Annual population growth 2 % (2003)*

Infant mortality 51 per thousand births* (HDR 2003)

Life expectancy 61 years

Literacy rate 47 % (2002)* (Bangladesh Bureau of Statistics)

HIV/AIDS 13,000 persons infected (2003)*

Percentage population below the poverty line 36 % (HDR 2003)

Sources

CIA World Factbook 2003.

* Estimated figures, CIA 2003.

Important partners

The following Norwegian institutions, companies and organizations are important partners in development cooperation with Bangladesh: the Petroleum Directorate, LINS (the Centre for International Education at Oslo University College), Telenor, Norwegian Church Aid, Normisjon, the Strømme Foundation, the Norwegian section of Service Civil International, the Norwegian Institute for Cultural Heritage Research, and CMI.



The Republic of Bangladesh is one of the most densely populated countries in the world, with a population of 138 million and an area less than half the size of Norway. Despite the fact that Bangladesh achieved relatively good economic growth throughout the 1990s, poverty reduction has been slow, averaging one percentage point per year. The country is regularly affected by natural disasters, particularly floods, but has built up a good emergency system to deal with them in recent years.

Norway's development cooperation with Bangladesh began when the country gained its independence in 1971. It has been one of Norway's main partner countries since 1975. Cooperation focuses on education, private sector development, governance and human rights, and particularly on women and gender equality. Bangladesh receives relatively little international development assistance and is dependent on it to only a limited extent. Development assistance accounts for only 2.1 per cent of GNP and amounts to USD 8 per capita. In 2003, development assistance from Norad to Bangladesh totalled NOK 123.4 million and Bangladesh received the least assistance of all Norway's partner countries. Norway and Bangladesh signed a new Memorandum of Understanding in April 2003.

The many years of slow but sure social development have continued. Bangladesh is among the least developed countries (LDCs) that have made the greatest progress in relation to the Millennium Development Goals. Annual economic growth is just over 5 per cent. Poverty reduction has been delayed by growing income disparities. With the current distribution, annual economic growth must rise to 7 per cent if poverty is to be halved by 2015. It will be impossible to achieve other Millennium Development Goals unless development improves. Literacy and maternal mortality rates are improving only slowly because large groups are dependent on services that are of poor standard. Malnutrition did not decline in the period 1990-2000 and is still 35 per cent (HDR 2003), despite the fact that Bangladesh has become almost self-sufficient in terms of food production in recent years.

The economy and the economic reform programme have developed positively in the past year. In contrast with this, and with the relatively positive trend in social development, the governance situation remains as difficult as ever. Politics is dominated by an exacerbated conflict between the two largest political parties, the Bangladesh Nationalist Party (BNP) and the Awami League (AL). Politically motivated assassinations, threats and violence are widespread. Parliament is boycotted by the opposition. Corruption is rife and Bangladesh is ranked as the most corrupt country on Transparency International's list. A decision has been made to establish an Anti-Corruption Commission, but it is unlikely to start work until the end of 2004. A Human Rights Commission has

still not been established. The impoverished majority of the population suffer from uncertainty and arbitrary treatment, and women and minorities are particularly vulnerable. Despite signs of progress for women's rights, women are still exposed to widespread discrimination. Many people regard the police as a threat to their personal safety.

Education

Education is the main focus of development cooperation and a programme aimed at improving the quality of primary school education has, among other things, contributed to the training of approximately 13,500 teachers over a 6-year period. The programme is currently nearing completion, but many of the activities will continue under a new national sector programme for basic education.

Under a grant programme for girls in secondary education, grants have been provided for approximately 170,000 girls. As a result of the grant programme, girls accounted for more than 50 per cent of pupils in secondary schools in 2003. Two large local Non-Governmental Organisations (NGOs) receive support for informal basic education for 4,500 children in 1,500 schools, informal basic education for 21,000 working children, and vocational training for 1,600 young people.

Support for credit funds

Support provided for two state banks has been used to establish special credit funds for small enterprises. Credits and advisory services for small enterprises will continue to be provided through the local development bank, Rajshahi Krishi Unnayan Bank (RAKUB). Although this project only began in May 2003, it has already achieved good results. More than 300 small enterprises have taken up, short-term loans and the repayment rate is almost 100 per cent.

Bangladesh ranks 139th of the 175 countries in the UNDP Human Development Index for 2003, up six places from the last ranking. It is estimated that approximately 35 per cent of the population is living on less than one US dollar a day, which means that Bangladesh is one of the poorest countries in the world.

Bilateral assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	53 584	43.4 %
HIV/AIDS	546	0.4 %
Economic development and trade	36 800	29.8 %
Good governance	9 774	7.9 %
Environment and energy	22 724	18.4 %
Emergency relief and other unspecified assistance	2	0.0 %
Total	123 429	100.0 %



Textile production provides a living for many women in Bangladesh. Photo: Per Kristian Lunden

The energy sector

In the energy sector, the programme of assistance for rural electrification in two geographical areas is nearing completion, having achieved its aims.

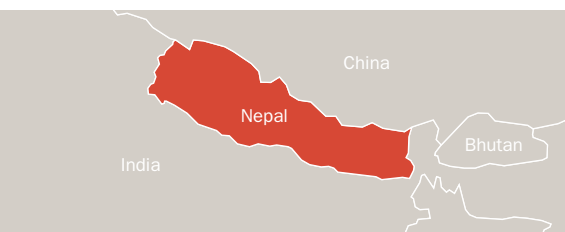
Human rights

Human rights activities are mainly aimed at promoting women's rights by supporting a number of local women's organizations. The organizations supported by the Norwegian embassy reach more than one million women through direct measures. Furthermore, they reach more than eight million women through networks and

alliances. Free legal aid was provided for more than 25,000 cases through organizations supported by the embassy. Norway has otherwise contributed to the redistribution of approximately 620 acres of land to landless people. Efforts to promote children's rights are included in the education programme. Support is also provided for anti-corruption projects and to promote critical journalism.



Nepal



Facts about Nepal

Form of government Parliamentary democracy and constitutional monarchy

Head of State King Gyanendra Bir Bikram Shah

Population 26.4 million (estimated July 2003)

Languages Nepali (official language, 90 %), local languages

Independence 1768 (united into a single kingdom)

Capital Kathmandu

Per capita GNP USD 230

Population growth rate 2.26 % (2003 estimate)

Infant mortality 70.57 deaths per 1000 births

Life expectancy 59 years

Literacy rate 45.2 % (adults over 15)

HIV/AIDS infection rate 0.5 % (adults aged 15-49) (2001 estimate)

Percentage population below poverty line 42 % (1995-96)

Unemployment rate 47 % (2001 estimate)

Sources

CIA – The World Fact Book 2003
OECD, DAC; Statistics, Development,
Aid at a Glance Chart

Important partners

In development cooperation with Nepal, NORAD works closely with the following Norwegian institutions and organizations: the Ministry of Education and Research, the Norwegian Water Resources and Energy Directorate (NVE), the Directorate for Nature Conservation, Norplan, Statkraft, Save the Children Norway, the Norwegian Federation of Organizations of Disabled People (FFO), the Norwegian Heart and Lung Association, the Norwegian Association of the Blind and Partially Sighted, the Norwegian Himal-Asia Mission, the Norwegian Bar Association, the Norwegian Red Cross, the Development Fund, NORAGRIC, NTNU and the Norwegian Association of Local Authorities.



The kingdom of Nepal lies between two of the world's most populous states, India and China. The country's topography is varied, ranging from lowland plains in the south to the highest mountain in the world, Mount Everest in the Himalayan Massif in the north. Nepal is the poorest country in South Asia and has been one of Norway's main partners in development cooperation since 1996. In autumn 2002 Nepal adopted a Poverty Reduction Strategy Paper. Development cooperation with Norway is concentrated on basic education, private sector development and energy, good governance, human rights and peace building.

The cease-fire entered into between the authorities and the Maoist rebels at the beginning of 2003 was breached at the end of August the same year and the Maoist conflict has since intensified. This has exacerbated the human rights situation. Since 2002 Nepal has had no popularly elected bodies at the central or local level. The country is ruled by a government directly appointed by King Gyanendra Bir Bikram Shah. In February 2004 the government was headed by Prime Minister Surya Bahadur Thapa of the Royalist Party.

Nepal receives relatively little international development assistance, services its international loans and receives no debt relief. In 2002, development assistance accounted for 6.5 per cent of GNP and USD 15 per capita. In 2003, assistance provided by Norway amounted to approximately 3.2 per cent of the total development assistance received by Nepal. This is equivalent to about NOK 3.4 per capita. In 2003, Norwegian

development assistance for Nepal totalled NOK 143.1 million, NOK 124.9 million of which was channelled through Norad.

New opportunities for sex workers

Girls of the Badi caste are born to be prostitutes. But education offers them new self-confidence and other dreams.

Article by Anne Hege Simonsen

"Life is like a stone," sings Salu Joshi in a silvery, melancholy voice. We are sitting on the living room floor in a girls' boarding school in Nepalganj, a town in the Banche district of the Mid-Western region of Nepal. Forty girls live in the house and almost half of them are sitting in front of us, clad in freshly ironed attire and curious about why we are there. Salu's song is about discrimination and inequality. It fills the simple room where a black-board and a couple of tall glass-doored bookcases testify to ambitions for change. A list of all the girls' names hangs near one of the doors. All but three or four of them are surnamed Nepali, the most common name among persons of the Badi caste. Badis are sex workers, one of the lowest castes on the social ladder in Nepal. Salu is lucky. She has her father's name, something only very few Badi can claim. Often they do not know who their fathers are, or the fathers refuse to acknowledge their children. And without a father it has been difficult to acquire full civil rights in Nepal, which also makes it difficult to obtain an education. Until recently, schools refused to register fatherless children. The girls' boarding school, which is partly funded by Save the Children Norway, was started to help Badi girls to a better future.

The idea is that it will be easier to break traditional barriers by giving them an education outside their village.

"I want to show people that a Badi can do something other than be a prostitute. There are other ways of earning money. I want to have an education so that I can protect myself and stand on my own feet," says 17-year-old Susma Nepali.

Condoms by post

The girls come from different places within and outside Nepalganj. Most of them have a supportive network in their home community, but it has not been entirely easy to get people to accept that these girls want a future other than prostitution. When the boarding school was established, some people thought it was a brothel and the girls were sent condoms by post. The girls describe the strict discipline of their daily life. They rise with the sun at 5 or 6 a.m., as is customary in Nepal. The first few hours are spent cleaning, washing and praying. At around 7 a.m. they do their homework, then eat breakfast, and at around 9 a.m. they walk to school. Their school day lasts until 4 p.m., and after a little time for rest and play there is extra tuition for those who need it and studying in the library.

At 7 p.m. it is time for prayer, followed by dinner, and at 9 p.m. bedtime.

On Fridays, there is time for a little entertainment in the evening, when they sing and dance for one another. "Everyone associates Badis only with sex. Many of the girls here thought that was the way things are as well. But here we can talk to each other and have discussions.

Now we know that we are discriminated against," says Susma, adding that there are prostitutes in all castes. At the boarding school the girls' dreams for the future vary widely. Some of them want to be nurses, others doctors. One hopes to become a teacher, while another wants to be a social worker. Salu and two other girls would like to be singers. Susma plans to study law. "I want to help solve

Nepal is ranked as 143 of 175 countries in the UNDP's latest Human Development Index (2003). In terms of per capita income, Nepal is the 12th poorest country in the world and the poorest in South Asia. The percentage of the population living below the poverty line is estimated to have been reduced from 42 per cent in 1996 to 38 per cent in 2001. This means that approximately 10 million people still live in extreme poverty. The goal of the authorities is to reduce this percentage to 32 per cent by 2008. Nepal acknowledges that it will not achieve the Millennium Development Goal of halving the percentage of persons suffering from extreme poverty and hunger by 2015.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	82 206	65.8 %
HIV/AIDS	875	0.7 %
Economic development and trade	3 365	2.7 %
Good governance	20 786	16.6 %
Environment and energy	17 340	13.9 %
Emergency relief and other unspecified assistance	298	0.2 %
Total	124 872	100.0 %

people's problems. The information lawyers use is often wrong, and often they don't listen to the right people. I think law is a good way to change society," says Susma.

Organized resistance

The girls' boarding school is run in close cooperation with the Badi organization SAFE. The organization was founded in 1992 by a group of young people who were no longer willing to accept the current situation. "Ninety per cent of Badi women suffer from sexually transmitted diseases. Many of them are victims of abuse. It was a part of their everyday lives. But then a nine-year-old girl was raped. The authorities refused to accept the formal complaint because they considered that it was something one "had to expect in a red-light district". That made us understand that we had to join forces. We had to do something for our children," relates Ashok Nepali, one of the SAFE leaders. Education and health have been SAFE priorities since the start. But both doctors and teachers discriminated against Badi children. The organization therefore collected funds to start their own school, and gradually they received support from international aid organizations such as Save the

Children Norway and Save the Children USA, the International Labour Organization (ILO) and PLAN International.

"After a few years in our school, children who passed the examination could continue their education in public schools. Today some of the best pupils are low-caste children," says Nepali with poorly concealed pride. Norway is one of several cooperation partners that support the development and improvement of the public primary school system in Nepal. The sector programme designed for this purpose shows that a growing number of children from outlying districts are also enrolling in school and that more children are completing their schooling. Girls, particularly from the country's poorest population groups, are still underrepresented, even though the authorities report a gradual increase in the number of girls who start school.



Angola



Facts about Angola

Form of government Republic

Head of State Jose Eduardo dos Santos

Population 11 million (1995 est.). Estimated to be 16 million by 2010

Languages Portuguese (official), Kikongo, Kimbundo, Umbundu, Chokwe, Mbunda and Oxikwanyama

Independence 1975

Capital Luanda

Per capita GDP USD 550 (1996)

Annual population growth 3 %

Infant mortality 160 per thousand births

Life expectancy 42 years

Literacy rate 49 % (adults over 15)

HIV/AIDS infection rate 8.6 %* (adults 15-49)

Percentage population below the poverty line

63.2 % live below the poverty line, while

24.7 % live in extreme poverty.*

Sources

The Republic of Angola's official website, Angola 2002/2003 – Key Development Issues and Democratic Decentralisation, Chr. Michelsen Institute, 2003.

Important partners

In its development cooperation with Angola, Norad works with the Petroleum Directorate, the Norwegian Water Resources and Energy Directorate, the Institute of Marine Research, Norwegian People's Aid, the Norwegian Refugee Council, Save the Children Norway, Norfund, Norwegian Church Aid, Christian Michelsen Institute, Statoil, Norsk Hydro, Kværner, Det norske Veritas and others.

Angola gained its independence from Portugal in 1975 but this was followed by a long civil war.

After the Government won a military victory, a peace treaty was signed between the UNITA rebel movement and the Government in 2002. Elections are planned, but it is uncertain when they will take place.

Norway's development cooperation with Angola began on a modest scale in the second half of the 1980s. It increased from the beginning of the 1990s, initially in the form of humanitarian assistance. From the latter half of the 1990s, Norway's involvement in the oil sector brought a new dimension to the two countries' development cooperation. In 2003 a framework for cooperation with Angola was formulated which runs until 2005, when another review will be carried out.

The main goal of Norway's involvement in Angola is to contribute to lasting, stable peace based on:

- National and regional security
- Democratic development and good governance
- Management of resources that promotes poverty reduction and sustainable economic and social development.

Angola has vast natural resources. Poverty is widespread and the destruction after many years of war is enormous. The country needs support for both physical reconstruction and human resource development in the short and medium term.

Assistance for Angola is spent on measures aimed at sustainable exploitation of natural resources and on efforts to promote democratization and good governance. Assistance is provided for areas such as demining, institutional support for the fishery and energy sectors, humanitarian projects and education. Development assistance for Angola in 2003 totalled NOK 171.5 million.

Angola ranks as 164 of 175 countries in the UNDP Human Development Index for 2003.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	49 422	46.5 %
HIV/AIDS	1 227	1.2 %
Economic development and trade	12 625	11.9 %
Good governance	35 431	33.3 %
Environment and energy	7 017	6.6 %
Emergency relief and other unspecified assistance	587	0.6 %
Total	106 308	100.0 %



Eritrea



Facts about Eritrea

Form of government One-party state
Head of State President Isaias Afworki
Population 4.3 million (2002)
Official languages Tigrinia, Arabic, English
Minority languages Afar, Tigrai, Saho, Kunama, Bedawi, Nara, Bilen
Independence 1993 (from Ethiopia)
Capital Asmara
Per capita GDP USD 160
Annual population growth 2 % (2002)
Infant mortality 76.36 per thousand births
Life expectancy 51 years
Literacy rate 58.6 %
HIV/AIDS infection rate 2.8 %
 (2001 estimate, adults)
Percentage population below the poverty line 53 % (1993-94)

Sources

CIA World Factbook 2003, World Development Indicators Database, Interim Poverty Reduction Strategy Paper of Eritrea.

Important partners

In development cooperation with Eritrea, Norad works with the following Norwegian institutions and organizations: Norwegian People's Aid, Norwegian Church Aid, the Norwegian Red Cross, the Norwegian Association for the Blind and Partially Sighted, The Atlas Alliance and the Development Fund.



After a long war of liberation against Ethiopia, Eritrea was declared an independent state in 1993. The period of reconstruction and development that followed was interrupted in 1998 when the war with Ethiopia broke out again due to a border dispute. During the war of liberation, Eritrea received extensive development assistance from Norway, primarily channelled through non-governmental organizations. Assistance for Eritrea has been reorganized several times due to war and conflict.

Eritrea finds itself in a serious, far-reaching political, economic and social crisis. The elections that were planned have not taken place and constitutional reform has not been completed. Political opponents are imprisoned without trial. Progress in the peace process with Ethiopia has come to a halt because Ethiopia does not recognize the ruling of the Border Commission. The unresolved

border conflict overshadows most other issues in the country and forms the background for what is done by the authorities. Eritrea is suffering from a prolonged drought.

Eritrea is becoming increasingly dependent on emergency relief and development assistance. In 2003, Norwegian development assistance for Eritrea totalled NOK 152.5 million, NOK 56.2 million of which was channelled through Norad. The country's Interim Poverty Reduction Strategy Paper (I-PRSP) was adopted in 2003. Development cooperation focuses on two priority areas: peace, reconciliation and regional stability, and democracy, human rights and governance. Assistance from Norway includes activities in the field of emergency relief, rehabilitation, mine-related activities, HIV/AIDS prevention, capacity development in the agricultural sector, cooperation on statistics and teacher training.

Eritrea ranks as 155 of the 175 countries in the UNDP Human Development Index. Approximately one third of the country's poor live in urban areas and this proportion is increasing. The authorities' Food Security Plan aims to halve these figures by 2015.

Bilateral assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	39 422	70.2 %
HIV/AIDS	1 585	2.8 %
Economic development and trade	4 892	8.7 %
Good governance	9 087	16.2 %
Emergency relief and other unspecified assistance	1 207	2.1 %
Total	56 193	100.0 %



Ethiopia



Facts about Ethiopia


Form of government Federal republic
Head of state Prime Minister Meles Zenawi
Population 70 million (UNFPA 2003)
Languages Amharic, Oromifa, Tigrinja and some 80 local languages
Independence Ethiopia has never been colonized
Capital Addis Abeba
Per capita GDP USD 94 (2003)
Annual population growth 2.4 %
Infant mortality 116 deaths per 1000 births (2001)
Life expectancy 43 years
Literacy rate 58 % (adults over 15)
HIV/AIDS infection rate 7-10 % (adults aged 15-49)
Percentage population below the poverty line 44 % (World Bank), 82 % (UNDP)

Sources

The World Bank (2002), the UNDP (2003), the UNFPA (2003) and UNAIDS (2003)

Important partners

The most important Norwegian partners in development cooperation with Ethiopia are Norwegian Church Aid, Save the Children Norway, Norwegian People's Aid, the Norwegian Lutheran Mission and the Norwegian Missionary Society. Other important partners are the Development Fund, CARE Norway, The Norwegian Council for Higher Education's Programme for Development Research and Education (NUFU), the University of Oslo, the University of Bergen, the Christian Michelsen Institute (CMI), the Agricultural University of Norway/NORAGRIC and the Gimlekollen School of Journalism and Communication.

 Ethiopia is located on the Horn of Africa and is, with its around 70 million inhabitants, one of the most populous countries in Africa. Large areas in the north are mountainous, while the southern and eastern parts of the country are lowlands. The combination of drought and armed conflicts have created an almost permanent humanitarian crisis in large parts of the country.

Ethiopia's poverty reduction strategy paper was adopted in 2002. Agricultural development, administrative reforms, decentralization and capacity building are the cornerstones of this document. Development cooperation with Ethiopia is based on two pillars: peace, reconciliation and stability and human rights, democracy and good governance. Other priority areas for Norwegian development assistance are food security and HIV/AIDS.

Formally speaking, Ethiopia is a federal republic in which ethnic-based regions have local autonomy. In reality, however, all important decisions are controlled by the dominant party, the *Tigray Peoples Liberation Front* (TPLF). Military force is used increasingly frequently to counter ethnic unrest in peripheral areas, and the border dispute with Eritrea has yet to be

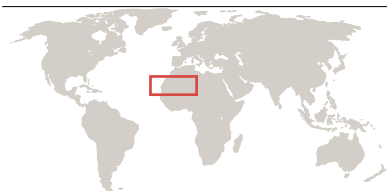
resolved. There is limited scope for democracy, particularly at the local level, and there is little transparency or open debate in the political sector. The human rights situation is difficult. The parliamentary elections due to be held in May 2005 will be an acid test for the country's democratization process.

Ethiopia receives relatively little development assistance, considering the size of its population. Nevertheless, the country is highly dependent on such assistance, due to low coffee prices, cyclical droughts and its rapidly swelling population. In April 2004 Ethiopia was granted extensive debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. Ethiopia is ranked as 169 of the 175 countries on the UNDP's latest Human Development Index (2003). In terms of per capita income, Ethiopia is one of the very poorest countries in the world. The percentage of the Ethiopian population living on less than one US dollar per day is estimated to be 82 per cent (UNDP 2003), while 44 per cent live below the poverty line, according to the World Bank (2003). Ethiopia will not achieve the Millennium Development Goal of halving the percentage of people suffering from extreme poverty and hunger by 2015.

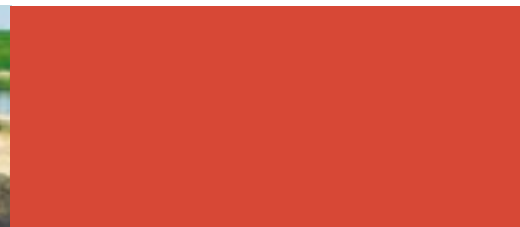
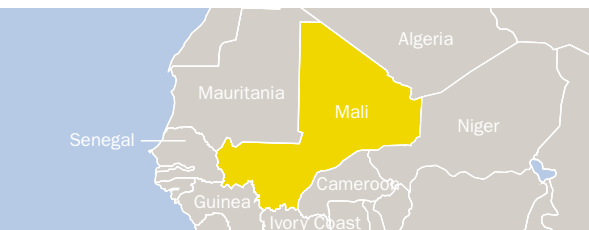
In 2003 Norwegian development assistance for Ethiopia totalled NOK 263 million. Of that amount, NOK 148 million was channelled through Norad.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	61 484	41.4 %
HIV/AIDS	10 950	7.4 %
Economic development and trade	33 766	22.8 %
Good governance	28 884	19.5 %
Environment and energy	10 877	7.3 %
Emergency relief and other unspecified assistance	2 405	1.6 %
Total	148 366	100.0 %



Mali



Facts about Mali

Form of government Republic

Head of State President Amadou Toumani Touré

Population 11.6 million (2003)

Languages French (official), Bambara 80 %, various other African languages

Independence 22 September 1960 (from France)

Capital Bamako

Per capita GNP USD 240

Annual population growth 2.82 %

Infant mortality 119.2 deaths per 1000 births

Life expectancy 48 years

Literacy rate 16.6 % (women over 15) 36.7 % (men over 15)

HIV/AIDS infection 110,000 persons (2001)

Percentage population below poverty line 64 % (2001)


Unemployment rate 14.6 % in urban areas, 5.3 % in rural areas (2001)

Sources

CIA The World Fact Book and UNDP

Important partners

In development cooperation with Mali, NORAD works with the following Norwegian and international organizations and institutions: Norwegian Church Aid, CARE, the Norwegian Interdenominational Office for Development Cooperation, the Stromme Foundation, the University of Oslo, ILO and UNDP.

 Sixty-five per cent of Mali consists of desert and semi-desert areas. About 10 per cent of the population are nomads, and around 80 per cent of the labour force work in the fishing and agricultural sectors. Industrial activity is centred around the processing of agricultural products. Mali's main exports are cotton and gold, and its economy is vulnerable to global market fluctuations. Statistical data on the proportion of the country's GNP that consists of international development assistance are contradictory, but Mali is generally considered to be extremely dependent on such assistance. In 2002 Mali launched its Poverty Reduction Strategy Paper, which focuses on institution-building, the social sector and decentralization.

Norwegian non-governmental organizations have been present in Mali since the drought in the Sahel area in the 1980s. As a result of their activities and work in the country, they have built up considerable knowledge and experience. In 1998 Norway signed a Memorandum of Understanding with Mali concerning long-term development cooperation. The goals of Norwegian development assistance are to promote economic, social and cultural development, the sustainable management of natural resources and human resource development, and to strengthen democratic development and popular participation in the development process. The Memorandum of Understanding will now be reviewed and renewed. Norwegian development assistance for Mali in 2003 totalled NOK 53 millions.

Mali is one of the poorest countries in the world and is ranked 172nd of 175 countries in the UNDP Human Development Index 2003. According to the World Bank, 64 per cent of the population was living below the poverty line in 2002, and 21 per cent in extreme poverty. The authorities aim to reduce the percentage of the population living below the poverty line to 47 per cent in 2007.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	9 529	18.3 %
HIV/AIDS	419	0.8 %
Economic development and trade	13 411	25.8 %
Good governance	28 564	54.9 %
Emergency relief and other unspecified assistance	146	0.3 %
Total	52 069	100.0 %



Nigeria



Facts about Nigeria

Head of State President General Olusegun Obasanjo (PDP) (since May 1999; inaugurated for second term 29 May 2003)
Head of government President General Olusegun Obasanjo
Ruling party People's Democratic Party (PDP)
Area 923,768 square km
Population 121.5 million (2002)
Capital Abuja - federal capital since 1991; Lagos - commercial capital
Official language English
Currency Naira (N) = 100 kobo
Per capita GDP USD 370 (2003)
Real growth GDP 3.2 % (2003)
Labour force 54.4 million (2003)
Unemployment 28 % (2002)*
Inflation 12.9 % (2003)
Oil production 2.01 million bpd (2002)
Balance of trade USD 7.2 billion (2003)
Foreign debt USD 30.12 billion (2002)

Source

worldinformation.com
 *Estimated figure



Nigeria is rich in natural resources, primarily in the agricultural sector and in the form of major petroleum and natural gas deposits. Despite a considerable degree of urbanization and industrialization, almost two-thirds of the population make a living from farming. When Nigeria became an independent country, it exported large volumes of agricultural products, which accounted for about 75 per cent of the total value of its exports. When Nigeria began to export oil, its economic policy focused mainly on the oil industry, which resulted in stagnation in the agricultural sector. Difficult market conditions led to a sharp decline in oil revenues from 1984, and the drop in earnings significantly exacerbated the country's economic situation. Economic development has also been impeded by internal conflicts, lack of coordination, rampant corruption and high inflation.

Since 2002 Nigeria has been one of Norway's partners in development cooperation. The assistance provided is limited and is concentrated on the promotion of good governance and training programmes related to the administration of petroleum and gas

resources. Nigeria is also a key partner in regional cooperation, and is the site of the headquarters of the Economic Organization of West African States (ECOWAS).

A study financed by Norad on increased Nigerian national participation in the petroleum and gas sector was completed in August 2003. A three-year agreement on cooperation between the Norwegian Petroleum Directorate and the Department of Petroleum Resources (DPR) was recently entered into with financing from Norad. Norway provides support for the National Governance Programme through UNDP to the Institute for Peace and Conflict Resolution (IPCR) and to Nigeria's National Human Rights Commission (NHRC). The Norwegian Confederation of Business and Industry (NHO) receives support for its cooperation with its Nigerian sister organization, NECA. Assistance is provided directly to a limited number of Nigerian human rights organizations, and the Norwegian Human Rights Fund receives support for its activities in Nigeria.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	831	9.1 %
Economic development and trade	1 883	20.6 %
Good governance	1 154	12.7 %
Environment and energy	5 251	57.6 %
Total	9 119	100.0 %



South Africa



Facts about South Africa

Form of government Republic

Head of State President Thabo Mbeki (re-elected in April 2004)

Population 44.8 million (South African census, 2001)*

Languages 11 official languages: English, Afrikaans, Ndebele, Pedi, Sotho, Swazi, Tsonga, Tswana, Venda, Xhosa, Zulu

Independence 31 May 1910
(from Great Britain)

Constitution 10 December 1996

National Day Freedom Day, 27 April (since 1994)

Capital Pretoria. Cape Town is the legislative centre and Bloemfontein the judicial centre.

Per capita GDP USD 2900 (2001)

Annual population growth 0.02 % (2002)*

Infant mortality 62 per 1000 births (2002)*

Life expectancy 47 years (2002)*

Literacy rate 85 % (2000)

HIV/AIDS infection rate 19.94 % (2000)

Percentage population below the poverty line 50 %

Unemployment rate 37 % (2001)

Sources

CIA World Factbook 2002

World Development Indicators Database

Important partners

The Norwegian Ministry of the Environment, the Norwegian Pollution Control Authority (SFT), the Norwegian Directorate for Cultural Heritage, GRID-Arendal, the Institute of Marine Research, the Norwegian Research Council, the Norwegian Council for Higher Education, the Norwegian Water Resources and Energy Directorate, the Norwegian Petroleum Directorate, the Norwegian Association of Local and Regional Authorities, Fredskorpset (Partnership for Development), the Norwegian Concert Institute, most research and higher education institutions, the Centre for Human Rights, Norwegian People's Aid, Norwegian Church Aid and the Norwegian Association of Housing Cooperatives. The largest companies are Norsk Hydro and Borregaard.



Since the fall of the apartheid regime in 1994, the Republic of South Africa has adopted a new constitution and implemented major changes in public administration. The ANC has held the presidency and had a majority in the national assembly throughout the period. South Africa is a major power in Africa and promotes cooperation through regional and continental organizations, such as the Southern Africa Development Community (SADC), the African Union (AU) and the New Partnership for Africa's Development (NEPAD).

Norway and South Africa are engaged in extensive economic, political and cultural cooperation. Only parts of this cooperation are financed from development assistance funds. Government-to-government cooperation was initiated in 1994. Before this, aid was only channelled to players in civil society, among other things to support the struggle against apartheid.

South Africa has a macro-economic programme entitled the Growth, Employment and Redistribution Strategy (GEAR). It focuses on ensuring a stable macro-economic situation and economic

growth as a basis for practical measures to increase employment, reduce poverty and reduce the disparities that arose during the apartheid era.

EIU Country Profiles

Government-to-government cooperation is mainly focused on higher education, research, local administration, housing construction, water supplies, energy, the environment, fisheries, human rights/democracy/security and culture. Norway also provides development assistance to support the cooperation of Norwegian non-governmental organizations with their South African partners working in the fields of democracy, HIV/AIDS, sport and culture. A large number of small and medium-sized Norwegian companies receive support for their cooperation with companies in South Africa.

In 2003, Norway provided NOK 110 million in development assistance for public institutions, non-governmental organizations and private companies in South Africa. Norad was responsible for disbursing and following up NOK 105 million of the total Norwegian development assistance for South Africa.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	48 346	45.9 %
HIV/AIDS	5 736	5.4 %
Economic development and trade	8 852	8.4 %
Good governance	27 970	26.5 %
Environment and energy	13 446	12.8 %
Emergency relief and other unspecified assistance	1 076	1.0 %
Total	105 427	100.0 %



Zimbabwe



Facts of Zimbabwe

Form of government Republic, parliamentary democracy

Head of State Robert Gabriel Mugabe

Population 11.8 million*

Languages English (official), Shona and Ndebele

Independence 1980

Capital Harare

Per capita GDP USD 480 (2002)*

Annual population growth 1 %

Infant mortality 63 deaths per 1000 births

Life expectancy 39 years

Literacy rate 93 % (adults over 15)

HIV/AIDS infection rate approx. 24 % (adults aged 15-49)

Percentage population below the poverty line 70 %

Unemployment rate: 70 %

Sources

UNAIDS, World Development Indicator 2002, HDR 2003, EIU 2003

* Estimated

Important partners

Norwegian institutions and organizations involved in work in Zimbabwe: Save the Children Norway, Norwegian People's Aid, Norwegian Church Aid, the Atlas Alliance, SAIH, the Institute for Applied Social Science (FAFO), the Norwegian Confederation of Sports, the Norwegian Council for Higher Education's Programme for Development Research and Education (NUFU), the Norwegian Association for the Disabled, the Norwegian Federation of Organizations of Disabled People (FFO), the Development Fund, the Methodist Church, the Fredrikstad School of Music and the Department of Law at the University of Oslo.



Zimbabwe has been a priority recipient of Norwegian

development assistance since the country gained its independence in 1980, but in 2002 all government-to-government agreements with Zimbabwe were terminated due to the political situation in the country. Norway has endorsed international sanctions against the regime.

Zimbabwe is ranked 145th of the 175 countries in the UNDP Human Development Index (HDI). Its decline from 117th place in 2001 is attributable to shorter life expectancy due to HIV/AIDS, poorer nutrition due to the food shortage, and reduced access to social services. The political situation is regarded as the biggest obstacle to development and poverty reduction in the country.

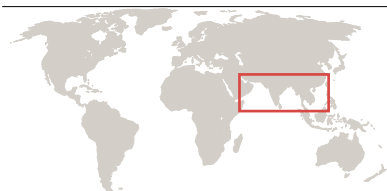
Norwegian development assistance has been reduced and is only channelled through non-governmental cooperation partners and the UN. The goal of development assistance is to contribute to development towards a more open, democratic society. Support is provided for organizations that seek to strengthen respect for human rights, provide legal aid to victims of abuse and human rights violations, focus attention on corruption

and promote dialogues with a view to national reconciliation. Support is also provided for projects that monitor the media and seek to promote freedom of the press and freedom of expression. Norwegian assistance helps to relieve the humanitarian crisis and combat the HIV/AIDS epidemic. Norway also provides support for a regional master's degree programme in women's law, and there is broad-based research cooperation between Norwegian and Zimbabwean universities under the auspices of the Norwegian Council for Higher Education's Programme for Development Research and Education (NUFU).

Since 1997, the Africa Book Development Trust (ABDT) has established 112 libraries and around 100 study circles in rural areas in Zimbabwe. The reading skills and scholastic results of the participants have improved. Animal husbandry and agricultural yields have increased. More people are taking part in voluntary community work and local politics, and contact between parents, schools and public health clinics has improved. The ABDT has arranged voter education programmes and distributed publications on democracy, human rights, conflict resolution and HIV/AIDS to libraries and study circles.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	15 552	39.1 %
HIV/AIDS	2 607	6.6 %
Economic development and trade	4 138	10.4 %
Good governance	15 104	38.0 %
Environment and energy	28	0.1 %
Emergency relief and other unspecified assistance	2 326	5.9 %
Total	39 755	100.0 %



India



Facts about India

Form of government Federal Republic

Head of State President Abdul Kalam
(since July 2002)

Population 1,045,845,226 (2002)*

Languages The official languages are English, Hindi, Bengali, Telugu, Marathi, Tamil, Urdu, Gujarati, Malayalam, Kannada, Oriya, Punjabi, Assamese, Kashmiri, Sindhi and Sanskrit.

Independence 1947 (from the UK)

Capital New Delhi

Per capita GDP USD 440 (2001)

Annual population growth 1.51 % (2002)*

Infant mortality 61.47 per 1000 births
(2002)*

Life expectancy 63.23 years

Literacy rate 57.2 % (68.4 % for men and
45.4 % for women) (2000, adults over 15)

HIV/AIDS infection rate 0.79 % (adults aged
15-49)

Percentage population below the poverty line
25 % (2002)*

Unemployment rate 9 % (2002) ii

ii : the unemployment figure relates to the organized sector, which accounts for 8 % of the workforce in India. It represents approximately 28 million people. The total workforce comprises around 403 million people. The unorganized sector employs 92 % of the total workforce in India.

Sources

CIA World Factbook 2002

World Development Indicators Database

EIU Country Profiles, The Far East and

Australasia. 2003 – London: Europe.

2002. – 1633 pp: tab.

* Estimated figures, CIA 2002.

(Updated March 2003)

Important partners

In development cooperation with India, Norad cooperates with: Norwegian Church Aid, Save the Children Norway, the Norwegian Association of the Blind and Partially Sighted, the Salvation Army, the Methodist Church Missionary Society, Normisjon, Inter-Folk, the Development Fund, FORUT, Children's Future Norway and FIAN-Norway, UNDP, UNICEF, UNDCP, UNIFEM and ILO.

India is one of the biggest countries in the world and has the second largest population in the world, with more than one billion people. More than half of them are illiterate. India has fifteen official languages and Hinduism is the dominant religion. The tense political situation in South Asia is attracting a great deal of international attention, with the main focus on the Kashmir conflict and India's long tradition of conflict with Pakistan. India plays an important role in international politics and in an economic context. The country is a major power in South Asia and has considerable influence on the political stability and the economic and social development of the region. The Indian Government has expressed its intention to continue its economic reform policy.

In spring 2003, the Indian authorities decided to wind up government-to-government cooperation with small and medium-sized bilateral donors. As a consequence of this, the Storting decided that from 2004 India will no longer be one of Norway's partner countries. Agreements that have already been entered into will be implemented as planned, while ongoing development cooperation will be phased out over a three-year period. In the development cooperation that is now being phased out, measures to protect the environment and combat child labour have the highest priority. Funds are channelled through the Indian authorities, local non-governmental organizations and the UN system. In geographical terms, efforts are concentrated on the two provinces of Himachal Pradesh and Karnataka.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	24 780	47.1 %
HIV/AIDS	736	1.4 %
Economic development and trade	18 811	35.7 %
Good governance	3 638	6.9 %
Environment and energy	4 494	8.5 %
Emergency relief and other unspecified assistance	194	0.4 %
Total	52 654	100.0 %



Indonesia



Facts about Indonesia:

Form of government Republic

Head of State President Megawati Sukarnoputri

Population 234 million (2003)¹

Languages Bahasa Indonesia (official), English, Dutch, local dialects/languages

Independence: 17 August 1945

Capital Jakarta

Per capita GNP USD 710 (2003)²

Annual population growth 1.52 % (2003)¹

Infant mortality 39.4 per 1000 births (2002)*

Life expectancy 68.63 years (2002)*

Literacy rate 86.9 % (91.8 % men, 82.0 % women, 2002 figures for adults over 15)

HIV/AIDS infection rate 0.1 % (2001, adults 15-49)

Percentage population below the poverty line 27 % (1999)

Unemployment 8 million people unemployed (2001)

Sources

1 CIA World Factbook 2003

(*estimate 2002) 2 World Bank World


Development Indicators Database

EIU Country Profiles The Far East and

Australasia, 2003.

Important partners

the Centre for Development and Environment (SUM) at the University of Oslo, the Ministry of the Environment, Det norske Veritas, Braillo Norge, Care Norge/Care Indonesia, the Rain Forest Fund, the Directorate for Nature Management, the Norwegian Institute for Nature Research and the Norwegian Institute for Cultural Heritage Research (NINA-NIKU), the Norwegian Institute for Urban and Regional Research (NIBR) and UNDP.

 With a population of 230 million, Indonesia is the fourth most highly populated country in the world. Almost two thirds of the population live in rural areas and at the end of 2003 16 per cent were living below the poverty line. This is a marked improvement from 1999, when the corresponding figure was 27 per cent. Although the reduction in the number of poor people has been impressive, further progress has been impeded by population growth and inflation. It is estimated that almost 38 million people lack access to the most essential welfare services. The maternal mortality rate is one of the highest in Asia, with 380 deaths per 100,000 births.

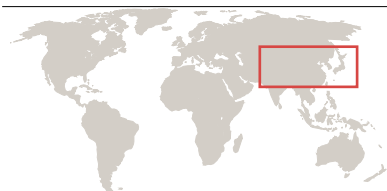
Indonesia's per capita GNP is USD 145 billion and the growth rate is a modest 3.3 per cent. This is partly ascribable to economic and political uncertainty and weak demand. Widespread corruption and the weak judicial system have a negative impact on investment in the private sector. Indonesia is regarded as being one of the most corrupt countries in the world, and corruption leads to many political, economic and social problems. Anti-corruption measures, judicial reforms and improved public administration are essential if Indonesia is to achieve

stability and ensure economic growth. Peaceful resolution of the conflicts in Aceh and Papua and free and fair elections in 2004 are also essential prerequisites for economic growth and political stability.

Norway's development cooperation with Indonesia is based on a country strategy adopted by the Ministry of Foreign Affairs in October 2001. The most important priorities in cooperation between Norway and Indonesia are good governance and natural resource management. The reasons for Norway's assistance in the governance sector are the weak judicial system, widespread corruption and regional conflicts. In the environmental sector, pollution and the squandering of natural resources through illegal felling in the rain forest are the main areas of focus. Norway and Indonesia signed a Memorandum of Understanding concerning the follow-up to the Water, Energy, Health, Agriculture and Biodiversity (WEHAB) initiative after the World Summit on Sustainable Development in Johannesburg in 2002. Norway also supported cooperation to improve education for the blind and partially-sighted.

Bilateral assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	10 904	37.8 %
Economic development and trade	6 159	21.4 %
Good governance	5 482	19.0 %
Environment and energy	6 276	21.8 %
Total	28 820	100.0 %



China



Facts about China

Form of government People's Republic since 1949

Head of State President Hu Jintao

Population 1.3 billion (2002)*

Languages Mandarin (official), Cantonese, Mongolian, Tibetan, Turkish and many other languages and dialects spoken by the various minorities.

Capital Beijing

Per capita GNP USD 890 (2001)

Annual population growth 0.87 % (2002)*

Infant mortality 27.25 per 1000 births (2002)*

Life expectancy 71.86 years (2002)*

Literacy rate 84.1 % (91.7 % men, 76.3 % women, 2002 figures for adults over 15)

HIV/AIDS infection 800,000 persons (official figures)

Percentage population below the poverty line 10 % (2001 estimate)

Unemployment rate approximately 10 % in urban areas, higher in rural areas

Sources

CIA World Factbook 2002

World Development Indicators Database

EIU Country Profiles, The Far East and

Australasia. 2003. – London: Europe. 2002. – 1633 pp. : tab.

* Estimated figures, CIA 2002.

 Norway's development cooperation with the most populous nation in the world began in 1995-96. Many Norwegian institutions with specialist environmental expertise are engaged in long-term cooperation. Prior to this, Norway has cooperated in the field of fishery management since 1982, when it donated a research vessel (which is still operating) to the Chinese authorities. Development cooperation between Norway and China comprises human rights activities, including training, environmental and natural resource management, private sector development, cooperation in the health sector and assistance relating to conservation of the cultural heritage. The purpose of cooperation is to help strengthen China's capacity to integrate environmental considerations into its development processes and to combat HIV/AIDS. Norway wishes to contribute to dialogue on the implementation of international environmental commitments and offer technical assistance for pilot projects.

environmental institutions and companies. The most important areas concern monitoring of air and water pollution, acid precipitation, environmental planning and research, fishery management and cultural heritage conservation. In the health sector, a HIV/AIDS project is currently being developed. Norway also finances the work of many Norwegian non-governmental organizations in the Chinese social sector. These funds are largely channelled through organizations under the Norwegian Interdenominational Office for Development Cooperation and a project under the auspices of the Chinese Red Cross.

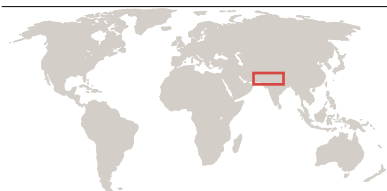
Norwegian development assistance in figures. Norway's assistance for China in 2003 amounted to just under NOK 85 million, NOK 50 million of which was channelled through NORAD. The remaining NOK 35 million, part of which was spent on human rights and humanitarian assistance, was channelled through the Norwegian Ministry of Foreign Affairs.

Environmental cooperation consists largely of institutional cooperation between Norwegian and Chinese

In the past couple of years, assistance for China has totalled around NOK 80-100 million per year.

Bilateral assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	21 927	44.0 %
HIV/AIDS	665	1.3 %
Economic development and trade	6 697	13.4 %
Good governance	1 451	2.9 %
Environment and energy	19 076	38.3 %
Emergency relief and other unspecified assistance	1	0.0 %
Total	49 817	100.0 %



Pakistan



Facts about Pakistan

Form of government Federal Islamic Republic

Head of State President Pervez Musharraf

Population approximately 150 million

Languages Punjabi (48 %), Sindhi, Siraki, Pashtu, Urdu, Balochi and others. English is the administrative language

Independence 14 August 1947

Capital Islamabad

Per capita GDP USD 415

Annual population growth 2.8 %

Infant mortality 84 per 1000 births

Life expectancy 61 years

Literacy rate 44 % (adults over 15)

HIV/AIDS infection rate 0.11 % (adults aged 15-49)

Percentage population below the poverty line 32.1 %


Unemployment rate 7.8 %

Sources

CIA World Factbook 2003, Human Development Report 2003, Pakistan Poverty Reduction Strategy Paper 2003.

Important partners

Neither Norwegian non-governmental organizations nor Norwegian companies have significant operations in Pakistan. In connection with bilateral development cooperation, the institutions involved in cooperation with institutions in Pakistan include Statistics Norway, Norwegian Accreditation, Det norske Veritas and the Department of Women's Law at the University of Oslo.

 Pakistan split from India and became a separate Islamic state when the two countries achieved independence in 1947. Both Pakistan and India are atomic powers. The tension between the two countries is especially linked to the unclarified situation of Kashmir. At present, relations appear to be moving in a positive direction.

In recent years, the authorities have pursued a reformist policy that has boosted economic growth and improved government finances. Despite this, poverty has increased since the beginning of the 1990s. According to Pakistan's Poverty Reduction Strategy Paper, adopted in 2002, 32.1 per cent of the population are living below the country's official poverty line, which is equivalent to 2350 calories a day.

International assistance for Pakistan has increased since the country took an active role in the fight against terrorism after 11 September 2001. Development assistance for Pakistan accounts for approximately 3.7 per cent of GNP, which is less than USD 15 per capita. This corresponds to between 15 and 20 per cent of the central government budget.

Norwegian development assistance accounts for a very small proportion of this. The authorities are making active efforts to reduce the country's large burden of debt and have entered into negotiations on debt relief with several countries, including Norway.

Pakistan has been one of Norway's partner countries since 1969. In 2003, Norwegian development assistance for Pakistan totalled NOK 70.5 million. The priority areas are human rights, education, democracy and good governance. Norway's support for education has contributed to the establishment of schools in remote areas and to the number of children attending school in selected districts increasing by over 320,000. Norway also supports cultural projects.

Empowerment of women

A training programme for local women politicians has aroused a great deal of attention. This programme, the Women in Political Participation Project, is supported by Norway, run by the authorities and administered by the UNDP. The project is helping to strengthen the genuine influence of women in local decision-making processes.

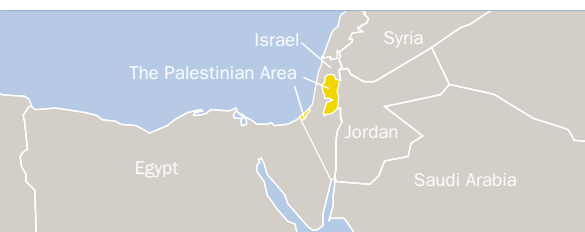
Pakistan is ranked as 144 of the 175 countries in the UNDP Human Development Index for 2003. Per capital GNP is USD 415. Pakistan scored low on most social indicators. There are also major differences between provinces and between genders.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	32 447	51.6 %
HIV/AIDS	694	1.1 %
Economic development and trade	8 253	13.1 %
Good governance	18 614	29.6 %
Environment and energy	2 745	4.4 %
Emergency relief and other unspecified	99	0.2 %
Total	62 852	100.0 %



The Palestinian Area



Facts about the Palestinian Area

Head of State President Yasser Arafat

Head of government Prime Minister Ahmed Qureia

Population 3.6 million (2.3 million in the West Bank, 1.3 million in the Gaza Strip)
In addition there are 413,000 Israeli settlers.

Annual population growth 3.5 %

Income 40 % of households live on less than USD 200 per month

Unemployment rate 35 %

Per capita GDP USD 800

Sources

Palestinian Central Bureau of Statistics,
The World Factbook, Wordinformation,
The World Bank

Important partners in Norway

Norwegian People's Aid, the Atlas Alliance and the Norwegian Association for the Disabled, the Norwegian Red Cross, Norwegian Church Aid and the Royal Norwegian Society for Rural Development are the main Norwegian organizations, in addition to the Institute for Applied Social Science (FAFO), a number of Norwegian trade unions and the Norwegian Concert Institute. In the country programme, use has been made of the services of Statistics Norway, the Norwegian Water Resources and Energy Directorate (NVE), Water Reflection, NCG, Norconsult and Econ. Norwegian universities (University of Bergen, University of Oslo and the Agricultural University of Norway) participate through the Norwegian Council of Universities' Council for Development Research and Education (NUFU) programme.

Following bilateral negotiations between the Palestinians and the Israelis in 1993, the Palestinian Authority was established through the Oslo Accords. The parties initiated a step-by-step process whereby the Palestinians would be granted self-government in parts of the West Bank and the Gaza Strip. Since September 2000, conflict in the area has again escalated. Norway began to provide assistance directly to the Palestinian Area in 1994. The Palestinian Area has been one of the biggest recipients of Norwegian development assistance in the past few years.

The Palestinian Area receives a great deal of development assistance from the international community and is heavily dependent on this support. In 2003 Norwegian development assistance totalled NOK 472 million, NOK 160 million of which was channelled through Norad. NOK 130 million of the total amount of assistance provided was transferred to Palestinian refugees through UNRWA. The assistance provided to the Palestinian authorities has a clear political dimension since development cooperation is linked to efforts to promote peace in the region, the primary goal being the establishment of a Palestinian state. Humanitarian efforts have increased dramatically in the past two years as a result of the heightened conflict, and accounted for approximately three-fourths of total

development assistance in 2003.

The main goal of Norwegian development assistance is to contribute towards reducing poverty by providing support for social and economic development, promote nation-building and the development of a democratic society and help to lay the foundation for resuming peace negotiations. The guidelines for development cooperation emphasize the importance of continued cooperation in the education, physical planning, water supply and energy sectors and support for the Palestinian Central Bureau of Statistics. Priority is given to Palestinian administrative reforms with emphasis on financial management and institutional development. Norway provides substantial allocations in the form of budget support directly to the Ministry of Finance to support the Palestinian self-government administration.

Cooperation in the cultural sphere has been strengthened and special importance is attached to culture as a means of dealing with children's psychological reactions to the heightened conflict. Long-term development assistance has primarily focused on institutional and human resource development in Palestinian ministries and agencies, and the rehabilitation and development of infrastructure such as schools and the electricity grid.

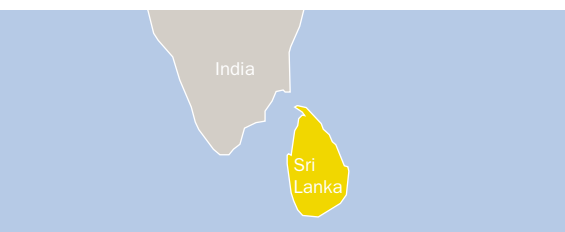
Substantial grants are provided for humanitarian efforts through the UN as well as through Norwegian and international non-governmental organizations, and to a number of organizations that work to promote human rights, peace and reconciliation in the region.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	98 255	61.4 %
Economic development and trade	16 291	10.2 %
Good governance	10 249	6.4 %
Environment and energy	35 273	22.0 %
Total	160 068	100.0 %



Sri Lanka



Facts about Sri Lanka

Form of government Democratic Socialist Republic
Head of state President Chandrika Bandaranaike Kumaratunga
Population 19.82 million (2002)*
Languages Sinhala, English and Tamil
Independence 1948
Capital Colombo
Per capita GDP USD 925
Annual population growth 1.3 %
Infant mortality 17 deaths per 1000 births (2001)
Life expectancy 73.8 years
Literacy rate 92 % (adults over 15 years of age)
HIV/AIDS infection rate 0.1 % (adults aged 15-49)
Percentage population below the poverty line 6.6 % live on less than USD 1 per day
Unemployment rate 8 %
Internal refugees Approx. 150,000

Sources

Worldinformation.com, Norad, UNDP's Human Development Report 2003, WB, the Economist Intelligence Unit

Important Norwegian partners

Save the Children Norway, FORUT-Campaign for Development and Solidarity, the Development Fund, NORFUND, the Confederation of Norwegian Business and Industry, the Norwegian Institute for Water Research (NIVA), the Norwegian Institute for Urban and Regional Research (NIBR), the Christian Michelsen Institute (CMI) and NORAGRIC, the Directorate of Cultural Heritage, Handelsgartneriet, Helly Hansen, Norsk Hydro, Det norske Veritas, ABB Energy, Telemark Wood, Statkraft and Grøner, Einar Øgrey and Dale Fabrikker.



Sri Lanka has been one of Norway's partners in development cooperation since 1977. The cease-fire agreement has now been in force for over two years. One of the greatest challenges for both the previous government and the minority government that took over after the election on 2 April is to bring the peace process forward towards a definitive solution of the extremely prolonged armed conflict. A central objective for the previous government was to create economic growth that could provide a basis for reducing poverty in long term perspective. There is still uncertainty as regards to the new government's economic policy and priorities.

The peace process has been at a standstill since April 2003, when the Tamil Tigers (LTTE) withdrew from the dialogue. There have been no serious breaches of the cease-fire agreement entered into in February 2002. A Nordic force headed by

Norway is monitoring the cease-fire. Norway plays a key role in facilitating efforts to reach a political solution to the conflict in Sri Lanka. Development cooperation is concentrated on promoting peace and reconciliation, strengthening democracy and human rights and economic development in order to increase employment.

Rehabilitation in the war-torn areas in the north and east of the country is crucial to achieving a peaceful solution to the conflict and economic development. Norway also provides support for development efforts in the south, partly because a peace solution will depend on the population in the southern part of Sri Lanka also sharing in the benefits of peace. In private sector development the focus is on job creation. Support for economic infrastructure, micro-credits and capacity development at district level have been key target areas.

Sri Lanka ranks as 99 out of the 175 countries in the UNDP's latest Human Development Index (2003). Sri Lanka has achieved many of the Millennium Development Goals and is defined as a lower middle-income country. Due to the twenty-year-long civil war, many statistics do not include the population in the north-east.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	28 056	26.7 %
Economic development and trade	39 489	37.6 %
Good governance	26 699	25.4 %
Environment and energy	8 012	7.6 %
Emergency relief and other unspecified assistance	2 724	2.6 %
Total	104 980	100.0 %



Vietnam



Facts about Vietnam


Form of government Republic
Head of State President Tran Duc Luong
Population 79.2 million (2001)*
Languages Vietnamese (official) and local minority languages
Capital Hanoi
Per capita GDP USD 410 (2001)
Annual population growth 1.9 % (2003)*
Infant mortality 29.34 deaths per 1000 births
Life expectancy 68.6 years (2001)*
Literacy rate 93.4 % (95.5 % for men, 91.4 % for women, adults) (2000)
HIV/AIDS infection rate 0.30 % (adults 15-49 years) (2001)
Percentage population below the poverty line 29 %

Sources

World Development Indicators Database
The Far East and Australasia. 2003. - London: Europe, 2002. - 1633 pp. : tab.
*UNDP/Human Development Report 2003

Important partners in Norway

Norwegian Church Aid, the Norwegian Red Cross, the Norwegian Mission Alliance, the Norwegian Interdenominational Office for Development Cooperation, the Norwegian Football Association, the Norwegian Federation of Trade Unions, SOS Children's Villages, the Development Fund, Plan International, SINTEF, NTNU, the University of Tromsø, the Norwegian Water Resources and Energy Directorate, Norsk Hydro, Interconsult, Norconsult, the Norwegian Institute for Air Research (NILU), the Norwegian Pollution Control Authority, the Norwegian National Coastal Administration, the Norwegian Association of Local Authorities, the Norwegian Crop Research Institute, the Institute of Marine Research, the Directorate of Fisheries, the Norwegian Petroleum Directorate, the Petroleum Safety Authority Norway, Poseidon, Oslo University College, Norplan, SWECO Grøner and others.

 Poverty reduction is the primary goal of development cooperation with Vietnam. This is in line with Norway's priorities and in accordance with the poverty reduction strategy paper that Vietnam drew up in 2002. The Norwegian development assistance in 2003 was, NOK 81.7 million.

In 2003 development assistance was concentrated on three core areas: education, economic and private sector development and good governance, in addition to limited cooperation in the cultural sphere. This cooperation is regarded as strategic, targeted involvement in sectors that are important to enable Vietnam to implement its plans for a modern welfare state. Norwegian development assistance has largely been linked to institutional cooperation and knowledge transfers.

Basic education is the main priority for the development assistance Norway

provides to Vietnam. Norway is heavily involved in the national Primary Education for Disadvantaged Childrens programme, for which the World Bank has granted a loan. Norway is co-financing a grant with Cida, Dfid and Ausaid. The programme targets ethnic minorities and children living under difficult conditions.

In the interface between private sector development and good governance, Norway has played a positive role in providing support for the development of Vietnam's fishery legislation, which was adopted by the Vietnamese National Assembly in autumn 2003.

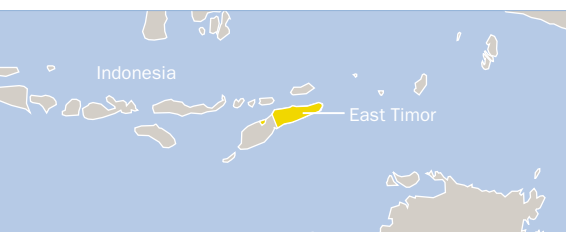
Norway works with like-minded donors to harmonize procedures for development assistance administration, both among themselves and with the Vietnamese authorities. This harmonization process has led to a growing degree of co-financing with like-minded donors.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	37 168	49.6 %
HIV/AIDS	2 136	2.8 %
Economic development and trade	19 038	25.4 %
Good governance	8 251	11.0 %
Environment and energy	8 285	11.1 %
Emergency relief and other unspecified assistance	94	0.1 %
Total	74 972	100.0 %



East Timor



Facts about East Timor

Form of government Republic since May 2002 (UN protectorate from 1999)
Head of state President Xanana Gusmao,
Prime Minister Mari Bin Amude Alkatiri
Population 952 618 (2002)*
Languages Tetum (official), Portuguese (official), Indonesian and English. About 16 local languages
Independence 1999, but not officially recognized as independent from Indonesia until 20 May 2002. A Portuguese colony until 1975.
Capital Dili
Per capita GDP USD 300 (2001)
Annual population growth 7.26 % (2002)*
Infant mortality 52 deaths per 1000 births (2002)*
Life expectancy 64.85 years (2002)*
Literacy rate 48 % (2001, adults over 15)
HIV/AIDS infection rate -
Percentage population below the poverty line 42 % (2002)*
Unemployment rate 50 %**

Sources

The CIA World Factbook 2002, World Development Indicators Database. The Far East and Australasia. 2003. - London : Europe, 2002. - 1633 pp. : tab.

* Estimated figures, CIA 2002

** Including underemployment, CIA 2002

Important partners in Norway

The Norwegian Water Resources and Energy Directorate (NVE), the Norwegian Petroleum Directorate (OD), the Norwegian Ministry of Finance (through OD), the Norwegian Mapping Authority (through OD), CARITAS and Jacobsen Elektro.

 East Timor seceded from Indonesia following a popular ballot in autumn 1999. Consequently, most of the infrastructure in the area was destroyed by Indonesian-backed militia forces and hundreds of thousands of people were forced to flee. The UN governed East Timor under a Security Council mandate from 1999-2002. The country achieved formal independence on 20 May 2002. Norway has been involved in East Timor for a long time, both politically and in a humanitarian role. Since 1999, Norway has provided about NOK 50 million in annual support. This assistance is primarily channelled through the UN system and the World Bank. The goals of development cooperation are to promote good governance, democracy and human rights, sound management of natural resources, health and education.

East Timor receives a great deal of international development assistance in relation to its size (USD 195 million in 2001) and is heavily dependent on such aid. In 2001, Norwegian development assistance accounted for 2.4 per cent of development assistance for East Timor, equivalent to NOK 58.70 per capita. East Timor has drawn up a special strategy for poverty reduction based on national development plans. At the request of the East Timorese leaders, Norway and East Timor have entered into government-to-government

cooperation in the petroleum and energy sectors with emphasis on the sustainable management of natural resources. Norad has allocated a grant of up to NOK 30 million for the period 2002-2008 for institutional cooperation between the Norwegian Petroleum Directorate and the Directorate of Minerals and Energy in East Timor.

Norad has allocated funding of up to NOK 21 million for the period 2002-2008 for institutional cooperation between the Norwegian Water Resources and Energy Directorate (NVE) and the Ministry of Transport, Communication and Public Works in East Timor. The aim of this cooperation is to ensure the well-functioning administration of East Timor's power sector and to contribute towards training and transfers of expertise. The NVE will also advise the authorities on matters relating to the electric power sector. UNDP and the East Timorese authorities have jointly developed a comprehensive programme aimed primarily at strengthening the judicial sector in East Timor and thereby developing an efficient legal system adapted to a democratic system of government. Norway provided NOK 4.1 million in support for this programme in 2003. A special unit for crimes against humanity (the Serious Crime Unit) is responsible, under the auspices of the UN, for the trials of perpetrators of human rights abuses in 1999. Norway provides support for this unit and finances training programmes for East Timorese personnel.

Norway participates actively in semi-annual reviews of budget support and follows up efforts to ensure good budget discipline and budget management.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	3 950	8.2 %
Good governance	28 798	59.5 %
Environment and energy	15 646	32.3 %
Total	48 394	100.0 %



Guatemala



Facts about Guatemala


Form of government Republic
Head of State President Oscar Berger Perdomo
Population 11.3 million
Languages Spanish, plus 2 aboriginal languages
Independence 1821
Capital Ciudad de Guatemala
Per capita GDP USD 1750
Annual population growth 2.6 %
Infant mortality 44 per thousand births
Life expectancy 65 years
Literacy rate 72 % (adults over 15)
HIV/AIDS infection rate 0.8 % (women 15-24)
Percentage population below the poverty line 57 %
Percentage living in extreme poverty 22 %
Unemployment rate 39 % (percentage of population not economically active)

Sources

PNUD Guatemala Informe Nacional de Desarrollo Humano 2003 and World Development Indicators Database August 2003.

Important partners

In its development cooperation with Guatemala, Norad works with the following Norwegian institutions and organizations: Save the Children Norway, Norwegian People's Aid, Norwegian Church Aid, the Norwegian Interdenominational Office for Development Cooperation, the Directorate for Nature Management, Fredskorpset (Partnership for Development), FOKUS, the Institute for Human Rights, InterFolk, Kvinnherad Municipality, the Norwegian Confederation of Trade Unions, the Latin America Health Fund, Latin American Groups in Norway, NORAGRIC, the Norwegian Red Cross, the Norwegian Film Institute, Norsk Form, the Royal Norwegian Society for Development, the Socialist Left Party, Sund Folk High School, the University of Bergen, the University of Tromsø, the Union of Education Norway, Friendship North-South and the municipalities of Fredrikstad, Moss, Stord, Tinn, Tromsø and Ål.

 Guatemala is the most densely populated and ethnically most diverse country in Central America. Poverty and discrimination have impeded the country's development and caused conflict throughout Guatemala's history. A set of peace accords, some of which were signed in Oslo, put an end to 36 years of civil war in 1996. Norway still plays an important role in Guatemala's peace process, which is the basis for development cooperation. There is special emphasis on promoting the rights of indigenous peoples.

In 2003, Norwegian development assistance for Guatemala totalled NOK 87.7 million, NOK 80.5 million of which was channelled through Norad. More than 40 organizations, primarily organizations for indigenous people, received support for operations and activities relating to national reconciliation, human rights and judicial reform. Many others received support through their cooperation with Norwegian non-governmental organizations.

Important contributions were made towards improving the functions of the prosecuting authority and the police, alternative mechanisms for conflict resolution and improved access to the judicial system for marginalized groups. Norway supported the establishment of public free

legal aid offices in three Maya-dominated districts and measures to increase the number of lawyers from indigenous backgrounds. Norway also financed an information campaign on human rights.

The Norwegian-financed Forum for Political Parties played a central role in efforts to establish political dialogue in the election campaign. Support for the elections included voter registration and election monitoring.

In cooperation with UNICEF, Norway supported improvements to basic education in 28 Maya-dominated municipalities, a total of 400 schools with 166,000 pupils. Norway supported the preparation of grammars and dictionaries for aboriginal languages.

Norway financed the Central American film festival "Icaro" and in this connection also financed the production of the first Guatemalan film for many years.

The Millennium Development Goals:

In the case of Guatemala, it is possible to achieve most of the goals, but it is unlikely that they will be met. Poverty reduction will necessitate major redistribution of wealth, tax reforms and stronger focus on the social sector.

Bilateral assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	26 232	32.6 %
HIV/AIDS	292	0.4 %
Economic development and trade	1 281	1.6 %
Good governance	51 439	63.9 %
Environment and energy	335	0.4 %
Emergency relief and other unspecified assistance	897	1.1 %
Total	80 475	100.0 %



Nicaragua



Facts about Nicaragua

Form of government Representative democracy
Head of state President Enrique Bolaños
Population 5.3 million
Languages Spanish (official language spoken by 90 %), local languages (Creole, Miskito and Mayagna)
Independence 1821
Capital Managua
Central government budget USD 1 billion
Per capita GDP USD 734
Annual population growth 2.6 %
Infant mortality 35 deaths per 1000 births (2001)
Life expectancy 69.1 years
Literacy rate 66.8 %
HIV/AIDS infection rate 0.12 %
Percentage population below the poverty line 45.8 %
Unemployment rate (official) 10.7 %
Internal refugees Approx. 150,000

Sources

UNDP, World Bank Group, Banco Central de Nicaragua, MINSA (Ministry of Health), MECOVI (Survey of Living Conditions) 2001, UNAIDS.

Important partners

Development cooperation with Nicaragua is carried out in cooperation with the following NGOs: Save the Children Norway, Norwegian People's Aid, Norwegian Church Aid, the Royal Norwegian Society for Rural Development, the Norwegian Students and Academics' International Assistance Fund (SAIH), the Development Fund, the Norwegian Confederation of Trade Unions, the Union of Education Norway and the Latin America Health Fund (LAHF), and with the Norwegian Petroleum Directorate, the Norwegian College of Fisheries Science at the University of Tromsø and the Norwegian Geotechnical Institute.

The republic of Nicaragua is the largest country in Central America. The country is sparsely populated, but population growth is accelerating. Nicaragua is rich in natural resources and has an ample water supply. Despite these favourable conditions, there are tremendous disparities between rich and poor population groups and Nicaragua is the second poorest country in Latin America. Enrique Bolaños of the Liberal Party won the elections in 2001 and took over the presidency from January 2002 from Arnoldo Aleman, also a Liberal Party member. The Bolaños Government launched an anti-corruption campaign, which led to the indictment and subsequent imprisonment of Arnoldo Aleman. The Government is considered to be weak. Former President Aleman is still leader of the Liberal Party and has considerable support in the Parliament. The Sandinistas, for their part, control the judicial system.

President Bolaños has the support of the international development assistance community and the international banks, as well as the USA. The Government has presented a National Development Plan (END), which focuses particularly on strengthening the productive sector in potential growth areas. Eighty per cent of Nicaragua's foreign debt has been cancelled through the HIPC Debt Relief Initiative

for highly indebted countries. In December 2003, agreement was reached on the Central American Free Trade Agreement (CAFTA), which has yet to be ratified by the US Congress and the Nicaraguan Parliament.

As far as government reforms and legislation are concerned, a Gender Equality Act was defeated in Parliament in 2003, while a reform to allocate four per cent of the central government budget to local municipalities was adopted in April 2004. The illegal extraction of natural resources and drug smuggling, particularly on Nicaragua's Atlantic Coast, seems to be on the rise.

Development assistance for Nicaragua totals around 18 per cent of the country's GDP. Norway first provided assistance to Nicaragua through non-governmental organizations after the devastating earthquake in 1972 and assistance was strengthened after the Sandinista revolution in 1979. Norway has provided government-to-government assistance since 1987. Norwegian development assistance for Nicaragua in 2003 amounted to NOK 89.7 million. Around NOK 76,6 million was channelled through Norad and NOK 13,1 million through the Norwegian Ministry of Foreign Affairs.

Bilateral development assistance channelled through Norad in 2003, by priority area

	Amounts in NOK 1000	Percentage
Health and education	44 955	58.7 %
HIV/AIDS	4 473	5.8 %
Economic development and trade	10 413	13.6 %
Good governance	15 174	19.8 %
Environment and energy	1 017	1.3 %
Emergency relief and other unspecified assistance	577	0.8 %
Total	76 609	100.0 %



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

