



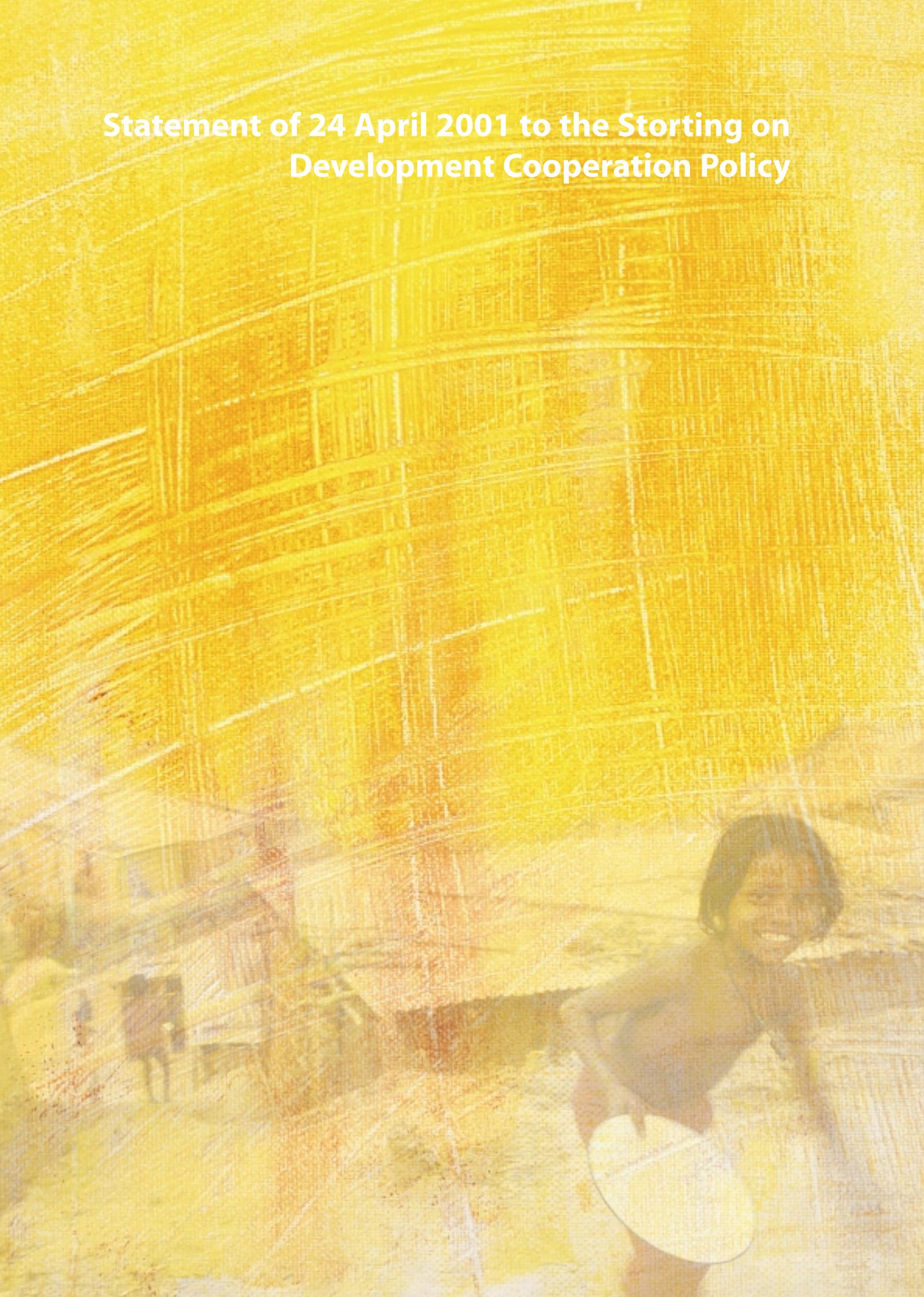


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**Statement of 24 April 2001 to the Storting on  
Development Cooperation Policy**





Anne Kristin Sydnes  
Minister of International Development  
17 March 2000 - 19 October 2001

*Anne Kristin Sydnes*

### **The challenge of poverty reduction: Our goals, our choices and our political signals**

Currently, in the year 2001, around a quarter of the world's population are living in extreme poverty. By the year 2015, the aim is to reduce this proportion by half. This is the most important development target agreed on by the international community. It has been adopted by the UN. And by the OECD. If we are to achieve this goal, it will call for a national effort on the part of the developing countries themselves. Supported by a favourable international framework. And supported by assistance from the rich countries of the world.

Now, more than ever before, we are aware of the realities of life for the poor people of the world. We know more about the conditions necessary for sustainable development and equitable distribution. We know more about the connection between poverty and conflict. We know more about the importance of proper nutrition for children's development. We know more about the possibilities, and the dangers, that are inherent in globalization.

Norway is a small country, but an influential player in the area of development cooperation policy. And now we are richer than ever. Now it has become even more important for us to look beyond ourselves and our own particular interests. Our resources, our knowledge and our values give us a moral responsibility. We must share our wealth in order to promote growth and development in poorer countries. And if our own consciences do not spur us to action, someday our children will ask us, How much did you know? What did you do? Why didn't you do more?

The decline in development assistance provided by the wealthy countries during the 1990s coincided with the most ambitious reform movement ever launched by the developing countries. Countries that initiated reforms in their governments and economies in accordance with our recommendations were rewarded, if we can call it that, with less assistance than before. According to the newspaper Vårt Land, on 2 April, the President of the World Bank stated that the donor countries are giving entirely the wrong signal. I fully agree with this. As one of the wealthiest countries in the world, Norway has a clear responsibility to increase its development assistance and to encourage other wealthy countries to do the same.

### Development cooperation: More than aid!

At the same time we must not forget that this responsibility goes far beyond development assistance alone. Development cooperation policy is also concerned with debt, financial transactions and investment. And, not least, with private sector development, trade and market access.

In order to create growth, and thereby establish a foundation for poverty reduction, the developing countries, like all other countries, are dependent on a robust private sector. Development and private sector development are two sides of the same coin. This is why the Government has given support for private sector development such high priority in its development cooperation policy.

As a result of last year's reorganization and simplification of the instruments for development cooperation and the increased allocations to NORFUND, the Government believes it has found a formula that is beneficial for both development assistance and business. NORFUND's expanded cooperation with its British counterpart, the Commonwealth Development Corporation Capital Partners (CDC), which facilitates broad and active participation in the administration of local investment funds, is a significant step forward in this context.

Promoting private sector development is of little value if developing countries are unable to find markets for their exports. Therefore the Government proposes giving the least developed countries duty-free and quota-free market access for all products except weapons. The EU has done the same, but it has introduced transitional arrangements for the period up to 2009. Our system will be fully operational as from 1 July 2002.

Here I would like to mention that in the field of development cooperation policy the EU is a very important player with whom we have a fruitful dialogue, among other things on the quality of development assistance. Yesterday and today I have had talks with the European Commissioner for Development and Humanitarian Aid, Poul Nielson, who is also here today.

By promoting private sector development and market access for the poorest countries, the Government is strengthening two major pillars of Norwegian development cooperation policy. This enables us to coordinate the various parts of this policy more closely, thus making it more efficient. We are already at the forefront internationally as regards debt relief. We were the first to implement 100 per cent unilateral debt relief to the poorest countries. Other creditors like Britain and the USA have since followed suit. Recently, Norway has been a driving force behind the negotiations on binding arrangements for financing of the Debt Initiative for Heavily Indebted Poor Countries (HIPC), launched by the World Bank and the IMF. Norway has for many years been among the top donor countries with regard to development assistance.

And we intend to stay there. The Government aims to increase Norwegian development assistance to one per cent of the gross national product. In addition, the Government is considering the possibility of establishing a Development Fund. But the debate on development assistance must not be about volume and percentages alone. The political debate on Norwegian assistance is too often reduced to a question of how large a percentage of our gross national product we are willing to spend.

We must place greater emphasis on quality and effectiveness. It is true that

Norwegian development assistance is very effective as regards poverty alleviation. According to the World Bank, we are significantly better than the OECD average. We should certainly not be ashamed of our record. But we must not rest on our laurels. We must be even more effective. We must help rescue even more people from poverty.

### **Foundations on which to build:**

#### **Genuine cooperation, equal partnerships and legitimate demands**

I would like to describe some of the fundamental premises of the Government's development assistance policy:

*First*, development assistance is about cooperation. Development assistance should support a country's own fight against poverty.

*Second*, development cooperation means active partnerships, based as far as possible on equality. In a larger perspective, development cooperation is a major chapter in the "global contract" for poverty alleviation, which was discussed at the UN Millennium Assembly last year: through good governance, the countries themselves must lay the groundwork for effective poverty reduction, supported by favourable international conditions and significant transfers of development assistance.

*Third*, partnership means making demands. Demands on ourselves, but also demands on our cooperation partners, both in Norway and abroad. In some circles we are still criticized for making demands, both as regards development cooperation in general and debt relief in particular. However, I feel that this criticism is most often unwarranted.

*Fourth*, development policy means wanting to accomplish a great deal, but not too much all at once. I would venture to say that Norwegian development assistance policy has, to a certain extent, been spread too thin. We have become too eager to do everything, all the time, everywhere. We have had a tendency to pile too many political goals on top of each other. Our actual political priorities are not always easy to identify.

Everyone involved in development assistance efforts in Norway should be willing to engage in a certain amount of self-criticism in this day and age. As the minister in charge, I want to show that we can take this criticism. Because we can and will do something about it.

Therefore the Government will carry out a critical review of the following: which countries we should cooperate with, and how many, what we should cooperate with them on, and how we can improve some of our key instruments.

### **The overarching aim:**

#### **More focussed, concentrated and effective development assistance**

Development assistance has little positive effect in countries with poor governance. Last year the Government took this into account when it withdrew Zimbabwe's status as priority partner country.

When Ethiopia and Eritrea were at war during the spring and summer of last year, we discontinued our government-to-government cooperation with both countries. In the light of the subsequent peace process, we have redefined our cooperation with these two countries, with a sharp focus on peace and reconciliation, democracy, human rights and good governance.



INDIA © Jayanta Shaw/Reuters/Scanpix

Development assistance aims at supporting countries' own efforts to combat poverty.

What does "good governance" mean? It means among other things democratization, equitable distribution, respect for human rights, combating corruption and sound resource management. And it means gender equality. All these things are necessary in order to bring about lasting poverty reduction. We can hardly expect our partner countries to achieve all this at once; we know from our own experience that these processes take time. But we must definitely expect them to try to reach these goals.

In the Budget for 2001 the Government has indicated that in connection with its efforts to further improve the efficiency of bilateral development assistance, it will review the priority partner countries and the countries that are given support through regional allocations. The Government will present its proposals in the Budget for 2002. The aim is to provide more focused, concentrated and effective bilateral assistance. I would like to emphasize that the principle of poverty-orientation will remain firm.

### **The need to concentrate our resources: Fewer main partner countries**

At present, we have 11 priority partner countries. In addition there are 30-odd countries that receive support through the regional allocations. We will concentrate on a smaller group of countries with which Norway can engage in long-term, comprehensive cooperation. In this context the Government wants to bring the designation "main partner country" back into use.

The process of defining the main partner countries has begun. The Government will emphasize the following factors when choosing which countries to include in this category:

- The countries must be among the world's least developed countries (LDCs). In other words, we are talking about a high degree of poverty, and about cooperation with those who need it most.
- The countries must demonstrate a clear political will to solve major national problems themselves. We wish to cooperate with countries that are making active efforts to promote good governance.
- As a development cooperation partner, we must emphasize the needs of the recipient country. Cooperation with Norway must give the country in question added value in relation to multilateral assistance or bilateral cooperation with other donor countries.

Most of the poor countries in the world today have fragile social structures. They are vulnerable to international economic fluctuations, political unrest and conflict. Our main partner countries must feel secure that Norway, through its development cooperation efforts, is also willing to stand by them in times of adversity.

While our long-term development cooperation should be robust, predictable and based on mutual trust, we must also be prepared to adjust our efforts if the basis for cooperation changes substantially.

In this government-to-government cooperation with our main partner countries, Norwegian development assistance funds should be allocated on the basis of these countries' needs and their own strategies for reducing poverty.



TANZANIA © All Over Press

Development cooperation is based on mutual trust between Norway and recipient countries.

### **Other partner countries:**

#### **The matically leaner and less extensive cooperation**

We must also have a category designated "other cooperation partners". Our cooperation with these countries should, as a general rule, cover a narrower range of fields and be less extensive than our cooperation with our main partner countries, and it will not necessarily have the same long-term perspective.

- In several countries and regions the most important contribution we can make is to support peace processes, directly or indirectly. In this type of situation, supplying additional short-term and long-term assistance will often have a beneficial effect.
- Many countries are able to play an influential and constructive role in their regions. I am firmly convinced that regional cooperation between the countries of the South has great potential. We must help to realize this potential to an even greater degree than before. We must also take this into consideration when choosing our cooperation partners.
- In some countries or regions it may be fruitful for Norway to focus more closely on selected areas, such as improving the situation of children, health, education, the environment, energy, good governance, or combating corruption.

The efforts to achieve more focused, concentrated and effective bilateral assistance will have consequences for the structure of the development assistance budget. The Government will alter its performance reporting to the Storting so that it is based primarily on the international development targets and the development of the countries in accordance with these targets, rather than specifically Norwegian "priority areas". Reporting will of course continue to be done in accordance with the existing guidelines in order to ensure that the allocations are used as intended.

### **Multilateral development cooperation: Stronger focus on effectiveness**

The Government will continue its efforts to strengthen the UN, and will, to an increasing degree, draw on the UN and the competence of the multilateral system in practical development assistance work. And it is quite clear that with Kofi Annan at the helm, the UN is on the right track. The Secretary-General deserves high praise for his ongoing reform efforts, including major organizational changes and systematic efforts to ensure high levels of quality and competence in the organization.

We can now see the contours of a closer cooperation between the UN and the development banks. We must intensify our support for this cooperation, both that between the multilateral institutions themselves and that between their "owners", i.e. the member countries. We must also seek to improve coordination by means of our own priorities at country level.

This means that we will also target our multilateral assistance more precisely. Norway will continue to make substantial contributions to the basic financing of key international institutions. This money will be followed up by a more active and deliberate political strategy for our cooperation with these institutions, in which we will increasingly focus on their effectiveness.

In addition, we will channel our cooperation with the multilateral organizations towards certain priority areas. The main priorities in Norwegian development



SOUTH AFRICA © Eric Miller/Phoenix

In poor countries many people are deprived of the right to choose their own future. Development means expanding individuals' range of choices.

policy, which are health, education, good governance and sustainable development, will also be given a more prominent place in multilateral assistance. We intend to ensure that our efforts have more impact, for example by improving coordination between bilateral and multilateral efforts at country level.

### **The voluntary organizations: Better coordination and reporting**

About one quarter of our development assistance budget has in recent years been used in cooperation with NGOs, most of them Norwegian. In this respect Norway is one of the world's leaders. The reason is that Norway has a number of highly competent organizations that have shown their ability to produce results. Nowadays, we require greater efficiency from all the parties we work with: more development for every krone invested, less bureaucracy and higher quality. This is something we have discussed with the NGOs themselves.

Much has been achieved by better coordination of state and multilateral efforts at country level. However, NGO activities still often consist of isolated, uncoordinated interventions. Despite the generally good results obtained for each project, the broader effect on development is thus limited. In some cases, this makes it more difficult for national authorities to carry out their tasks in a rational manner.

It is very important that the NGOs themselves get to grips with these challenges. Our grant schemes must also be designed to ensure that we make optimal use of the advantages and potential of each NGO in a coordinated effort to achieve our development targets.

The NGOs need predictable conditions to work under. And the authorities that allocate funding need to have some way of controlling that the funds are used as intended. We have discussed these matters with a wide range of Norwegian organizations.

To ensure predictability and give the NGOs freedom of action, we now intend to narrow the scope of the traditional allocation to NGOs so that the funding is reserved for measures that strengthen civil society. Within these limits, the support will be allocated on the NGOs' own terms and based on what they can contribute in this area. In countries with good governance, NGOs can be a useful supplement to other efforts. In countries with poor governance, on the other hand, they may be a useful corrective.

The NGOs will also be able to apply for further grants for their activities in priority geographical and subject areas for Norwegian development assistance. These may include the production of services, institution-building and peace-building activities, where the NGOs have expertise and can provide added value in the implementation of development cooperation. In such cases, we will set special requirements as regards coordination and conformity with Norwegian development policy guidelines and development cooperation standards.

We have produced new guidelines in which the grant schemes have been simplified as far as possible, and which also clarify the requirements for reporting on relations and results.

The Storting has requested an evaluation of the effect of the development cooperation channelled through NGOs. This will have a forward-looking approach and will be based on the roles and guidelines for cooperation that we have now presented. The purpose is to identify the extent to which the organizations actually

contribute to capacity-building in civil society, and the effect and added value of the NGOs' contribution to development efforts financed through regional and thematic allocations.

### **The political parties:**

#### **A budgetary allocation for democracy-building measures**

I also wish to draw the political parties in the Storting into development cooperation. The parties provide a sound grass-roots basis for development policy, and they possess expertise in democracy-building. The parties that are represented in the Storting can make a greater contribution to the development of properly functioning, pluralistic party systems and democratic conditions in developing countries. By cooperating on long-term, democratic organizational development through knowledge transfers, advice and international exchanges, we will improve the opportunities for reducing poverty.

In connection with next year's government budget, I will therefore include a specific proposal for an allocation for supporting democracy-building measures.

### **First things first:**

#### **Children's welfare and rights**

This brings me to our priority areas. And children – their welfare and their rights – must come first.

Some investments are absolutely crucial to any country's development and future. The world's poorest countries cannot even manage to make the minimum investments required to safeguard children's most elementary rights. When welfare benefits are as inequitably distributed as they are in the world today, children in poor countries are robbed of the right to choose their future. The expansion of people's opportunities for choice is the very essence of the concept of development.

The UN Special Session on children in September will give us an opportunity to see how far we have come since the World Summit for Children in 1990. But more importantly, the Special Session must be used to formulate goals and strategies for the next ten years. Norway will give priority to children's right to participate in processes and decisions that affect them and to children who are the victims of exploitation and war, who are suffering from HIV/AIDS, or who are disabled. We will give special priority to improving the situation of girls.

Children have a right to basic health services. Through the Global Alliance for Vaccines and Immunization (GAVI), the Government has shown that taking the lead in new initiatives can give results. We have persuaded others to join us, and are focusing on how the results of vaccination efforts can be maintained over time. GAVI has given new impetus to international vaccination programmes. With the funds allocated so far, we estimate that one and a half million children's lives will be saved every year. This is an efficient use of development assistance funding. Norway is allocating NOK 1 billion to GAVI over a five-year period.

Basic education for all, especially for women and girls, is one of the Government's priorities. Few efforts can be more important than investment in human capital if we are to create societies characterized by growth.

The Government wishes to contribute even more to the protection and rehabilitation of children traumatized by war. We raise the issue of children in armed conflict in the UN Security Council, in connection for example with our focus on

MOZAMBIQUE © Trygve Belstad/Samfero



The conditions in which children grow up are one of the main priority areas of development assistance. A child is vaccinated at a public health clinic.

Africa. Norway has signed the optional protocol to the Convention on the Rights of the Child that deals with the minimum age for participation in armed forces. The process of ratification is under way, and we hope it will be completed by the time of the Special Session, as UNICEF recommends.

Six months ago Norway ratified the ILO convention on the worst forms of child labour. This convention establishes a binding framework for our cooperation with a number of developing countries. In the Government's view, efforts to combat child labour should continue to be high on the agenda. In this endeavour we will form broad alliances with research institutions, NGOs and the private sector. The genital mutilation of women and young girls has been much publicized in the media recently. The Government's plan of action to combat genital mutilation, which was presented last December, will make an important contribution to our efforts in this respect, both at national and at international level. The issue needs to be handled with a good deal of sensitivity, but there must be no doubt about our attitude to this form of abuse of young girls.

One of the first political moves of the Bush administration was to revive the "Mexico City Policy" from Ronald Reagan's time. This policy decrees that none of the taxpayers' money is to be spent for purposes that promote free abortion. This is a great setback for gender equality and may also be a setback for the international efforts to promote sexual and reproductive health.

### **Combating hiv/aids** **A formidable challenge to all of us**

The global HIV/AIDS catastrophe that has overtaken us threatens to undermine the results of many years of development cooperation. And it is our investment in human capital that is being affected. Thirty-six million people are infected by the virus. Over 13 million children have lost their parents. Six thousand Africans die of AIDS every day. The effects in Asia are worsening by the day. This is why the struggle to combat this pandemic is such a central part of Norwegian development cooperation policy. This is why HIV/AIDS is regularly on the agenda of the multilateral finance institutions, of the UN and of the World Trade Organization.

AIDS is an exceptional disease, and it requires exceptional answers. But above all, it requires cooperation, and it requires it now.

Senior officials in the Ministry of Foreign Affairs and the Agency for Development Cooperation (NORAD) meet regularly as an "AIDS team" responsible for coordination on a broad front. Through "Aidsforum", which consists of representatives of the business community, trade unions, NGOs, the church, sports clubs, cultural life and the media, key players in Norwegian society are providing leadership, adding creativity and giving visibility to the efforts to combat the disease. The participants are mobilizing their own networks in Norway and abroad, with an emphasis on the particular challenges they face and the particular instruments they have at their disposal. A good example of this is the statement about the global AIDS catastrophe at the Bishops' Conference this spring, which emphasized the church's responsibility in this area.

Around 50 different Norwegian NGOs and groups of experts involved in the fight against HIV/AIDS have agreed to participate together with NORAD and the Foreign Ministry in a joint effort through "Aidsnett". This has resulted in a large number of new ideas, more cooperation across organizational boundaries, deeper insight into the complex challenges we are facing and fresh substance in

our development cooperation dialogue in various arenas.

The main focus of the Government's AIDS efforts is on prevention, especially with regard to children and young people and measures that reduce risk behaviour, particularly among men. We have also made active efforts in two fields, medicines and peacekeeping operations.

Great progress has been made in the treatment of AIDS in recent years. But the price of such treatment is still far beyond what most people in developing countries can afford. In addition to the price problem, health services in such countries are also often inadequate and lacking in funds. Earlier this month Norway hosted an international workshop under the auspices of the WHO and the WTO on the pricing of and access to important drugs. The various interest groups together made important progress in identifying key issues. Now the results of the workshop need to be digested. The issues will be discussed at the World Health Assembly of the WHO and in the TRIPS Council in the WTO before the summer.

Norway has assumed responsibility for arranging the next meeting of the steering committee for the follow-up to the Security Council resolution on HIV/AIDS in peace operations. HIV/AIDS will be one of the themes of the military exercise Nordic Peace 2001. We are also actively involved in the work of the UNHCR on refugees and HIV/AIDS.

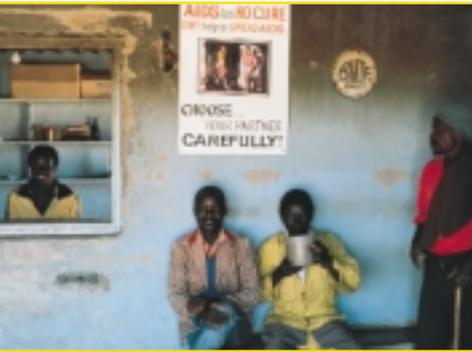
This year the Government has doubled the amount of multilateral development assistance allocated to HIV/AIDS – to NOK 130 million. The cross-sectoral cooperation in UNAIDS is the cornerstone of this work, while WHO occupies a central position as regards the health aspects. The UN Special Session on AIDS this summer will provide a good opportunity to analyse the situation and if necessary adapt our measures even further.

Cultural cooperation helps to promote engagement and provides encouragement in the fight against poverty. Cultural forms of expression are often the best way of communicating when we are dealing with sensitive issues. There are many examples of this, especially in our African partner countries. We will also make use of this in the fight against AIDS.

### **Fighting tuberculosis: A new priority**

We are investing in the fight against AIDS and we are investing in vaccination. Both through substantial additional allocations in the development assistance budget and through active international participation, at political and expert level. This is yielding good results and is proving to be an effective use of development funds.

Now we want to go a step further and intensify our efforts in the fight against tuberculosis. This disease is closely linked with poverty. It is closely linked with AIDS. The older generation in Norway still remembers the ravages wreaked by tuberculosis. Now the disease is increasing all over the world. It is spreading through the developing countries as well as in Russia. Norway has experience that can prove useful. The international Stop TB Initiative has gathered together many different bodies and organizations. We wish to make the point that the Norwegian people are contributing their efforts to this important movement. We will propose an increase in our allocations next year of NOK 100 million.



ZAMBIA © E. Meyer/Magnum/All Over Press

Efforts to combat HIV/AIDS play a key role in Norwegian development cooperation policy.

### Access to energy: A prerequisite for development

Access to energy is fundamental to development and poverty reduction. Sustainable economic growth requires access to energy at acceptable prices, based on sound resource management.

All the major challenges in development cooperation are associated with energy. It is a source of heat and essential to food preparation. We need energy for field hospitals, for schools and for private sector development. Inadequate or polluting energy supplies are a source of all kinds of problems, from disease, environmental degradation and desertification to climate problems and conflicts. We must continue to emphasize the links between energy, development and the environment.

Norway is an important energy producer, both regionally and globally. This means that we are expected to pursue a focused and consistent energy policy in all areas, including development.

I intend to intensify our efforts in the fields of energy, development and the environment, and will seek to substantially increase the funds for this purpose next year. An environmentally sound energy policy vis-à-vis the least developed countries allows us to apply our best technical skills to a key challenge in dealing with poverty. High environmental standards, advanced technology and development assistance funds must be combined in a concerted effort to ensure more sustainable energy supplies.

This was one of the main messages conveyed by the Prime Minister on his visit to India, where it was agreed to set up a Norwegian-Indian commission for closer cooperation. India is the only country in the world with a separate minister for alternative energy sources. The country is the fifth largest supplier of wind power in the world. India has a good deal of expertise on bioenergy, which is the most important source of energy for many people in the poorest countries. Here we want to learn from their experience and expertise. As the Prime Minister emphasized, cooperation on bioenergy and renewable energy sources would be a logical extension of the environmental cooperation Norway already has with India. This could involve the business sector, research institutions and NGOs. India could become a strategic partner in the efforts to develop sustainable energy supplies in other developing countries.

I have appointed a working group to draw up a plan for how Norway should intensify its efforts with regard to sustainable energy sources in development assistance. One of the aims is to identify areas where Norwegian expertise can benefit developing countries. We must engage in a dialogue with our partner countries that focuses on sustainable energy sources for the least developed countries. Renewable sources will be a key element in such a dialogue. We will also seek to ensure that energy and environmental issues occupy a central place on the agenda for the World Summit on Sustainable Development (Rio+10 conference) to be held in Johannesburg in 2002.

I have noted the views of the Bush administration on international climate cooperation under the Kyoto Protocol. If this really is future US policy, it is nothing less than dramatic. We ourselves, however, must choose a different path. Norway must choose binding international cooperation based on the Kyoto Protocol. In our national policy, in international environmental cooperation and in our cooperation with the least developed countries, the Government has chosen to intensify its policy of sustainable development.

### **Development in the form of peace-building: A budgetary "GAP" allocation**

Development is closely linked with peace. For our partner countries such as Uganda, Tanzania and Zambia, the conflicts in neighbouring countries represent a threat to their stability and development. One of the main challenges facing us is to ensure long-term development and stability in these countries while at the same time engaging in conflict resolution and targeted humanitarian interventions in neighbouring countries.

The UN Security Council spends more than half its time on conflicts in Africa. The UN has only succeeded to a limited extent in dealing with these conflicts. Peace-building and rehabilitation in conflict-ridden societies are emphasized in the follow-up to the Brahimi Report.

This has important consequences for Norwegian development cooperation policy. Development efforts must be part of a coordinated political effort. Our policy must not be hampered by any gaps between the humanitarian activities, the political follow-up and more long-term development assistance. In conflict areas it is essential to start reconciliation, democracy-building and economic and social development as rapidly as possible.

We therefore intend to strengthen and clarify the link between, on the one hand, the targeted and often short-term support Norway allocates to conflict-ridden countries and areas and, on the other, long-term development assistance. In next year's budget we will propose a "gap allocation" for the purpose of intensifying these efforts. We call this development in the form of peace-building.

### **Good marks notwithstanding: Strengthened policy evaluation**

It is not enough to report that our development assistance usually receives good marks from the World Bank and the OECD. I intend to set up an external committee to strengthen the policy evaluation function of the Foreign Ministry, which is to include representatives of young people's organizations, business and industry, experts and NGOs. The committee will assist the Ministry in evaluating the results of Norwegian development cooperation policy in selected areas. The objective is to promote transparency and dialogue with regard to development policy in order to encourage more innovation and make our assistance more effective.

### **Development cooperation: A choice of values – thus political**

Development assistance is a political issue. This was one of the main points in my statement to the Storting last year, and it is still one this year.

Development assistance is a political issue because some political parties wish to reduce it. Every year, the Conservative Party and the Progress Party propose dramatic cuts in our support for the poorest countries. Development assistance involves a choice of values – and it is not something we can take for granted.

Development assistance is a political issue because it requires policy choices at the national level. Poor governance, corruption and lack of democracy undermine the effects of development assistance and maintain poverty. This means that development cooperation involves a choice of values for our partner countries as well.

Development assistance is a political issue because it depends on binding international cooperation on an equal basis. Preparations are currently being made for a number of important international conferences. These include the Third United Nations Conference on the Least Developed Countries, to be held in Brussels next month, a High-level International Conference on Financing for Development, to be held in Mexico in March 2002, and the previously mentioned Rio+10 Conference, which will take place in Johannesburg in September 2002. At the same time, efforts are under way to set up a new round of negotiations in the WTO.

We will make use of these processes and conferences to build partnerships between North and South. All countries, and especially the developing countries, must raise their voices and make sure they are heard internationally. We need more cooperation partners and allies from the South in key international processes and in our development policy. For too long, all the mutual cooperation has been taking place in the North, while the focus of assistance has been one-sidedly directed at the South. This is something we must and will change.

- We must target our long-term cooperation more directly towards those countries that show the political will and ability to do something about poverty and inequity.
- This is why we are giving priority to children and their social environment.
- This is why we are giving priority to health and education.
- And this is why we are giving priority to the fight against corruption, to good governance, and to democracy-building.



# Report on Norwegian Development Cooperation in 2000



## Guiding principles for Norwegian development cooperation

This report describes Norway's role in international development cooperation. It gives an account of Norway's contribution towards poverty reduction and the promotion of democracy and human rights. It describes the goals, priorities and principles that have been established for development cooperation, the strategies that have been drawn up and the instruments and channels that are used to achieve these goals. The report also refers to important cooperation partners and gives examples of projects and programmes for which Norway has provided assistance.

However, Norway's contribution to development cooperation is only a small part of the overall development picture. Therefore, the report also describes the problems and challenges faced by developing countries in their efforts to achieve development and overcome poverty in their own countries. Particularly in the poorest countries, there is a danger that the multiplicity of donors, their priorities and vested interests will hinder efforts to enable these countries to formulate plans and make decisions on their own terms. Consequently, this report also describes international processes designed to increase cooperation and improve coordination of the efforts being made in a variety of fields, and Norway's role in these processes.

### Poverty reduction the overarching goal – principles and conditions for Norwegian development cooperation

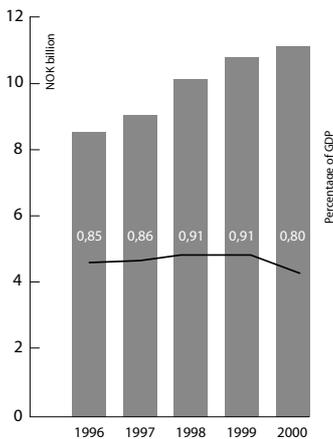
Poverty is the greatest challenge of our times. Every country must be responsible for pursuing a national policy that provides a basis for reducing poverty. In its statement to the Storting (the Norwegian Parliament) on development cooperation policy in 2000, the Government emphasized that development cooperation can never replace countries' own efforts, but must be an offer of partnership with countries that have set themselves ambitious targets for poverty reduction.

The overriding goal of Norwegian development cooperation is to contribute towards lasting improvements in the economic, social and political situation of the populations of developing countries, with particular emphasis on ensuring that assistance benefits the poor. Consequently, *poverty reduction* is a pivotal goal of all Norwegian development cooperation and a significant proportion of Norwegian development assistance can be expected to be channelled to the least developed countries and other low-income countries. This principle affects the choice of priority partner countries for long-term development cooperation, is reflected in dialogue on the organization and focus of cooperation with these countries, and sets the parameters for following up poverty issues in multilateral organizations and international processes.

In its efforts to reduce poverty, in 2000 the Norwegian Government chose to focus strongly on measures to ensure that poor people have access to health services and education. The decision to make a substantial contribution to the vaccination of children in developing countries is an example of one such measure.

If countries are to ensure the provision of basic social services and more equitable distribution of assets, wealth must be created. The Norwegian instruments for supporting private sector development in the South have not been sufficiently effective. In 2000, the Government therefore initiated a process to simplify and strengthen the industrial and commercial financing facilities.

## Development aid spending 1996-2000



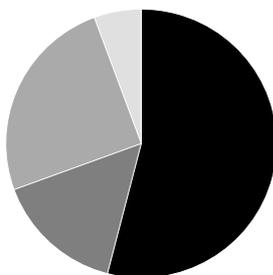
The Government has emphasized that development assistance must give the forces of change in society a chance. Possibilities must be created for "de-selecting" poverty. A serious partnership for poverty reduction can best be achieved in cooperation with countries that are governed on the basis of democratic principles. In one case in 2000, the Government was forced to take action in response to a deterioration in the basis for cooperation. In a situation where the political situation in Zimbabwe was rapidly moving in a negative direction, the Government decided to freeze parts of its government-to-government assistance for that country. In many ways, good governance and poverty reduction are two sides of the same coin. In 2000, there was therefore strong focus on strengthening efforts to promote peace, democracy and human rights through development cooperation.

Norway has adopted the international development goals defined by the UN. In the same way as the overriding goal of Norwegian development cooperation, they are based on the recognition that poverty is not just a matter of a lack of income, but also a result of many other aspects of people's life situation.

The international development goals, which are based on the situation in 1990, are as follows:

- The proportion of people living in extreme poverty in developing countries should be reduced by at least one half between 1990 and 2015
- There should be universal primary education in all countries by 2015
- Progress towards gender equality and the empowerment of women should be demonstrated by eliminating gender disparity in primary education by 2005
- The death rates for infants and children under the age of five years should be reduced in each developing country by two thirds the 1990 level by 2015
- The rate of maternal mortality should be reduced by three fourths between 1990 and 2015
- Access should be available through the primary health-care system to reproductive health services for all individuals of appropriate ages no later than the year 2015
- There should be a current national strategy for sustainable development, in the process of implementation, in every country by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015

## Breakdown of development aid spending in 2000



■	Bilateral aid NOK 6 217 million 55.7%
■	Multi-bilateral aid NOK 1 487 million 13.3%
■	Multilateral aid NOK 2 901 million 26.0%
■	Administration NOK 563 million 5.0%

The international development goals are a focal point of the declaration from the UN's Millennium General Assembly in autumn 2000 and are therefore called the Millennium Goals. Member states also adopted two new goals:

- To have begun to reverse the spread of HIV/AIDS, malaria and other diseases that threaten mankind by 2015
- To achieve significant improvements in the living standards of the more than 100 million people living in slum areas by 2020

As a member of the Organization for Economic Cooperation and Development (OECD), Norway has committed itself to assisting developing countries in their efforts to meet the international development goals. The work being done by the OECD's Development Assistance Committee (DAC), which comprises the most important donor countries, took an important step forward when the guidelines for member states' contributions to poverty reduction were finalized in spring 2001. These guidelines confirm that poverty reduction is the most important task of development policy. Moreover, the OECD/DAC has adopted a checklist for better coherence in member states' overall policies in order to ensure that

the policies they pursue in other areas, for instance with respect to trade, also contribute towards poverty reduction. Norway and the other OECD members will be expected to account for their contributions to poverty reduction during the regular examinations of member states' development policies. In accordance with the OECD checklist, the focus will then be not only on development policy but also on other aspects of donors' relations with poor developing countries.

The OECD/DAC guidelines provide the basis for Norway's *Plan of Action for Poverty Reduction in Developing Countries*, due to be published in autumn 2001. Comprehensive, long-term poverty reduction cannot be achieved unless the situation of women in developing countries is improved. Particularly since the UN Conference on Women in Beijing, developing countries and the donor community have committed themselves to integrating gender equality considerations into all relevant areas of development cooperation. The OECD/DAC guidelines confirm this. Norway stresses the importance of integrating consideration for women and gender equality into long-term bilateral development cooperation, and this issue is also addressed in Norway's dialogue with the multilateral organizations.

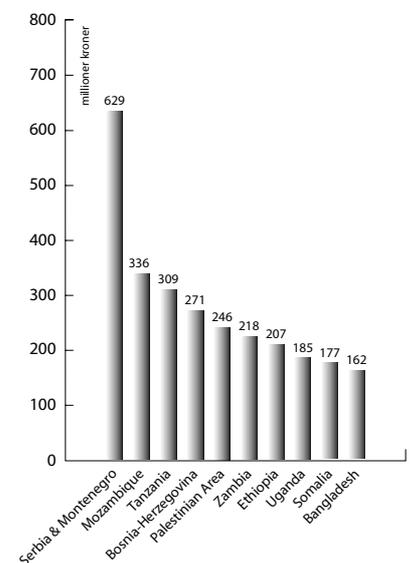
There is a growing understanding in developing countries and among bilateral and multilateral donors that *improved coordination* within a common framework is essential if aid is to be as effective as possible. An increasing number of developing countries are preparing coherent poverty reduction strategies. There has also been growing recognition that coordination must take place under the leadership of the developing country itself – countries must be responsible for their own development.

Norwegian development cooperation is based on the *principle of recipient responsibility*. This principle arises from the fundamental premise that every sovereign state is responsible for its own development. The principle of recipient responsibility means that a cooperation partner is responsible for planning, implementing and monitoring programmes and projects. At the same time, however, its capacity to assume responsibility must be strengthened. Consequently, human resource development, capacity-building and institutional development are increasingly integrated with development cooperation. The same applies to efforts to combat corruption, which are a priority area in Norwegian development cooperation. Recipient responsibility does not mean that Norway, as a donor, disclaims responsibility.

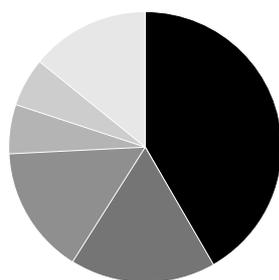
On the contrary, quality assurance at all stages and improved administrative routines have become increasingly important. This requires close dialogue between Norway and its cooperation partners before a decision to provide Norwegian assistance is made, and it is equally important that such dialogue continues, both during the implementation of programmes and in connection with Norwegian monitoring and control. The principle of recipient responsibility is intended to ensure that the authorities of developing countries are given the opportunity to take responsibility for coordinating their cooperation with donors. Recipient responsibility is the guiding principle for Norway's participation in international processes.

Strenuous efforts must be made to support measures initiated by developing countries that are directly linked to the international development goals. However, improving the framework conditions for poverty reduction also poses a considerable challenge. Good governance and a development-oriented economic policy with a social profile, economic growth, a manageable debt situation,

The ten main recipients of bilateral aid in 2000

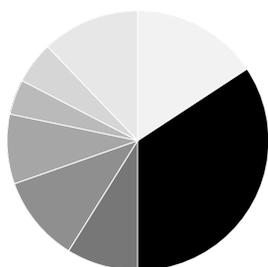


### Bilateral aid, by region in 2000



- Africa  
NOK 2 978 million  
38,9%
- Asia & Oceania  
NOK 1 307 million  
17,1%
- Europa  
NOK 1 251 million  
16,4%
- Latin America  
NOK 522 million  
6,8%
- Middle East  
NOK 509 million  
6,7%
- Global unspecified  
NOK 1 083 million  
14,2%

### General contributions to multilateral organizations



- Development banks and affiliated funds:  
NOK 952 million
- World Food Programme (WFP)  
NOK 189 million
- UN Children's Fund (UNICEF)  
NOK 280 million
- UN Fund for Population Activities (UNFPA)  
NOK 200 million
- World Health Organization (WHO)  
NOK 157 million
- UN High Commissioner for Refugees (UNHCR)  
NOK 170 million
- Other multilateral organizations  
NOK 379 million
- UN Development Programme (UNDP)  
NOK 575 million

access to international markets, peace and the prevention and management of natural disasters are key concepts in this regard. It is essential that the international community make further efforts to reach agreement on how the challenges can best be tackled and increase aid transfers. Moreover, developing countries have an important responsibility to demonstrate their political will for social change and formulate a targeted policy for poverty reduction. Poverty reduction is also dependent upon peace and stability. Consequently, Norway makes active efforts to promote peace and reconciliation in countries affected by conflict, and to support reconstruction after humanitarian disasters.

### Development assistance transfers

The willingness and ability of donor countries to demonstrate international solidarity can be illustrated by comparing the amount of aid they provide in relation to the total amount of wealth they generate. In international comparisons of the sums various countries allocate for development assistance, the amount of development assistance as a percentage of the donor country's gross domestic product (GDP) is used as a yardstick. The OECD's Development Assistance Committee (DAC) has established rules defining the kinds of aid that are considered to be official development assistance (ODA) and regularly updates the list of countries that may receive such assistance.

For many years, Norway was the OECD country that provided the most aid in relation to GDP, but in recent years it has relinquished this place to Denmark, which is now the only country to donate more than one per cent of GDP. In 2000, Norway was in fourth place among the OECD countries, close behind the Netherlands and Sweden. In addition to Denmark, the Netherlands, Norway and Sweden, Luxembourg also met the UN target in 2000, which calls for industrialized countries to give at least 0.7 per cent of GDP in official development assistance.

Total annual development assistance provided by the OECD countries has gradually declined over a long period of time. Measured as a percentage of GDP, the decline was particularly dramatic in the 1990s. After increasing for the first time for many years in 1998 and 1999, the total amount of aid from the OECD countries fell again in 2000, to USD 53.1 billion compared with USD 56.4 billion in 1999. Measured as a percentage of total GDP in the OECD countries, this is equivalent to a reduction from 0.24 per cent in 1999 to 0.22 per cent in 2000. There is therefore a very long way to go before the OECD as a whole reaches the UN target. Nevertheless, the members of the OECD Development Assistance Committee currently contribute approximately 95 per cent of all official development assistance (ODA) in the world.

Norwegian development assistance amounted to 2.4 per cent of total ODA from the OECD countries in 2000, equivalent to approximately NOK 11.2 billion. This was almost NOK 450 million (4 per cent) more than in 1999. According to the OECD Development Assistance Committee's calculations, however, Norwegian ODA dropped from 0.91 per cent of GDP in 1999 to 0.80 per cent in 2000. This is mainly because Norway's total GDP in 2000 was considerably higher than anticipated due to high oil prices and a rise in the value of the dollar in the course of the year. At year-end, the total of unused funds transferred to 2001 amounted to NOK 94 million, by far the lowest figure ever. According to the OECD/DAC guidelines, expenditure relating to refugees' first year of residence in Norway is approved as official development assistance and debited to the aid budget. In 2000, expenditure on refugees in Norway amounted to NOK 864 million. The corresponding figure for 1999 was NOK 433 million.

The breakdown of Norwegian development assistance between bilateral and multilateral channels has been relatively stable for several years, although the proportion of assistance provided through multilateral channels has declined slightly. In 2000, almost 56 per cent of all ODA was contributed through bilateral channels, while 39 per cent was contributed through multilateral channels. In 1999, the corresponding figures were almost 53 per cent through bilateral channels and just over 42 per cent through multilateral channels. This change can partly be ascribed to the significant rise in expenditure on refugees in Norway.

Earmarked contributions that are channelled through multilateral organizations (known as multi-bilateral assistance) are classified by OECD/DAC as bilateral assistance. The distribution between multilateral and bilateral assistance, including multi-bilateral assistance, is described in further detail in the next paragraph.

### Development assistance for countries and regions

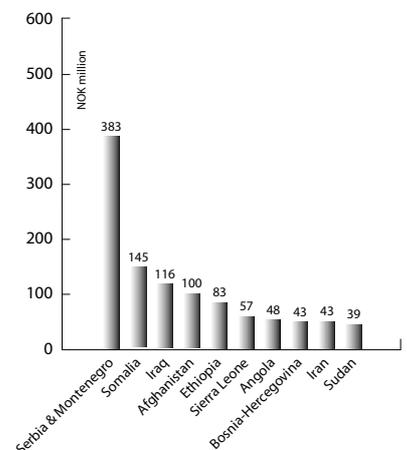
The least developed countries (LDCs) are a group comprising 49 of the world's poorest countries which have been assigned special status by the UN (see map at the back of the report). These countries have the greatest need for long-term development assistance and, as a result of wars and conflicts, several of them are also recipients of substantial amounts of humanitarian aid. The UN target is for rich countries to contribute at least 0.15 per cent of their GDP to LDCs. However, the OECD Development Assistance Committee has calculated that member states' assistance for LDCs amounted to only 0.05 per cent of GDP in 1999, a decline from 0.08 per cent in the course of a decade. The OECD has also calculated that the share of all Norwegian development assistance (including estimates of the geographical distribution of general contributions to multilateral organizations) that went to LDCs amounted to 0.30 per cent of GDP in 1999, a decline from 0.42 per cent in the course of a decade.

Of Norway's total bilateral ODA, including earmarked assistance channelled through multilateral organizations (multi-bilateral assistance), which amounted to approximately NOK 7.7 billion in 2000, NOK 2.7 billion, or 35 per cent, went to LDCs. This percentage was the same as in the previous year, but lower than in 1998, when 41 per cent of all bilateral assistance went to LDCs. This decline was largely due to the increase in assistance for countries in South-Eastern Europe, which are not LDCs. In 2000, a total of almost NOK 3.5 billion, equivalent to 45 per cent of total bilateral assistance, went to LDCs and other low-income countries. This is lower than in 1999, when assistance for these countries amounted to NOK 3.7 billion, equivalent to 50 per cent of all bilateral development assistance.

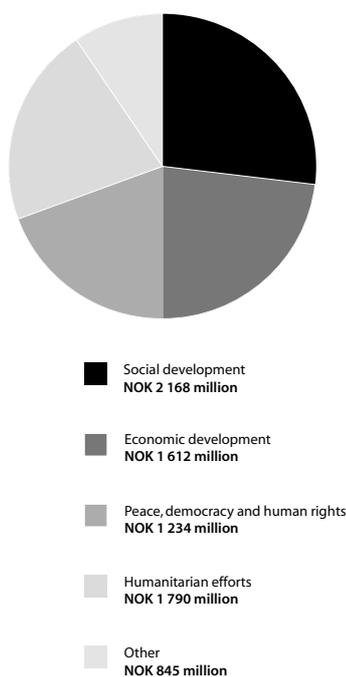
The proportion of Norwegian development assistance that went to Africa fell from 46.2 per cent (NOK 3.1 billion) in 1998 to 39.2 per cent (NOK 2.9 billion) in 1999. In 2000 the corresponding amount was 38.2 per cent, or almost NOK 3 billion.

In 2000, as in previous years, Norway's long-term government-to-government assistance was limited to twelve priority partner countries. Most of them are in sub-Saharan Africa and the Horn of Africa: Eritrea, Ethiopia, Malawi, Mozambique, Tanzania, Uganda, Zambia and Zimbabwe. However, Zimbabwe lost its status as a priority partner country at the beginning of 2001 as a result of the political situation in that country. In Asia, Bangladesh, Nepal and Sri Lanka have the status of priority partner countries, as does Nicaragua in Latin America. In all, the twelve priority partner countries received more than NOK 1.9 billion in 2000, equivalent to 25.4 per cent of all bilateral development assistance. By comparison, 28.6 per cent of all bilateral development assistance went to priority partner countries in 1999.

The ten main recipients of humanitarian assistance in 2000



Breakdown of bilateral aid by priority area in 2000



BOSNIA-HERZEGOVINA © Jens Olof Lasthein / Mira / Samfoto

Bosnia-Herzegovina received the fourth largest amount of Norwegian development aid in 2000.

Norway is also engaged in comprehensive cooperation with other countries, usually because there is a special need to build or support democratic development and respect for human rights, and because of Norway's desire to contribute towards conflict resolution and the continuation of peace processes. These contributions are often combined with humanitarian aid, including assistance for refugees living in Norway. This applies, for instance, to Norway's cooperation with Angola, Sudan and South Africa, assistance for countries in the former Yugoslavia and Norway's involvement in the Palestinian Area.

The guidelines for Norwegian development assistance for countries in South-Eastern Europe are laid down in Report No. 13 to the Storting (1999-2000), *The Main Principles for Future Norwegian Assistance for Countries in South-Eastern Europe*. In 2000, as in the previous year, the Federal Republic of Yugoslavia (Serbia, including Kosovo, and Montenegro) was by far the largest recipient of Norwegian assistance and total transfers amounted to almost NOK 629 million. With total assistance amounting to almost NOK 271 million, Bosnia-Herzegovina was the fourth largest recipient of Norwegian aid in 2000, after the Federal Republic of Yugoslavia and the two priority partner countries Mozambique and Tanzania. The Palestinian Area received almost NOK 246 million and was the fifth largest recipient of Norwegian assistance in 2000.

Table 5 in the Statistics section shows total Norwegian development assistance for various countries in the past three years.

### Development assistance through multilateral organizations

A total of almost NOK 4.4 billion was channelled through multilateral organizations in 2000, compared with just over NOK 4.5 billion in 1999. In 2000, general contributions and other aid that is classified as multilateral assistance amounted to NOK 2.9 billion, equivalent to 26.0 per cent of total ODA. By comparison, in 1999 multilateral assistance totalled just over NOK 2.8 billion, equivalent to 26.4 per cent of all development assistance. Earmarked contributions, known as multi-bilateral assistance, declined from NOK 1.7 billion, equivalent to 15.8 per cent of all ODA in 1999, to NOK 1.5 billion, equivalent to 13.3 per cent of ODA, in 2000.

### Operating parameters for the development efforts of poor countries

It is obvious that aid transfers alone will not generate sufficient economic growth to achieve comprehensive poverty reduction. Debt, trade and investment all have a strong influence on countries' development and their ability to combat poverty effectively. In many poor countries, development is also hampered by violent conflicts, the HIV/AIDS epidemic and poor governance.

#### Debt

As a result of the debt crisis that affected both middle-income countries and the poorest countries at the beginning of the 1980s, the international community introduced a series of measures to alleviate the situation, including structural adjustment programmes and debt relief through the Paris Club. This helped to relieve the debt problems of many of the middle-income countries, but for many of the poorest countries the debt crisis became even more acute in the 1990s. The reasons for the increase in the indebtedness of the poorest countries are complex. As well as poor macro-economic management and deficient debt man-

agement, they include natural disasters and declining prices for export goods. Some of the blame may also be laid at the door of the lenders, particularly those who provided loans on commercial terms with short payback periods. There are significant differences between the various countries in terms of both the level of debt and the servicing of debt. One of the common characteristics of the poorest countries is the large proportion of total debt that is debt to official creditors, both bilateral and multilateral.

One of the keys to solving the debt problems of developing countries lies in the international financing institutions and the international forums that set the premises for dealing with debt problems.

Due in part to the crisis in the international financial system in 1998 and pressure from public opinion, the debt problems of the poorest developing countries were high on the international development agenda in 1999. In both the World Bank and the International Monetary Fund (IMF) there was broad agreement that the unsustainable debt burden of the developing countries limits their possibilities for pursuing national development policies and that the current debt relief schemes must be improved. On this basis, the IMF and the World Bank undertook a revision of the debt relief scheme for the poorest developing countries, the HIPC (Heavily Indebted Poor Countries) mechanism. This debt relief scheme applies to the 41 poorest, most indebted developing countries. It covers all kinds of debt and requires all creditors to assume their share of the debt relief necessary to reduce the debt burden of the country concerned to a sustainable level. Amendments to the HIPC mechanism were adopted at the annual meetings of the World Bank and the IMF in autumn 1999. The debt relief that is provided under the revised HIPC Initiative will be more comprehensive, benefit more countries and become effective considerably more rapidly than before, thereby contributing towards removing the obstacle to development that has been posed by the debt burden of these countries.

As a result of political pressure over a long period of time on the part of the Nordic countries, at the meeting of the World Bank in Lisbon in June 2000 it was decided that there will be periodic discussions on the financing needs of the HIPC Trust Fund. These discussions will take place in connection with, but separately from, the replenishment negotiations in the International Development Association (IDA). This decision means that the Nordic countries have succeeded in their efforts to establish a solution intended to ensure that the debt relief provided by the multilateral banks will not affect the banks' other assistance for poor countries. Several billion dollars still remain uncovered, but the first year's commitments appear to be covered, provided that all the pledged contributions are actually paid in.

At the end of 2000, 22 countries were qualified for HIPC treatment. Among Norway's priority partner countries, this applied to Malawi, Mozambique, Nicaragua, Tanzania, Uganda and Zambia. Norway contributed approximately NOK 186 million to the HIPC Trust Fund in 2000.

Another important forum is the Paris Club, an informal association of creditor countries whose most important function is to coordinate creditor countries' management of developing countries' debt. Norway continued to be an active member of the Paris Club in 2000 and participated in the Paris Club's HIPC negotiations for Tanzania, Benin and Senegal. These agreements will provide the basis for Norway giving full debt relief for these countries.

MOZAMBIQUE © Haldur Nerocy/Phoenix



The HIPC debt relief scheme for the poorest developing countries comprised 22 countries in 2000, including Mozambique, where much of the infrastructure has been heavily damaged by flooding.

The World Bank has a scheme for subsidizing poor countries' servicing of old market loans from that institution (known as the fifth dimension). Under this scheme, which was established on Norway's initiative at the end of the 1980s, interest on old market loans is subsidized down to very favourable terms (IDA terms). Norway's contributions to the fifth dimension have been used to repay the principal amount of the old market loans, i.e. debt relief. Norway contributed almost NOK 57 million to the fifth dimension in 2000, which comprised NOK 25 million to Ghana, NOK 20 million to Guyana and NOK 12 million to Senegal. In connection with bilateral development cooperation in 2000, more than NOK 22 million was disbursed for debt relief for Malawi. These funds were mainly used to repay domestic debt.

The UN Conference on Trade and Development (UNCTAD) has established a Debt Management and Financial Analysis System (DMFAS), which is one of the organization's most important technical assistance mechanisms. The first version of the programme was developed during the debt crisis in the 1980s. Today, more than fifty developing countries use this debt management instrument. The benefits of using a system of this type may be considerable, for example reduced charges and interest on overdue payments and more favourable terms for new loans. Several countries now wish to make use of DMFAS services. Norway contributed NOK 2.7 million to the DMFAS in 2000.

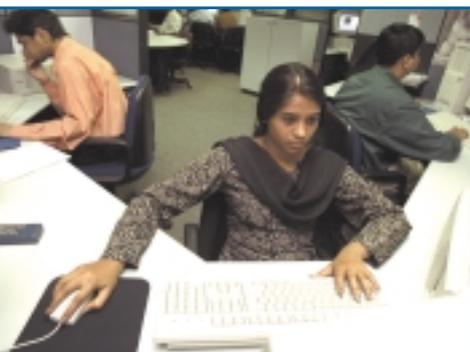
### Trade

The participation of developing countries in international trade has increased significantly in the past ten years. South-South trade, i.e. trade between developing countries, has increased and now accounts for approximately 40 per cent of all exports of goods from developing countries. There is also a tendency for developing countries to increasingly enter into regional cooperation to liberalize trade and investments. However, the developing countries are not a homogeneous group and there are significant differences between the various countries and regions with respect to their degree of participation in international trade.

The strongest growth in the past ten years has taken place in South-East Asia which, despite serious structural problems, has also made significant progress since the Asian crisis in 1998. In several countries in Africa, particularly sub-Saharan Africa, and in the Middle East and certain East European countries, however, growth has been slow or stagnated, and has been far below the forecasts made before the Asian crisis. All in all, the participation of the developing countries in world trade increased by 2.7 per cent in 1999, slightly more than in the foregoing years. However, the LDCs have experienced negative growth in recent years and currently account for only about 0.5 per cent of world trade. The LDCs lack of integration into the world trade system is a serious problem.

In the LDCs, trade is largely based on exports of raw materials. The commodity market is unstable and subject to major price fluctuations. Moreover, it is in this segment of world trade that growth rates have been lowest. For the developing countries as a whole, however, the proportion of processed products has been increasing and now accounts for the majority of developing countries' total exports.

Experience has shown that developing countries which open up their economies and participate in international trade achieve the strongest economic growth. The positive connection between trade and economic growth is partly ascribable to the fact that international trade leads to greater competition and thereby better utilization of a country's comparative advantages and resources, and that



INDIA © Fredrik Naumann/Samfoto

Countries that participate in international trade achieve the strongest economic growth, but trade and exports alone do not guarantee the equitable distribution of wealth.

trade provides possibilities for transferring technology and expertise. It is therefore vitally important for developing countries to be integrated into international trade and develop a more diversified, stable export structure. However, trade alone cannot guarantee economic growth, and certainly does not guarantee fair distribution of wealth or poverty reduction. Trade as an instrument in poverty reduction is therefore linked to other fundamental factors that affect sustainable growth, such as good governance, macro-economic conditions and the social and institutional infrastructure.

The variation in developing countries' participation in global trade is due to several factors. The internal situation in the country is crucially important. Low production capacity and expertise, weak public and private institutions, political instability and a poorly developed infrastructure are among the factors that limit a country's possibilities for being integrated into the global market. Developing countries are also exposed to various types of trade barriers in other countries. Many industrialized countries impose protective tariffs, often very high ones, on products that are typical for developing countries, such as textiles. The protective tariffs for developing countries are generally higher than for other industrialized countries as a result of regional free trade agreements between the industrialized countries. The developing countries therefore have much to gain from a further liberalization of global trade.

Through the World Trade Organization (WTO), a set of international rules has been established to regulate trade between countries, and this is also an instrument for reducing existing trade barriers. A strong, open, regulated international trading system is a prerequisite for the integration of developing countries into the global economy. The WTO rules contain special provisions for developing countries, and there is emphasis on providing technical assistance in order to enable developing countries to participate in formulating and benefit from the regulations.

At the WTO, negotiations are currently in progress on agriculture, services and certain aspects of the agreement on immaterial rights. In their efforts to further develop and strengthen the international trade regulations, WTO member states are seeking to initiate a new round of multilateral negotiations. However, the support of the developing countries is essential if agreement is to be reached on the mandate for a new round of negotiations. It is, therefore, generally agreed that a new, broad-based round must have a development profile.

Norway supports the effort to achieve a mandate for a new, broad-based, development-oriented round of negotiations because it takes the view that a broad-based round of negotiations will help to safeguard the legitimate rights of the developing countries. The fact that developing countries agree on their fundamental demands, strengthens their negotiating position. The developing countries demand that their needs be met primarily through greater market access and adaptation of the regulations. Positive discrimination and technical assistance from industrialized countries are other elements that may improve the possibilities for developing countries to succeed on the international market. In particular, it is necessary to assist the least developed countries so that they are able to participate actively in the negotiations and the formulation of regulations.

Norway's exports to developing countries amounted to NOK 24.7 billion in 2000, equivalent to almost five per cent of Norway's total exports. Exports to developing countries have been gradually increasing over the past ten years. Imports from developing countries to Norway have varied somewhat from year to year

and increased from NOK 30.6 billion in 1999 to NOK 40.6 billion in 2000. Developing countries now account for 10 per cent of total imports to Norway. However, imports from LDCs are low, accounting for only some 0.5 per cent of Norway's total imports.

One important prerequisite for increasing imports from developing countries is improved market access. In 1995, Norway revised its Generalized System of Preferences (GSP) for imports from developing countries in order to facilitate imports from these countries. There was particular emphasis on improving market access for LDCs. In March 2001, the Government decided to eliminate quotas and tariffs on all products (except weapons) that are imported to Norway from LDCs from 2002. However LDCs' actual possibilities for exporting goods are dependent upon their having products to sell, and upon their products meeting Norway's quality and safety standards. Another important precondition for increasing exports from LDCs to Norway and other markets is therefore the provision of technical and financial assistance which will enable them to exploit the new market opportunities that are now being presented.

### Investment

Economic growth and private sector development are essential if comprehensive, long-term poverty reduction is to be achieved. Most developing countries now focus strongly on market-based solutions and development of the private sector. The development of business and industry and a dynamic private sector require a higher level of domestic and foreign investment. The main problem is not a lack of capital, but that very little domestic capital is invested in productive activities and little foreign capital flows to the developing countries, particularly the poorest ones.

The level of domestic investment has varied from one country or region to the next. In the 1990s, for example, savings and investment rates rose in Asia as a whole, while they fell in Africa. Many developing countries are suffering from a flow of resources out of the country, which is one of the reasons why the domestic investment rate is still low and, in some developing countries, declining.

Despite the fact that foreign investments increased in the 1990s, only a few of the least developed countries have benefited from this growing flow of private capital. For LDCs as a whole, the nominal value of long-term foreign investments has declined by 25 per cent since 1990. These countries' share of total long-term foreign investments in developing countries has therefore dropped dramatically, from 18 per cent in 1987 to less than 4 per cent at the end of the 1990s. Of total foreign transfers to the LDCs, as much as 90 per cent is still in the form of development assistance. Sub-Saharan Africa, with the exception of South Africa, was the worst off. Most long-term foreign investments in LDCs in the 1990s were concentrated in a few countries, particularly Cambodia, Laos, Tanzania and Uganda, which received about three fifths of all long-term foreign investments.

Important reasons for the low level of private investments include a lack of confidence in the country's economy, inadequate legislation, a lack of developed financial institutions, a poorly developed physical infrastructure, complicated bureaucratic procedures, an unpredictable tax system and corruption. It is primarily the developing countries themselves that must change these factors. The importance of economic and administrative reforms is therefore a focal point of discussions on how the framework conditions for economic growth and development of the private sector can be improved. The HIV/AIDS epidemic is also affecting the investment climate in the developing countries that are hardest hit,



This anti-HIV/AIDS poster is used in Mali. Africa is particularly hard hit by the epidemic, which has many serious consequences, including an impact on the level of investment.

among other things because companies are losing their key personnel. In many countries, wars and conflicts also increase risk and thereby reduce interest in investment. In these areas, too, it is therefore important for the international community to support the efforts of developing countries.

### **Corruption**

If long-term poverty reduction is to be achieved, corruption must be dealt with. Corruption has been a growing problem in many developing countries. Transparency International, the leading international non-governmental organization in the field of good governance and anti-corruption measures, publishes a ranking list of the most corrupt countries. The poorest countries, particularly many countries in Africa, are assumed to be among these. Several of Norway's priority partner countries have put corruption on their political agendas. Intensified efforts to combat corruption are an important element of development cooperation with these countries.

Corruption impedes the efficient management and utilization of state funds. It is the poorest people who suffer most from corruption because they do not have access to the public services to which they are entitled, and because they lack political influence. Corruption undermines fundamental social values. Trust in the role and capacity of public servants is weakened because procedures are not followed, resources are diverted and recruitment and promotion are based on considerations other than expertise and qualifications. Corruption in the public administration also leads to an outflow of capital from the country and fewer investments.

Administrative reforms aimed at achieving greater transparency and accountability, including the introduction of regulations and procedures that provide for access to information, are important. Independent controlling bodies, such as supreme audit institutions and courts of law are also essential if corruption is to be reduced. Democratic rules must be followed. The media must have access to information and the right of complaint, without fear of reprisals.

In efforts to promote good governance, anti-corruption measures are an important part of international development cooperation. The crucial factors include strengthening public institutions and democratic principles. Norway focuses strongly on measures to combat corruption, both in bilateral forums and in discussions in multilateral forums such as the UNDP, the OECD Development Assistance Committee and the World Bank. Norway's own administration is focusing on training and human resource development in order to reduce the potential for corruption at the planning stage of programmes and projects. In their cooperation with Norwegian companies, non-governmental organizations and research institutions, the Norwegian authorities also stress that corruption is unacceptable.

### **Human capital**

According to UN calculations, the global population passed 6.1 billion in mid-2000. Population growth is now estimated to be 77 million a year. In other words, it is rising by 1.2 per cent a year, which is the lowest growth rate since World War II.

The UN has recently published a new set of population forecasts for all the countries in the world, which shows that the estimated total global population in 2050 will be between 7.9 and 10.8 billion. The median figure is 9.3 billion, 413 million more than in the previous forecasts, which were published in 1998. The reason for this increase is that the decline in fertility rates in many developing countries

has proved to be slower than previously assumed, or they have not declined at all. This particularly applies to the 49 least developed countries, whose populations are expected to triple in the next fifty years, from 658 million to 1.8 billion. The population in developing countries is expected to rise from 4.9 billion in 2000 to 8.2 billion in 2050. The population in developed countries is expected to remain more or less constant. The UN estimates that the population in 39 industrialized countries will decline up to 2050. Norway is not one of those countries.

*The HIV/AIDS epidemic* is still spreading, particularly in Southern Africa but also in Asia and Eastern Europe. According to the UN, more than 36 million people were infected with HIV/AIDS at the end of 2000. Ninety-five per cent of infected persons live in developing countries, the majority of them in Africa. In the most affected countries, the epidemic is having a dramatic impact on mortality rates, disease and the number of orphaned children.

The UN's new population forecasts have taken into account HIV/AIDS in the 45 most affected countries. It is expected that 15.5 million people will die of AIDS in these countries in the next five years. Despite this fact, population figures are not expected to decline in the next fifty years due to the high fertility rate. Even in Botswana, where 36 per cent of the adult population are HIV-positive, the population is expected to continue to increase – although naturally more slowly than before. The only exception is South Africa, which has a lower fertility rate than 2.9 children per woman. In South Africa, the population is expected to decline in the period 2010-2025 and then to rise again.

For the 45 most affected countries, life expectancy has already fallen by three years due to the epidemic. In the case of Botswana, the UN now estimates life expectancy to be approximately 44 years, while without HIV/AIDS it would have been 67 years. In other words, the epidemic has reduced life expectancy by 20-30 years. In several countries in Southern Africa, it is likely that two out of every three 15-year-old boys will die of HIV/AIDS before they reach the age of sixty.

Although the epidemic is spreading rapidly, there are also some positive signs. For instance, the proportion of the population that is infected has declined in Uganda and Thailand. In Uganda's capital, Kampala, the proportion of women that are HIV-positive has dropped from more than 25 per cent at the end of the 1980s to 15 per cent at the end of the 1990s. In Zambia, too, the occurrence of HIV among young women aged 15-24 has declined, particularly among the best-educated women.

In recent years, medicines have been developed for the treatment of HIV-related diseases, but they are too expensive for poor countries to afford. Many developing countries wish to produce or import such medicines themselves, but they have met with strong opposition from the pharmaceutical companies. The settlement in a court case on this issue in South Africa is a promising sign.

*Education* is crucial to development. The rapid economic growth achieved by many countries in Eastern Asia is largely due to the priority they have given to education. In the 1990s, there was generally strong focus on primary education, but progress has been uneven and usually too slow. Although most children in the world receive some education, 113 million children have no primary education. More than 60 per cent of them are girls, and most of them live in rural areas. Education levels are particularly low in South Asia and sub-Saharan Africa. In cases where children do receive education, it is often of poor quality and many children repeat classes or leave school prematurely. Education is often irrelevant



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Education is crucial to development. 880 million adults are illiterate and many of them are women.

to their future career opportunities and does not lead to a better future. 880 million adults are illiterate, and most of them are women.

Education for girls and women is a good investment. It helps to raise the age of marriage and leads to lower birth rates, improved health and nutrition for the family, better education for the children and higher family incomes. Due to limited, poorly-adapted education, most developing countries find that they cannot fully utilize the labour force potential of their population.

### Conflicts and peace-building

Most of the 20 poorest countries in the world have suffered from conflicts in recent years, and Africa is the continent that has suffered most. Conflicts affect the lives of one in every five Africans. There are estimated to be 12 million refugees in the world, and many of them are in Africa. While stability and security are essential factors in poverty reduction, poverty reduction is an important contribution towards conflict prevention and peace.

While conflicts have a harsh impact on poor people, poverty increases the danger of violent conflict. Weak authorities are vulnerable to exploitation by groups that see possibilities for profiting from natural resources. Poor nations lack the social capital – social and economic organization, trust and interaction – that can create a climate of cooperation on common solutions.

The conflicts that have affected Africa in recent years are complicated and require complex, long-term responses in which aid can play an important role. Long-term development cooperation must focus clearly on democratic development, good governance and justice so as to strengthen these nations' ability to deal with conflicts in a peaceful manner. Tangible results in the fight against poverty – improved welfare, education, health and personal security for the general population – are the best defence against violent conflict.

The positive influence of development assistance alone is limited. It is the innate dynamic of the conflict and local political conditions that present possibilities for assistance to be able to contribute towards positive development. Development assistance must be incorporated into a coordinated, coherent, international diplomatic and political follow-up process. Arms exports, access to hand guns, regional conditions and economic and trade factors that exacerbate conflicts are among the issues that must be addressed.

The importance of having a coherent, integrated approach to *peace-building* is a crucial factor in UN efforts to strengthen peace-keeping operations and prevent conflicts. This poses new challenges for Norwegian development policy. There has been strong emphasis on improving the coordination of diplomatic instruments, humanitarian aid, support for civil society and long-term development assistance.

## Partners in development cooperation

### Cooperation with the authorities of developing countries

The government authorities are Norway's main counterpart in cooperation with priority partner countries and, naturally, in many other countries that receive Norwegian development assistance. A properly functioning state based on a democratic, accountable political system is a precondition for being able to build

ERITREA © Boris Grdanoski/AP/Scanpix



There are twelve million refugees in the world. Poverty reduction prevents conflict situations.



UGANDA © Sean Sprague/Phoenix

This girl has received a primary school place in Uganda.

a society that promotes economic development and ensures security and access to education and health services for the poor sectors of the population. If Norwegian assistance is to contribute towards ensuring that the authorities take the lead in efforts to reduce poverty, cooperation with government authorities must be based on the principle of recipient responsibility.

The Comprehensive Development Framework (CDF) represents a vision of a coherent framework for development cooperation at country level. The initiative for the CDF was taken by the World Bank in 1999 and work on the framework continued in 2000. The intention of the CDF is to create a forum for dialogue that includes all the relevant players: bilateral and multilateral donors, the private sector, civil society and, not least, the authorities of the country concerned. If the intentions of the CDF initiative are realized, it will have far-reaching consequences for the organization of cooperation between authorities and donors. Mozambique, Tanzania, Uganda and Vietnam are among the countries that have made relatively good progress in developing a national development strategy and defining a framework for the coordination of all development assistance. There is therefore emphasis on adapting the organization of Norway's development cooperation so that it can support these efforts to the greatest possible extent.

In Norway's dialogue with its partner countries, there is emphasis on measures to strengthen the capacity of recipient countries and, as part of this process, the transition from project support to sector programmes continued. Decisions have been made to simplify country strategies so that Norway can support the national strategies that are being prepared to the greatest possible extent. In other words, Norway's assistance must contribute towards the implementation of national development programmes within a framework that defines a clearer division of responsibility between donors, and where the responsibility for management and implementation rests with the authorities of the recipient country.

The authorities in Norway's partner countries need assistance to develop public institutions and improve their administrations in order to develop sufficient capacity and expertise to plan, implement and report on aid projects and other development programmes. Norwegian institutions play an important role in this effort. Many directorates, ministries and research and educational institutions have entered into cooperation agreements with institutions in Norway's partner countries.

The ongoing restructuring of development cooperation in the direction of greater recipient responsibility and a more equal partnership has also led to a stronger focus on efforts to combat corruption and create a more transparent, accountable administrative apparatus. In its dialogue with government authorities on the organization and focus of cooperation, Norway attaches particular importance to the connections between democracy, good governance, human rights, sustainable development and poverty reduction. Poverty-oriented development helps to realize the economic, social and cultural rights of the people and at the same time strengthens the foundation for civil and political rights. Greater respect for civil and political rights reduces internal conflicts and may help to mobilize society in efforts to achieve development and economic growth. Many of Norway's partner countries are on the periphery of regional conflicts and some are directly involved in them. Many partner countries are themselves affected by deep-rooted internal conflicts. Political dialogue on these issues and measures to help prevent and resolve conflicts are therefore an important part of cooperation with priority partner countries.



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There is strong focus on peace and reconciliation in Norway's efforts to assist Ethiopia and Eritrea.

The war between *Ethiopia and Eritrea* ended with a cease-fire agreement in June 2000 and a final peace treaty in December. The conflict led to widespread human suffering, the loss of an estimated 100,000 lives and serious economic consequences for the development of both countries. The Government froze development cooperation with both countries in May 2000 and the focus of development cooperation was re-oriented. Norway's activities in these two countries are now designed to contribute towards peace, reconciliation and stability, and assistance is provided for efforts to promote democracy, human rights and good governance. Limited long-term development cooperation with focus on food security, HIV/AIDS and regional cooperation supports these primary goals.

The conflict in the *Democratic Republic of the Congo* is having extremely serious repercussions for the situation throughout Central Africa. Several countries where Norway is engaged in development cooperation programmes are directly involved in the conflict. This primarily applies to Angola, Namibia, Uganda and Zimbabwe. Neighbouring countries, such as Tanzania and Zambia, are also strongly affected by the conflict. Norway supports the ongoing mediation efforts under the auspices of the regional organization, the Southern African Development Community (SADC).

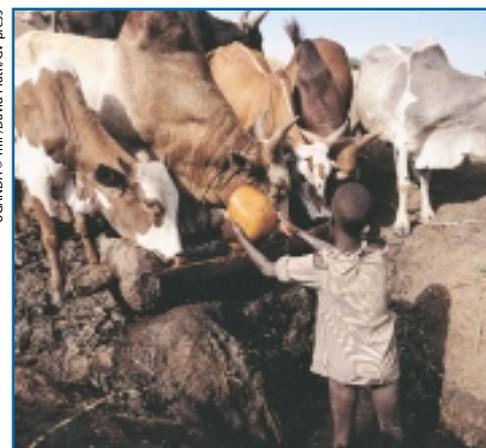
Relations with *Uganda* are complicated by the country's involvement in the conflict in the Democratic Republic of Congo. At the beginning of the year, a new cooperation agreement was signed, the main goal of which is to help Uganda to reduce poverty by promoting economic growth and social development. There is now greater emphasis on measures to develop good governance and democracy. Private sector development plays a pivotal role because Uganda is one of the pilot countries in the follow-up to the *Strategy for Norwegian Support for Private Sector Development in Developing Countries*. There is considerable emphasis on the effort to combat HIV/AIDS. Uganda initiated preventive measures at an early stage and the proportion of HIV-positive persons in the country is falling, from around 14 per cent in 1991 to about 8 per cent in 2000.

In *Tanzania*, the presidential and parliamentary elections in autumn 2000 led to a more tense political situation, particularly on Zanzibar. Following the reactions to the election and the authorities' use of violence against the opposition on Zanzibar in 2000-2001, it was considered necessary to review the basis for cooperation with Tanzania before renewing the cooperation agreement. In the meantime, cooperation has continued, with emphasis on poverty reduction based on Tanzania's own priorities and support for central and local reforms that will provide a foundation for a more democratic society.

In *Zimbabwe*, the political conflict between the government and the opposition has led to a serious situation and the country has forfeited its status as one of Norway's priority partner countries. Due to the increasing political violence against the opposition prior to the parliamentary elections in June 2000 and the government-supported occupation of large farm properties, Norway decided to freeze parts of its government-to-government assistance. (In August 2001, ongoing government-to-government cooperation was halted due to a further deterioration in the situation). Other assistance aims to strengthen efforts to promote democracy, good governance and human rights. Programmes to protect especially impoverished groups and combat the HIV/AIDS epidemic also continued.

As a result of the nuclear tests carried out by *India and Pakistan* in May 1998, Norway decided to freeze government-to-government cooperation with both countries, with the exception of programmes that were poverty-oriented or pro-

UGANDA © TRIP/David Pluth/GV-pres



Social development and economic growth are the goal of development cooperation with Uganda.

moted respect for human rights. In autumn 2000 the freeze was relaxed in India's case. At the same time, cooperation in the field of culture and education was permitted to begin again. In a military coup in autumn 1999, the Pakistan army assumed power and deposed the Prime Minister. Norway pointed out that democracy must be reintroduced as soon as possible. Local elections have now been held and elections to the provincial assemblies and the national assembly are promised in autumn 2002.

The protracted conflict between the authorities and the Tamil organization, the Liberation Tigers of Tamil Eelam (LTTE), is described by the government and the international donor community as the greatest obstacle to development in Sri Lanka. For this reason, from 1998, the guidelines for development cooperation were particularly focused on projects that promote peace and reconciliation, rehabilitation and economic development. Since 1999, Norway has been involved as the third party in a process aimed at negotiating a political settlement between the parties. In the course of the year, the process made progress and, in Norway's view, it is possible to achieve a situation where direct negotiations can take place, provided that sufficient trust is re-established between the parties. However, this process will take time and require a great deal of effort and patience on the part of all the parties concerned.

The referendum on the future status of *East Timor* on 30 August 1999 resulted in independence. Norway has established good relations with East Timor, and humanitarian aid will gradually be phased out in favour of more long-term development assistance. The goal is to help the country develop a stable, independent government based on democratic principles. In East Timor, Norway cooperates closely with other bilateral donors, the UN, the World Bank and the Asian Development Bank.

In *Nicaragua*, the progress made after the dictator Somoza was deposed at the end of the 1970s has come to a halt. Although the present government has met many of the requirements of the international financial institutions and, to a certain extent, of bilateral donors, poverty and illiteracy are rising. There is also concern about democratic development. In 1999 a pact was signed between the governing party and the Sandinistas which enables these parties to secure their position indefinitely. As a result of the pact, the Constitution and the Election Act have been rendered less democratic and the Office of the Auditor General and the Supreme Court have become less autonomous. Promoting good governance has therefore become a crucial focus of cooperation between Norway, other donor countries and the Nicaraguan authorities. Work on formulating a new structure for development cooperation between Nicaragua and Norway, which was planned to follow up the evaluation of development cooperation in the period 1993-97, has been postponed pending further developments in Nicaragua.

### **Cooperation with other donors**

Since poverty reduction is the overarching goal of development cooperation, international cooperation in 2000 was largely focused on continuing a number of initiatives to strengthen partnership, increase recipient responsibility and improve coherence. Donors' willingness to coordinate their efforts and allow recipient countries to take responsibility for the implementation of development cooperation programmes is crucial if aid transfers are to be used effectively and lead to results. The goal must be to ensure that the total administrative costs of development cooperation are reduced, for both donors and recipients. There is considerable agreement on the need for coordination, but many donors are still unwill-

ing to relinquish their own administrative routines and reporting requirements.

#### *Coordination at country level*

In the poorest countries, the multiplicity of donors, their vested interests and their varying demands regarding implementation and reporting undermine the possibilities for development cooperation to contribute towards improving living conditions for the population. The authorities of the recipient countries emphasize the importance of harmonizing donor policies and simplifying procedures. There is a large degree of international agreement on this issue among both bilateral and multilateral donors.

The evaluations carried out by the World Bank and the UN Development Programme (UNDP) of coordination at country level show that there is still room for significant improvement. The evaluations also showed broad agreement that it is necessary to develop national capacity for financial management and control. The multilateral aid agencies have entered into close cooperation with a view to harmonizing their procedures and operational guidelines.

In some countries, a great deal of progress has been made on coordinating donors' country strategies with a view to achieving a clearer division of responsibility and simplifying procedures. In 2000, discussions on these issues were increasingly linked to efforts to formulate national Poverty Reduction Strategy Papers (PRSPs).

Norway is making active efforts to reduce the strain on the administrations of recipient countries by supporting national sector programmes. There is strong emphasis on dialogue with other donors in order to facilitate the practical implementation of the intention of the Comprehensive Development Framework (CDF) initiative, which is to improve the division of responsibility within an overarching national strategy for poverty reduction and development. Close cooperation with the Nordic countries, and with the Netherlands, Germany and the UK (the Utstein Group) has proved to have a significant impact on efforts to build alliances to support the authorities' reform efforts and reach practical agreements on cooperation and the division of responsibility. For example, Norway and Sweden have initiated a system whereby NORAD or the Swedish development agency, SIDA, may administer the development assistance activities of both countries.

The UN plays an important role in efforts to improve coordination. The UN has credibility in discussions with recipient countries on issues such as good governance, poverty reduction, human rights, democratic development and population policy. Norway supports the reforms currently being carried out by the UN, some of which are aimed at improving coordination between the UN's various funds and programmes. At UN headquarters, cooperation between UN funds and programmes has been strengthened by the establishment of the UN Development Group (UNDG) to coordinate the work of the UN Development Programme (UNDP), the UN Children's Fund (UNICEF), the UN Fund for Population Activities (UNFPA) and the World Food Programme (WFP). At country level, cooperation between UN agencies takes place through the UNDAF process, which entails formulating a common framework for all UN development assistance in cooperation with the authorities of the recipient country. The trial period has provided a great deal of useful experience and this model will be expanded to apply to UN development assistance activities in all developing countries. The reforms of the UN's working methods at country level are being

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Norway supports reforms for better coordination of the various UN funds and programmes. Coordinating the efforts of individual donor countries has also reduced the strain on the administrations of recipient countries.



The OECD's Development Assistance Committee (DAC) aims to halve the number of people living in absolute poverty by 2015.

coordinated with the follow-up to the World Bank's CDF initiative. An evaluation of the UNDAF process is due to be presented in summer 2001.

#### *The OECD Development Assistance Committee (DAC)*

Norway is an active member of the OECD Development Assistance Committee (DAC), which is the main cooperative body for countries that provide development assistance. The DAC is responsible for international aid statistics, regularly undertakes critical reviews of member states' development policies and prepares guidelines for various aspects of development cooperation. The mandate for the work of the committee and the development assistance activities of member states is laid down in the DAC development policy strategy, which was adopted in 1996. Its main goal is to halve the proportion of the world's population living in extreme poverty by 2015.

The formulation of practical guidelines for poverty reduction was a focal point of the committee's activities in 2000. The guidelines were adopted at the DAC's high level (i.e. political level) meeting in April 2001. Throughout 2000, work was also in progress on formulating guidelines for areas such as assistance for developing countries' efforts to develop capacity for engaging in international trade, conflict prevention and strategies for sustainable development. These three sets of guidelines were also adopted at the high level meeting in 2001.

One of the more difficult issues the DAC had to deal with in 2000 was to reach agreement on a recommendation to member states to untie aid to the least developed countries, i.e. to ensure that aid from individual donor countries was as little conditional as possible upon deliveries of goods and services from the donor country. This recommendation was adopted at the high level meeting in 2001. In 2000, a Task Force on Donor Practices was established to find out how cooperative procedures between the donors and recipients of development assistance can be simplified and coordinated. The goal is to rationalize development cooperation, among other things by reducing the strain on the administrations of recipient countries.

#### *Nordic cooperation*

In connection with the re-organization of Nordic cooperation, development assistance ceased to be an element of formal Nordic cooperation in 1994. However, the ministers and state secretaries responsible for development policy maintain regular contact and meet once and twice a year respectively, taking it in turn to chair the meetings. In 2000, the meeting of development ministers, hosted by Denmark, took place in Greenland. Since the views of the Nordic countries on development issues largely coincide and they have common interests in development cooperation, they continue to cooperate extensively on an informal basis.

An important instrument in Nordic development cooperation is the Nordic Development Fund (NDF), which is financed from the aid budgets of the Nordic countries and provides soft loans for the poorest developing countries. The fund is oriented towards high priority projects that promote economic and social development, with special emphasis on projects that have a positive environmental impact. In 2000, fourteen new loan agreements were signed, to a total value of NOK 685 million. The distribution of the fund's total project portfolio is approximately as follows: 46 per cent to Africa, 34 per cent to Asia and 20 per cent to Latin America and the Caribbean region.

In all multilateral organizations where the Nordic countries are represented, Nordic cooperation has been established with a view to taking a common stance

on development policy issues and coordinating Nordic interests. This type of cooperation has particularly been developed in connection with the work that is done on the boards of the World Bank and the regional development banks, where joint Nordic instructions are prepared for matters that are due for discussion.

#### *Cooperation with other bilateral donors*

One of the new networks established to increase the effectiveness of development cooperation is the group comprising Norway, the Netherlands, the UK and Germany, known as the Utstein Group. The Netherlands hosted the annual ministerial meeting in 2000. The purpose of this cooperation is to strengthen necessary processes, such as international donor coordination, untying aid, debt relief for developing countries and efforts to combat corruption. Since the three other countries are important members of the EU, this cooperation, in conjunction with Nordic cooperation, provides even broader access to the European Community.

#### *Norway's cooperation with the multilateral system*

Cooperation with the multilateral system has high priority. Norway is one of the largest donors to several UN agencies and is also an important player in the World Bank and the regional development banks. Norway participates actively in international forums, such as the UN General Assembly, and at summit meetings and international conferences. In institutions and forums of this type, Norway makes active efforts to:

- promote Norwegian views in the establishment of principles, priorities and cooperative conditions for development cooperation in general
- promote and emphasize the main priorities of Norwegian development cooperation policy
- contribute towards increasing the efficiency of the multilateral system
- use the multilateral organizations as a channel for Norwegian assistance aimed at poverty reduction

In recent years, there have been important changes and reforms in the UN system's development assistance activities and in the World Bank. At the same time, the relationship between the UN and the Bretton Woods institutions (the World Bank and the IMF) has changed. The Bretton Woods institutions have built up capacity and achieved greater influence in several areas where the UN also possesses expertise, particularly in the social sector and on issues such as the environment and women. This has increased the need for improved and more frequent dialogue between the major multilateral organizations. Consequently, regular consultations now take place between the Bretton Woods institutions and the UN Economic and Social Council (ECOSOC).

There have been comprehensive changes and improvements in the UN system as a result of the reforms adopted by member states at the General Assembly in 1997. At the administrative level, the UN secretariat is slimmer and more efficient than it was before. Cooperation between UN funds and programmes has been strengthened by the establishment of the UN Development Group (UNDG). In the General Assembly, ECOSOC and the Security Council, there is greater awareness of the linkages between security and conflict on the one hand and economic and social development issues on the other.

Efforts to strengthen the integration of UN activities at country level have been intensified through the UNDAF process, which is the UN system's own initiative

to devise a common framework for the development assistance activities of the various UN agencies at country level. Many UN agencies, such as the UNDP, the WHO and the International Labour Organization (ILO), have implemented comprehensive reforms to rationalize their internal administrations and undertake the necessary organizational changes in order to better enable them to meet new challenges.

However, the developing countries are sceptical about the UN's reform efforts. They take the view that the reforms and rationalization of UN activities have not led to any increase in the transfer of resources to the UN's operational development assistance activities in developing countries and fear that further rationalization will lead to reduced contributions to the UN from donor countries and to a decline in the importance of the UN system.

In 2000, the work of the World Bank was largely been focused on efforts to reduce poverty. In this connection, the launch of the World Development Report for 2000-2001, "Attacking Poverty", was important for the further work of the institutions on poverty reduction. The report outlines three main pillars in efforts to combat poverty: the poor must be given greater security in order to prevent a further deterioration in their situation; they must be given better opportunities for income-generating activities; and they must be given greater opportunities to participate and express their desires and needs in the development process.

Work on the Comprehensive Development Framework (CDF) and on Poverty Reduction Strategy Papers (PRSPs) continued in 2000. The PRSPs are national poverty reduction strategies developed by the recipient countries themselves. In the course of the year, interim PRSPs were prepared which enabled 22 countries to qualify for debt relief under the HIPC mechanism (cf. page 25). The development of the PRSP as a coordinating, overarching planning instrument at country level was strengthened. Work on national poverty reduction strategies has, in many ways, become an operational reflection of the CDF principles, which aim to gradually build up a common understanding of each country's challenges and show how the various national and international players may contribute towards meeting them. The government's own management and ownership of these processes must be the guiding principle. Countries must be given time to develop ownership and control of these processes. In the months and years ahead, greater cooperation with the UN system and with bilateral donors at country level will be important in achieving this goal.

The work of the *regional development banks* has also been affected by the stronger focus on poverty reduction. In 1999, the African Development Bank (AfDB) adopted a resolution that poverty reduction was to be the bank's main goal. In 2000, the work of the AfDB was largely concentrated on consolidating poverty reduction as the bank's main goal. The board of directors of the AfDB has approved several subsidiary strategies for poverty reduction, and measures have been initiated to adapt the bank's organizational structure to this end.

Negotiations on the seventh replenishment of the Asian Development Fund (AsDF), which is the soft loan window of the Asian Development Bank (AsDB), were completed in 2000. The fund's resources are lent on extremely favourable terms to the poorest countries in the region. Norway and other like-minded countries increased their share of the burden in order to help cover a possible financing gap and ensure that the replenishment was as large as possible. In 2000, the Asian Development Bank continued work on implementing its new



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Resources from the Asian Development Fund are lent to the poorest countries in the region. Norway has increased its contribution to this fund.

poverty reduction strategy, and this work was also incorporated into the preparation of the bank's long-term strategy.

Norway's application for membership of the Inter-American Investment Corporation (IIC) was approved in 2000 and the question of Norwegian membership of the IIC will be submitted to the Storting in 2001. The IIC is an independent sister organization of the Inter-American Development Bank (IDB), whose purpose is to promote the role of the private sector in the development process by offering financing and advisory services, primarily to small and medium-sized enterprises in the region.

### Cooperation with the private sector

Private sector development in the South contributes towards generating income and employment for poor groups, and towards creating the necessary economic base for countries' own investments in areas such as health and education. A dynamic private sector is therefore essential in efforts to counteract aid dependency and a growing burden of debt. This is the basis for the *Strategy for Norwegian Support for Private Sector Development in Developing Countries*. Companies and organizations in the private sector in partner countries and in Norway are important partners in these efforts.

A minimum of appropriate legal, institutional and political parameters must be in place if the private sector is to be able to function. Key words that are often used to describe the climate for investment and the establishment of business in many developing countries are unpredictability, unnecessary bureaucracy, corruption and under-developed financial institutions. Partner countries have been urged to overcome such obstacles in order to promote economic activity.

As partners in cooperation, Norwegian companies possess expertise and experience that make them suitable partners for developing countries in their efforts to develop the private sector. Through industrial and commercial financing facilities under the aid budget, Norwegian companies are involved in development cooperation by investing in and exporting goods and services to developing countries. As part of the effort to involve the private sector and civil society more closely in assisting developing countries, Norwegian companies, the social partners and agricultural organizations are taking part in national planning in several of Norway's partner countries.

The Forum for Private Sector Development in the South, established under the *Strategy for Norwegian Support for Private Sector Development in Developing Countries* and intended to increase the participation of Norwegian business and industry in development cooperation, continued its efforts in 2000. The Forum normally meets once every six months and meetings are also held in the subsidiary working groups. In February 2000, the Working Group on the Development of Instruments presented the study *Norwegian Investment Facilities*. This study provided the basis for work on restructuring and simplifying the industrial and commercial financing facilities under the development assistance budget, which included clarifying the division of responsibilities and roles between NORAD and the Norwegian Investment Fund for Developing Countries (NORFUND). In autumn 2000, the Working Group on Trade-related Measures presented the report *Developing Countries and the Global Trade System*, which is a broad-based study of issues related to the participation of developing countries in international trade.

LEBANON © Norsk Folkehjelp



Norwegian NGOs play a significant role in efforts to promote peace and strengthen local business and industry. This project in the Middle East is supported by Norwegian People's Aid.

### Cooperation with civil society

Civil society in developing countries plays a significant role in efforts to reduce poverty, contribute towards democratic development and promote human rights. It is therefore important, through development cooperation, to facilitate the involvement of non-governmental organizations, non-governmental institutions and various groups in the community in efforts to build a well-functioning society. For this reason, a large proportion of Norwegian development assistance is channelled through Norwegian non-governmental organizations and institutions, in cooperation with similar partners in developing countries. Much of this effort is devoted to improving health and education. It has been realized that voluntary forces, special interest groups and organizations are necessary spurs, guides, correctives and partners in every country, and more assistance has been provided for projects to promote human rights and democratic development in recent years. Examples of the role that can be played by Norwegian NGOs can be seen in their contributions to peace efforts in the Middle East, Central America and the former Yugoslavia. Many NGOs also contribute towards promoting local enterprise, among other things by supporting micro-finance programmes.

Norwegian non-governmental organizations primarily play an advisory role for their local cooperation partners. In this way, they contribute towards greater recipient responsibility and towards developing local planning and administrative capacity, thereby strengthening local organizations.

The cooperation of the Norwegian authorities with non-governmental organizations is based on their confidence that the NGOs can produce good results. The assistance that is provided is subject to the same requirements as other Norwegian development assistance, with emphasis on recipient responsibility, their contribution towards local capacity-building, sustainability and a local base. NGOs are subject to increasingly strict requirements regarding the quality of the work that is done and the documentation of results, also in a national context.

Work on revising the guidelines for assistance for NGOs will be completed in 2001. Discussions have particularly centred on three areas: focus on strengthening civil society, forms of financing and the simplification of administrative and cooperative routines. One hundred and eight Norwegian NGOs received funding for their activities from the aid budget in 2000. This includes both humanitarian aid and long-term development assistance. Eighteen NGOs have frame agreements with NORAD, while two NGOs, Norwegian Church Aid and Redd Barna (Save the Children Norway) have programme agreements. Both types of agreement contribute towards more efficient management of long-term assistance through non-governmental organizations.

Direct assistance for NGOs in priority partner countries, which is administered by Norwegian embassies, continued in 2000. A total of NOK 183 million was administered by the embassies for this purpose, which is NOK 31 million more than in 1999 and NOK 45 million more than in 1998. This arrangement will continue. Assistance is also channelled through the embassies to local NGOs from the allocations for environmental measures and women.

Total assistance provided through NGOs amounted to NOK 2.4 billion in 2000, equivalent to about 40 per cent of the total bilateral assistance budget (i.e. development assistance that is channelled only through bilateral channels). This represents a decline of slightly more than NOK 140 million in comparison with 1999, which was an atypical year partly due to the Kosovo crisis. Of the total assistance



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Norway cooperates with Uganda on research and human resource development.

provided through NGOs, approximately 80 per cent was channelled through Norwegian NGOs. Norwegian People's Aid received about NOK 312 million, the Norwegian Red Cross NOK 290 million, Norwegian Church Aid NOK 260 million, the Norwegian Refugee Council NOK 223 million and Redd Barna NOK 139 million. More information may be found in Table 6 in the statistics section.

In March 2000 the Norwegian Volunteer Services (NVS) was established as an independent administrative agency with special powers. The NVS comes under the Ministry of Foreign Affairs, but has a large degree of autonomy. Participants in the new NVS enter into binding cooperation between organizations, institutions and companies in Norway and in developing countries. Cooperation partners recruit and are responsible for the volunteers. The new NVS gives Norwegians aged 22-35 the opportunity of working in developing countries for a period of from one to three years. The work of the NVS is based on mutuality. The NVS also arranges for younger representatives of partner organizations in developing countries to have the opportunity of participating in Norwegian working and organizational life.

At the initial stage, efforts have been concentrated on establishing administrative routines, establishing dialogue with potential partner organizations, entering into the first agreements and providing support for feasibility studies. The first volunteers are expected to be in place in the second half of 2001.

### Research and higher education

Research and educational institutions play an important role in the economic, social and cultural development of developing countries. Most developing countries have tight budgets and find it difficult to give priority to investments in long-term research. On the other hand, research expertise is, perhaps, more important than ever before for countries that wish to keep up with ever more knowledge-based development. This is one of the reasons for the increased focus on this area in Norwegian development policy in recent years. *The Strategy for Strengthening Research and Higher Education in the Context of Norway's Relations with Developing Countries* (1999) was followed up in 2000. Steps were initiated to improve coordination between the many Norwegian players, including the Norwegian Council for Higher Education, the Research Council of Norway, the Norwegian Agency for Development Cooperation (NORAD), the Ministry of Education, Research and Church Affairs and the Ministry of Foreign Affairs. Consolidating responsibility for assistance for research and human resource development at NORAD helped to improve coordination, not least between programmes under the auspices of the Norwegian Council for Higher Education's NUFU programme and research activities under the country programmes. Norway's cooperation with the Makerere University in Uganda was one example. In 2000 the NUFU programme was the subject of a broad, international evaluation. The report concluded that the programme is extremely successful as a contribution towards human resource development in developing countries.

NORAD also administers a fellowship programme for candidates from developing countries and direct research assistance for a limited number of institutions in the South, and also contributes towards South-South research cooperation. Another form of assistance comprises writing off study loans when students from developing countries return to their home countries after completing their education in Norway. This assistance is linked to the quota scheme, which is a support scheme run by the State Education Loan Fund for students from developing countries and Central and Eastern Europe. The Ministry of Education, Research and Church Affairs initiated an evaluation of the quota scheme in 2000,

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Culture is important for building nations and national identities. Tanzania, where this young painter comes from, has received support through local cultural funds.

partly in order to define the possibilities for improving coordination between the quota scheme and NORAD's fellowship programme. The report was published in spring 2001.

Assistance for research and higher education in developing countries has increased in recent years. In previous years, Norway has reported on consumption under the earmarked allocation. This type of assistance amounted to approximately NOK 175 million in 2000. However, substantial funding for research and higher education is also provided under other chapters in the aid budget. Assistance for research and higher education in developing countries totalled NOK 712 million in 2000, which was approximately 12 per cent higher than in 1999.

### Culture

Self-expression through pictorial and other forms of art, literature, music, dance and drama is vital to human welfare and development. Cultural cooperation with developing countries is based on the understanding that diversity and cultural creativity play an important role in building nations and national identities.

In 2000 development cooperation was largely concentrated on long-term projects in selected countries, with emphasis on organizational or institutional cooperation in the field of music, literature, pictorial art, theatre and the conservation of cultural heritage. In Tanzania and South Africa, assistance is primarily provided through local cultural funds. The delivery and installation of furniture for the new library in Alexandria, Egypt, was completed in 2000. Cooperation with the UN Educational, Scientific and Cultural Organization (UNESCO) continued, this included work on a study of the trans-Atlantic slave trade. Norwegian cultural groups, organizations and institutions play an important role in cultural cooperation. Assistance was provided for projects relating to artists' rights and with particular focus on the challenges faced by developing countries in the digital age. Continued support was also provided for the National Touring Exhibitions, The World in the North festival, an annual international literature festival, Chapter, that focuses on human rights and freedom of expression, the Films from the South festival and a dialogue between Chinese and Norwegian authors.



ERITREA © Tyler Hicks/All Over Press

Support for developing physical infrastructure, including water and power supplies, transport and communications, totalled NOK 700 million in 2000.

### Priority areas

Norwegian development aid is provided for the following priority areas: economic development, social development, peace, democracy and human rights, humanitarian assistance, women and gender equality and environment and natural resource management.

#### Economic development

The goal of development cooperation is to enable developing countries to finance their own development in the long term. The achievement of this goal is contingent on economic growth, in order to combat poverty and increase investments in health and education. The private sector in developing countries plays an important role as a driving force for economic growth. At the same time, Norwegian aid for economic development also targets poverty reduction by supporting projects and programmes aimed at increasing employment and incomes among the poorest population groups.

In 2000, bilateral development assistance for economic development (including

earmarked assistance channelled through multilateral organizations) totalled slightly over NOK 1.6 billion. This is less than the year before, when assistance amounted to almost NOK 1.7 billion. Assistance for the development of physical infrastructure, such as water and power supplies, transport and communications, accounted for just under NOK 700 million of the total amount in 2000, and is thus the sector that received the most support. Nevertheless, the amount of this assistance declined compared with the previous year, when this sector received over NOK 850 million. Agriculture, forestry and fishing also benefited from substantial assistance, which totalled approximately NOK 470 million in 2000. This was NOK 135 million more than in 1999.

The continuation of development cooperation in this area in 2000 was based on the *Strategy for Norwegian Support for Private Sector Development in Developing Countries*, which underscores the importance of income-generating activities as a key factor for sustainable economic growth and poverty reduction. Much emphasis is placed on favourable, well-functioning operating parameters, ranging from institutions and regulations to the physical infrastructure. The strategy recognizes the importance of operating parameters for enterprises at all levels, from the locally-based entrepreneur to the global export company. In principle, the strategy applies to all countries, but three countries were selected as pilot countries: Mozambique, Sri Lanka and Uganda.

In *Mozambique*, it has been stressed that private sector development must focus on building up, disseminating and maintaining expertise in the broadest sense of the term. Besides new projects, Norway continued to provide assistance for projects that are relevant to private sector development and for components that are an integral part of relevant, existing programmes, such as a programme to develop local enterprises. Norway also contributes towards developing infrastructure in the road and electric power sectors. The various projects in *Uganda* are planned and implemented in accordance with the country's Strategy for the Private Sector. Furthermore, Norwegian involvement in the forestry sector and investments in the energy sector play an important role in private sector development. Several pilot projects relating to agriculture-based industry, training programmes for exporters of fruit and vegetables and surveys on the distribution and use of chemical fertilizers have been initiated. Assistance has also been provided for a unit in the Ugandan Ministry of Finance charged with promoting the development of small industry. A new memorandum of understanding with Uganda defines private sector development as one of three priority areas for development cooperation.

Private sector development is also one of the main priority areas of bilateral development cooperation with *Sri Lanka*. Efforts are partly based on existing projects and the design of these projects. Assistance was provided through the UN Industrial Development Organization (UNIDO) to upgrade local laboratories for the certification of Sri Lankan export products. Norway has also funded seminars to provide information on WTO regulations and infrastructure projects in the water and energy sectors. New target areas include export promotion projects with emphasis on increasing the expertise of exporters and improving the operating parameters for trade. In the fishery sector, priority has been given to assistance for drafting legislation, fish processing and upgrading the fishing fleet. Other projects include assistance for production cooperatives in the agricultural sector, micro-credit facilities, assistance for local financial institutions and for human resource development and transfers of capital in the IT sector.

The general lessons learned from the implementation of the private sector devel-

ETHIOPIA © Ron Gillings/Phoenix



Energy from these solar cells in Ethiopia is used to pump water. Norway is well qualified to help establish sustainable energy supplies in developing countries.

opment strategy is that improved operating parameters are often a prerequisite for economic growth in the private sector, and that the authorities' capacity to promote private sector development is limited in many countries. Moreover, public ownership of projects is crucial to ensure progress in these efforts. More attention has been focused on efforts to combat corruption and promote good governance. Transparency in government administration and stability and predictability of official policy and legislation are other factors to which importance is attached.

*NORAD's industrial and commercial financing facilities* have comprised three types of schemes to date. One main category has consisted of investment facilities, which have been linked to Norwegian companies' establishment of operations in developing countries. A second type of scheme, through which support is provided for imports of goods and services, has largely targeted goods and services produced in Norway. A third main category has comprised schemes for assistance for projects aimed at promoting exports from developing countries in general and exports to Norway in particular.

Disbursements from NORAD's private-sector schemes totalled just under NOK 400 million in 2000. These schemes were included in the review of the investment support schemes in the development assistance budget that was presented in February 2000. Among other things, the review recommended placing greater emphasis on reducing risk rather than providing subsidies, and clarifying the division of roles and responsibility between NORAD and the Norwegian Investment Fund for Developing Countries (NORFUND). The evaluation of the mixed credits scheme concluded that the scheme has been reasonably successful. Because the total amount of funding available under the scheme is relatively small, and therefore has limited significance for both the recipient countries and Norwegian business and industry, it was recommended that the scheme either be expanded or wound up. The scheme will be evaluated in the light of the entire range of instruments designed to stimulate increased investment in developing countries and the implementation of the *Strategy for Norwegian Support for Private Sector Development in Developing Countries* and the issue of untying development aid.

Norway's own history shows that access to energy is crucial to economic growth and development. The supply of modern forms of energy to rural areas and the efficient, sustainable use of traditional energy are important elements. Norway's efforts in the energy sector are primarily concentrated on hydropower, electricity supplies and the petroleum sector, where Norway possesses both relevant expertise and capacity. In total, close to NOK 400 million in bilateral development assistance was provided for energy measures in 2000. Moreover, emphasis was placed on the need to make use of new, renewable sources of energy such as solar and wind power. Environmental considerations must be integrated into energy programmes; moreover, efforts in the energy sector are in line with Norway's *Strategy for Environment in Development Cooperation*. Within the framework of multilateral cooperation, Norway has provided assistance for various energy programmes under the World Bank and the UNDP.

The Norwegian Investment Fund for Developing Countries (NORFUND), which was established in 1997, continued to expand its activities in 2000, investing in profitable private enterprises in developing countries. At the end of 2000, the fund had a capital base of NOK 770 million. At year-end 2000, NORFUND had committed itself to investments totalling NOK 534 million, 35 per cent of which are direct investments and 65 per cent investments in local financial institutions. Broken down by region, 37 per cent of the investments were made in Asia and



Micro-financing projects enable individuals to borrow and save money for their own enterprises. Both the public authorities and NGOs are involved in this type of project.

33 per cent in Africa. The fund strengthened its presence in the Balkan region in 2000. It also expanded its cooperation with the International Finance Corporation (IFC), the World Bank's private sector investment arm, and its sister organization in the UK, the Commonwealth Development Corporation (CDC). In the course of 2000, the foundation was laid for formal cooperation with the CDC on the management and administration of funds that invest in small and medium-sized companies.

Small-scale activities are the most relevant, often sole, source of revenue for the majority of the population in many of Norway's partner countries, particularly in rural areas, and particularly for women. Micro-financing schemes are therefore an important instrument for developing the private sector and reducing poverty. Micro-financing is a collective term for savings and loan facilities for low-income groups who do not have access to ordinary banks. In addition to loans for income-generating activities, poor families also need a broad range of financial services - loans for productive activities, loans to even out fluctuations in revenue and consumption, savings schemes, insurance plans, and transfers of money to and from relatives in other countries. With a view to raising awareness of how the use of micro-financing facilities can improve and increase the efficiency of development cooperation, the second phase of the review of Norwegian micro-financing activities was completed in 2000. The review was based on input provided by the players concerned, for instance in consultations with non-governmental organizations (NGOs). One of the recommendations was that Norwegian donors should ensure that the poverty reduction effect of the projects they finance is measured. Moreover, donors should consider funding the introduction of systems to monitor the lending portfolio of local partners. In addition to public-sector players, 19 Norwegian NGOs are involved in micro-financing schemes. Most NGOs work with small local micro-financing institutions. Norway has also invested in larger micro-financing institutions, such as the Promotion of Rural Initiatives and Development Enterprises (PRIDE) in Tanzania. Among other things, NORFUND has invested in a local fund in Latin America that offers loans and equity on commercial terms. Moreover, Norway has funded projects in multilateral organizations such as the ILO, the World Bank group and the regional development banks.

Through the World Bank group, Norway provides assistance for measures to establish financial and legal frameworks in developing countries with a view to improving the operating parameters for the private sector. Norway is a member of the Consultative Group to Assist the Poorest (CGAP), a donor forum headed by the World Bank. The aim of the CGAP is to improve the quality of donor programmes, disseminate lessons learned in the field, and promote donor coordination and improved operating parameters for micro-financing. Norway has undertaken to provide a total of NOK 15 million in funding for the second phase of the forum's work (1998-2002).

There is growing recognition of the fact that *the trade aspect* is an important element of efforts to reduce poverty. Attention is now focused more sharply on providing the necessary conditions to enable developing countries to increase their trade. Norway has been one of the key supporters of plans to establish an integrated framework. Within this framework, the six multilateral organizations, the World Trade Organization, the World Bank, the IMF, UNCTAD, the UNDP and UNCTAD/WTO's International Trade Centre (ITC) will jointly provide targeted, technical assistance to developing countries with a view to promoting trade. Norway has also sought to have trade-oriented aid included as part of the WTO's permanent budget, thereby contributing towards a broader, more systematic

TANZANIA © Brecei/Hodalic-Saola/All Over Press



In cooperation with the UN, Norway attaches importance to food security.



Young people in Uganda are taught to use condoms. The total bilateral budget for health and family planning was increased in 2000.

effort to strengthen the participation of developing countries in the global trading system. Another central issue is market access, which is a clear prerequisite for investments in private sector development and efforts to strengthen the export potential of developing countries.

International organizations also play an important role in the development of *the agricultural sector*. By providing assistance to the Consultative Group for International Agricultural Research (CGIAR), Norway promotes research that benefits the poorest population groups in developing countries. One example of breakthroughs in the extensive research carried out by scientists at the CGIAR centres is "golden rice", a type of rice that is enriched with Vitamin A. This product can help to improve the health of poor population groups without entailing substantial costs.

Through the UN Food and Agricultural Organization (FAO), Norway has attached great importance to following up the World Food Summit held in 1996. Norway has stressed the need to alleviate poverty and increase the poor's access to food, and the impact of HIV/AIDS on food production and poverty trends. Emphasis has also been placed on improving management regimes in the agricultural and fisheries sector, both globally and in developing countries. Norway has criticized the FAO for making slow progress in implementing programmes and for its failure to give priority to the poorest population groups. In 2000, Norway pledged to contribute USD 18,350,000 per year for three years (2000-2002) to the Fifth Capital Replenishment of the UN International Fund for Agricultural Development (IFAD).

### Social development

Norwegian bilateral development assistance for projects to promote social development totalled approximately NOK 2.2 billion in 2000. Investing in education and health and the improvement of social conditions yields a good return in terms of reducing poverty. In its development cooperation policy, Norway has therefore made it a goal to allocate at least 10 per cent of its total development assistance for both the education and health sectors by the year 2000 and to gradually increase support for the education sector to 15 per cent. In 2000, bilateral aid (including earmarked assistance channelled through multilateral organizations) for education amounted to 8.5 per cent of total bilateral aid, while assistance for health and family planning accounted for 7.2 per cent. This means that in relation to 1999 there has been a decline in support for education, which accounted for 9.4 per cent in 1999, while support for health and family planning has risen from 6.0 per cent in 1999. Substantial general assistance is also provided to the two sectors through multilateral organizations.

Both in bilateral development cooperation and in cooperation with multilateral organizations, there is growing emphasis on channelling assistance for *education and health* through sector programmes. Norway attaches great importance to enabling recipient countries to prepare and implement such programmes themselves. This requires building up their administrative capacity and, often, carrying out comprehensive sectoral reforms. It also requires making the sector programmes part of a coherent approach, where their interaction with other sectors and conformity to overarching national plans are of great importance.

Norway participates actively in cooperation with other donors on joint efforts in the education sector in Bangladesh, Ethiopia, Malawi, Nepal, Tanzania, Uganda, Vietnam and Zambia. Major educational reforms have been initiated in Nepal and Zambia, and Norway is entering into sector agreements with these countries. In

2000 HIV/AIDS was introduced as a cross-cutting component of the sector programme in Zambia.

In the health sector, Norway participates in processes involving programmes at national level in Ethiopia, Malawi, Mozambique, Nicaragua, Tanzania, Uganda and Zimbabwe. While forms of cooperation may vary, in all countries they involve health sector reforms and, to varying degrees, a sector programme approach. In cases where cooperation is linked to individual projects, Norway seeks to cooperate with other donors on joint financing and joint reporting requirements.

The World Bank plays an important role in the development and financing of sector programmes. Norway has established a fund for education and health in the World Bank where sub-Saharan African countries can obtain technical assistance for both capacity-building and the implementation of sector programmes. In connection with consultations with the World Bank on the programme, a seminar was arranged in October 2000 at Oslo University College on the consequences of the HIV/AIDS epidemic for the education sector in Africa. The UN Children's Fund (UNICEF) also makes an important contribution in the education sector, and received funding from Norway in 2000. Norway also participates actively in the Association for the Development of Education in Africa (ADEA), chairing the Steering Committee in 2000. This association is a forum for African ministers of education, educational experts and representatives of aid agencies. Cooperation within the association fosters a climate of trust and partnership among the participants. The ADEA's ten working groups focus strongly on research and human resource development.

A significant portion of Norwegian assistance for health purposes is channelled through multilateral organizations. The WHO is an important cooperative partner. In 2000, Norway contributed a total of NOK 219 million to the work of the WHO. Norway also provides funding for programmes for children's health, women's health, immunization and tropical diseases, and for the WHO's priority areas of health system development and health and poverty reduction. In 2000 Norway also allocated funds for the WHO's office in the Palestinian Area. The Global Alliance for Vaccines and Immunization (GAVI) is an important channel of assistance for increased immunization in Norway's partner countries. Norway provided NOK 10 million to GAVI in 2000, and decided to contribute NOK 200 million annually to this initiative. Other major channels for health aid were the UN Fund for Population Activities (UNFPA), the UNICEF and the World Bank.

The state of public health in a country has significant ramifications for its economic development, as is particularly illustrated by the *AIDS epidemic*, which has had a serious impact on economic development, health care and education. The AIDS epidemic threatens to undermine the results of the development cooperation and national economic and social measures in those countries which have been hard hit.

Norway placed HIV/AIDS on its political agenda as soon as it became aware of the epidemic. However, efforts were considerably intensified in autumn 2000 when the Minister of International Development gave them new impetus in the form of the AIDS Project, which aims at increased mobilization of a broader range of measures to combat AIDS. A strategy memorandum was prepared, defining Norwegian positions in the fight against HIV/AIDS.

To ensure the efficient management and breadth of AIDS-prevention efforts in

MALAWI © Fredrik Naumann/Samfoto



Malawi is hard hit by AIDS. At this centre, volunteers feed infected children and adults.



NEPAL © Knudsen/Vilmarkfoto

Norway supports education for girls and has increased its contributions for this purpose through UNICEF and the World Bank.

the Ministry of Foreign Affairs, an AIDS team has been established, comprising all of the Directors General in the Ministry and the Director General of NORAD. To contribute to the diversity and visibility of these efforts both in Norway and abroad, a *Forum for AIDS and Development* has also been established. The forum consists of key representatives from the church, business and industry, the trade union movement, the cultural and sports sector, non-governmental organizations, youth organizations and the media. There are already several examples of ways in which the participants have taken up the fight against HIV/AIDS in their networks. Furthermore, a network called Aidsnett has been created to strengthen cooperation and mutual lesson-sharing between NGOs and professional groups involved in efforts to combat HIV/AIDS in Norway.

In 2000, NOK 75 million was provided in support of multilateral efforts to combat AIDS. The bulk of the multilateral funds were channelled through the Joint UN Programme on HIV/AIDS (UNAIDS), in part to the International Partnership Against HIV/AIDS in Africa. The WHO and the World Bank have also received funding for AIDS-prevention activities. Norway has recently played a leading role in encouraging other UN agencies to become more actively involved in efforts to combat HIV/AIDS.

AIDS is also a priority issue in bilateral development assistance, and support is provided for HIV/AIDS programmes in Botswana, Ethiopia, Malawi, Mozambique, South Africa, Tanzania, Uganda, Zambia and Zimbabwe in Africa, El Salvador and Nicaragua in Central America, and countries in Asia such as Pakistan and Bangladesh. Work is currently in progress on upscaling bilateral efforts to combat AIDS. NORAD has carried out a survey of AIDS-prevention activities in four pilot countries, Uganda, Zambia, Mozambique and Malawi. All of these are countries which have been severely affected by the epidemic, but whose authorities are making a serious attempt to deal with the situation. Norway's aim has been to collect information on efforts to combat HIV/AIDS in the various countries so as to be able to provide assistance where it will have the greatest impact. The main focus will be on prevention and changing risky behaviour, particularly among young people and men. So far, bilateral cooperation has chiefly been centred on national AIDS and health sector programmes, such as tuberculosis programmes, integrated programmes to prevent the spread of communicable diseases and support for the operation of district health services. Assistance has also been channelled to a number of different programmes run by non-governmental organizations, and support has been provided to promote regional cooperation in Africa and Central America. The main challenge in future will be to integrate efforts to prevent HIV/AIDS and address the consequences of the epidemic with all development cooperation. Education, productive activity, infrastructure projects and social and economic consequence analyses will be key areas of focus in this connection.



SUDAN © Knudsen/Sandmark

Stones are crushed to build houses in Sudan. The UN addresses housing issues, such as the problems caused by growing urbanization.

*The rights and living conditions of children* are a central concern in Norwegian development cooperation. A document was drawn up in 2000 which sets out guidelines for Norwegian development assistance for children and will provide the basis for Norwegian efforts in this field in the years ahead. Important target areas in the next few years will include education, health and nutrition, care and the early stimulation of children, birth registration, HIV/AIDS, child labour, the sale of children and sexual abuse of children, and children who are victims of war and conflict.

In 2000 Norway took part in preparations for the UN Special Session on Children which is scheduled to take place in 2002 as a follow-up to the World Summit for

Children held in 1990. The purpose of the Special Session on Children is to sum up the achievements made in the 1990s and draw up goals and strategies for the next decade.

Children's development and their right to education of good quality are a strong priority. Norway has since 1996 provided assistance for UNICEF's programme for the education of girls in Africa. During the period from 1996 to 2000, this programme was carried out in 18 countries. A review of the programme conducted in 1998 showed positive results. The programme has generated greater awareness among national authorities of the importance of education for girls. Results vary from one country to another, but the conclusions show that more girls are attending school, policies and national curricula that emphasize girls' education are being drawn up and new partnerships are being forged between relevant players. An attempt has been made to integrate efforts to combat HIV/AIDS into all programmes. On the basis of the results of this review, Norway has resolved to support the second phase (2001-2004) of the programme, which will cover a total of 31 countries. In the new phase, cooperation will be extended to include countries in conflict.

Partly as a result of Norway's active support for education for girls through both UNICEF and the World Bank, girls and education have high priority on the agenda of these organizations. The UN Secretary General has asked UNICEF to head the UN's initiative to promote education for girls which was launched at the World Education Forum in Dakar in 2000. The goal of this initiative is to strengthen cooperation between multilateral organizations on education for girls.

Persons with disabilities often live in extremely poor conditions and constitute a large percentage of the poorest population groups. Norway's goal is the social integration of these persons, as set out in the Ministry of Foreign Affairs' *Plan for the Inclusion of Persons with Disabilities in Development Cooperation*. In 2000, in connection with the implementation of this plan, a broad-based project group submitted an interim report on the Persons with Disabilities and Development Cooperation project, which is to be completed in 2001.

In cooperation with organizations for persons with disabilities and official authorities, a joint Nordic conference on persons with disabilities and development cooperation was arranged in Copenhagen. At the conference, Norway undertook to follow up efforts to assist persons with disabilities in development cooperation, both bilaterally and through multilateral organizations. This work is to be evaluated within five years. In 2000, Norwegian assistance for special measures for persons with disabilities totalled just under NOK 300 million, twice the amount provided in 1999.

Norway has continued its active international efforts to promote greater willingness to invest in basic social services, both among donors and in developing countries. This is being achieved, in part, through implementation of the 20/20 Initiative, a mutual agreement between donor countries and developing countries to allocate 20 per cent of development assistance budgets and national budgets, respectively, for basic social services. After two international conferences initiated by Norway to debate this issue, the 20/20 Initiative has now won broad international support. In 2000 a special session of the UN General Assembly was held to follow up the World Summit for Social Development, which took place in 1995. At the special session, Norway underscored the importance of securing official UN approval of the conclusions reached at the two international conferences.

The second UN conference on human settlements (HABITAT II) was held in Istanbul in 1996. The main topics at the conference were the issue of adequate housing for all and settlement issues in general in a world that is becoming urbanized with increasing rapidity. A resolution was subsequently adopted to arrange a special session in connection with the UN General Assembly (HABITAT II + 5) in 2001, which will review the progress that has been made in implementing the objectives set at the 1996 conference and discuss the obstacles that are impeding this work. In 2000 Norway took part in the first meeting to prepare for the follow-up conference. At this preparatory meeting, Norway particularly raised such issues as good governance, women's right to own and inherit land, the housing situation, etc., and topics such as the fight against poverty and the need of developing countries for development assistance and debt relief.

### Peace, democracy and human rights

Peace, a functioning democracy and respect for human rights are vital prerequisites for the development and stability of all countries. Efforts in this area continued to be an important focus of Norwegian foreign and development policy in 2000. Considerable emphasis was also placed on preventing conflicts and consolidating vulnerable peace processes by engaging in strategic efforts to promote peace, reconciliation and conflict resolution. Norway contributed actively to peace processes in Latin America, Africa, the Middle East, Central and Eastern Europe and Asia. Bilateral development aid (including earmarked assistance provided through multilateral organizations) for programmes in the target area of peace, democracy and human rights totalled NOK 1,235 million in 2000, which is an increase of NOK 242 million compared with 1999.

In 2000, a document was prepared containing guidelines for the promotion of democracy through Norway's foreign and development policy. Democratization will be a recurring topic in bilateral political dialogues, practical development cooperation and Norway's policy as regards international organizations. Development assistance will be most effective in terms of reducing poverty if the authorities in the partner country strive to achieve good governance. Norway therefore intends to strengthen its cooperation with countries that demonstrate the political will to tackle the challenges facing them in the field of human rights and democracy.

Report No. 21 to the Storting (1999-2000), Focus on Human Dignity - Plan of Action for Human Rights, emphasized that development cooperation must to a greater extent be based on rights, thereby ensuring that the rights of poor people are observed. This principle was followed up in practice in development cooperation in 2000. The process in connection with preparing NORAD's Handbook in Human Rights Assessment: State Obligations, Awareness and Empowerment, made an important contribution. Human rights has become a dimension of development cooperation that cuts across many different fields, and all relevant measures must be assessed from a human rights perspective.

The promotion of rights-based development cooperation was also a key objective in international arenas, as is reflected in the UNDP's Human Development Report. The central theme of the report was a joint vision for human rights and human development. The UNDP underscored the necessity of creating the institutions, laws and economic foundation that are essential in order to ensure fundamental freedoms for all. Thus human rights and development are inextricably linked.

In many ways, the media act as society's watchdogs. Considerable importance



SRI LANKA © Anuruddha Lokupapuarachchi/REUTERS/Scanpix

A Buddhist monk runs from tear gas in Colombo. The military conflict in Sri Lanka constitutes a significant human rights problem.

has therefore been attached to providing support for free and differentiated media. This has included assistance for training in investigative journalism, efforts to build up an independent press, free legal aid and the establishment of local organizations.

### Norway's involvement in peace processes

Norway has been extensively involved in the peace process in *the Middle East* since 1993, and has supported the efforts of Israel and the Palestinian Authority to reach a final peace agreement through negotiations. As chairman of the international committee for donor country coordination, the Ad Hoc Liaison Committee (AHLIC), Norway plays a key role in international development assistance for the Palestinians. Economic and social development is considered to be a prerequisite for progress in the peace process. In the extremely difficult situation that has prevailed in the region since autumn 2000, Norway has pursued a dialogue with the Palestinians to ensure that development cooperation is adapted to meet acute needs as effectively as possible.

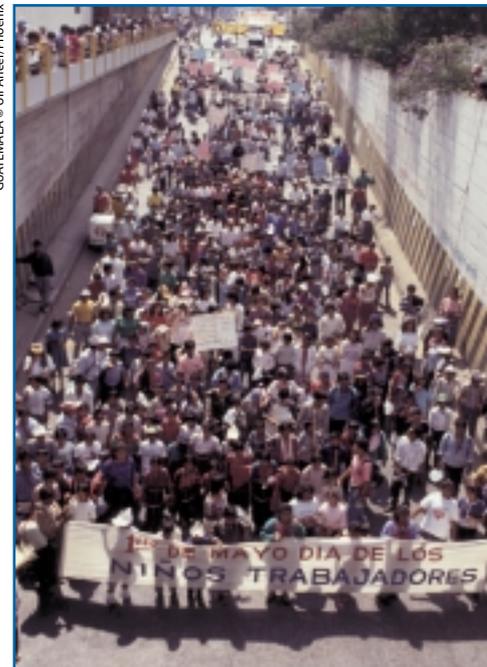
The armed conflict in *Colombia* has been waged for almost 40 years. The most alarming aspect of developments in the past few years has been the strong upsurge in paramilitary groups. Norway, Spain, France, Switzerland and Cuba are all members of a "Group of Friendly Countries" which monitors negotiations with the guerrilla organization ELN. In 2000, this group has been actively involved in facilitating the establishment of free zones for negotiations. This has proved to be a difficult process, particularly due to opposition from paramilitary groups and concern among sections of the local population. Norway also participates in a group created to facilitate negotiations between the government and the guerrilla organization FARC.

The protracted armed conflict between the Sri Lankan authorities and the LTTE has cost tens of thousands of lives, forced a large number of people to flee from their homes and impeded Sri Lanka's economic development. The biggest human rights problems in *Sri Lanka* are linked to the military conflict. Both parties have been accused of breaching human rights and international humanitarian law. Ending the conflict will improve the human rights situation in the country. In 1999, the parties requested Norway's assistance in establishing a dialogue with a view to negotiating a political solution to the conflict. Since then, Norway has conducted a close dialogue with the parties aimed at bringing the conflict to an end, and has emphasized to the parties the importance of respecting internationally recognized human rights conventions.

In 2000 Norway continued to actively support efforts to find a peaceful solution to the civil war in *Sudan*. Norway chaired the Sudan Committee of the donor countries' IGAD Partners Forum (IPF), which coordinated international assistance for peace mediation, and arranged a conference on Sudan for all donor countries in Oslo in June 2000. Norway actively supported the establishment of a secretariat under the auspices of the IGAD to continue the peace negotiations. Norway also initiated a planning process, headed by the UN, aimed at the rehabilitation and reconstruction of war-torn areas when peace is concluded. An evaluation report on the IGAD negotiations was prepared jointly by Norway, the USA and Italy in autumn 2000, establishing important guiding principles for further support for the peace process.

In 2000 Norway provided assistance for a number of measures to promote reconciliation between *Ethiopia and Eritrea*, such as a dialogue of reconciliation between religious leaders in the two countries.

GUATEMALA © Ulf Aneer/Phoenix



Child workers demonstrate in Guatemala. Norwegian development aid for this country is concentrated on promoting democracy and human rights.

### *Norwegian assistance for human rights and democracy*

The development of democracy and protection of human rights are a key focus of Norway's cooperation with the Palestinian community. A large part of Norwegian development assistance is spent on building up institutional capacity in the public sector and is channelled to organizations in civil society. Development aid is particularly targeted towards building up and developing well functioning democratic institutions that can provide the best possible basis for reaching a final status agreement and the establishment of a Palestinian state.

*Assistance to promote good governance and human rights* is a key component of Norwegian development assistance for a number of Asian countries, including Bangladesh, China, Nepal and Sri Lanka. Furthermore, a human rights dialogue is currently being conducted with China. 2000 was the first year of a comprehensive agreement with Pakistan on the promotion of human rights. Under this agreement, financial assistance will be provided for the Pakistani government's human rights programme, with particular emphasis on the rights of women and children and training programmes for civil servants. Through the Norwegian Human Rights Fund, assistance was provided in 2000 for several non-governmental organizations in many countries, among which the Philippines, India, Liberia, Nigeria, Peru and Thailand were some of the most important.

In *Ethiopia*, parliamentary elections were held in May/June 2000, in which opposition parties took part for the first time. Norway was one of the countries that initiated this election process and one of the main contributors to a broad-based programme of support, which included a fund to provide financial assistance for the opposition parties, nation-wide voter education and election meetings, the work of the electoral commission and election observers. Norway also provides extensive assistance to human right organizations in Ethiopia.

Good governance is one of the main areas of development cooperation between Norway and *Zambia*, where significant efforts are being made in the media sector. In 2000 development assistance also helped to strengthen Zambia's own capacity to train journalists and technicians and develop economically sustainable media companies.

Government-to-government cooperation with *Zimbabwe* was significantly reduced in 2000 due to the negative political developments in the country. However, assistance for measures to promote human rights and democracy increased slightly. This support was provided to various national non-governmental organizations and otherwise channelled through multilateral organizations. Assistance to promote democracy and human rights increased substantially in Norway's development cooperation with Sudan, and is provided particularly extensively in Mozambique, Angola and South Africa.

Since the final peace agreement in *Guatemala*, signed four years ago, Norwegian development assistance for this country has been concentrated on efforts to promote democracy and human rights monitoring, police training programmes and judicial reforms. In 2000 an agreement was concluded with the Organization of African States (OAU) on assistance for training programmes for political parties. Support for civil society, the dissemination of information on the peace accords and programmes related to the rights of indigenous peoples have had high priority. Furthermore, Norway has been one of the most important contributors to the work of the Truth Commission.

Funding from the development aid budget to promote peace, democracy and



INDIA © Haldur Natocny/Phoenix

Children working at lime kilns in Andhra Pradesh, India. Measures to combat child labour in various countries have been initiated bilaterally, multilaterally and through NGOs.

human rights also encompasses measures in *Central Asia, the Caucasus and countries in South-Eastern Europe*. In 2000, approximately one fourth of development assistance for this purpose was allocated for these areas. A large part of the assistance provided for the Caucasus and Central Asia, some NOK 10 million, also targeted activities to promote peace, democracy and human rights. Moreover, approximately NOK 45 million was channelled to OSCE-related measures in the same areas, primarily to promote democracy. Among other things, Norway was extensively involved in efforts to support the opposition forces in Serbia up until the democratic upheavals in October 2000. Great emphasis was also placed on support for regional projects to foster dialogue and reconciliation, partly through Nansen Centres, with a view to strengthening efforts to promote democratization and human rights across national boundaries in the former Yugoslavia.

*Combating corruption* is an important objective of Norwegian bilateral development assistance. In Nepal, Zambia and Tanzania, anti-corruption efforts have been integrated into health and education sector programmes. Specific measures have included reviews of tendering and purchasing processes, disbursement routines and budgetary and accounting controls. Assistance has also been provided for training in accounting and audit analysis in order to strengthen the capacity and expertise of partner countries. In Guatemala and Ethiopia, support has been provided for training popularly elected officials and members of the Finance and Audit Committee. Assistance for efforts to combat corruption has also been placed on the agenda in Norway's dialogue with the authorities in the Palestinian Area in connection with financial sector reforms. These are a few examples of the way anti-corruption efforts have been incorporated into bilateral development cooperation.

There is also focus on combating corruption in international cooperation. Among other things, Norway has financed a special programme carried out by the World Bank's research institute aimed at strengthening the expertise and know-how of the public administration in developing countries. Norway also works with international and regional organizations such as Transparency International and the Secretariat for Development Cooperation of the International Association of Supreme Audit Institutions, which is headquartered in Norway.

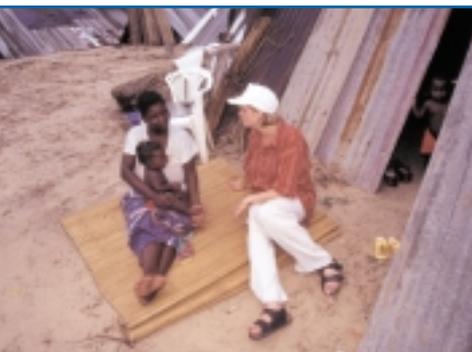
The UN system plays a key role in promoting *human rights*. One of the main issues on the agenda of the UN Commission on Human Rights is the right to development. At the Commission's 56th Session in 2000, great importance was attached to this issue, particularly by developing countries. Norway submitted a resolution at this session to establish a mandate for a Special Rapporteur on Human Rights Defenders, whereby he or she is to monitor potential violations against human rights defenders around the world. Norway also co-sponsored resolutions on the right to food, the right to education and the establishment of a Permanent Forum for Indigenous Peoples within the UN.

Following the UN General Assembly's adoption in autumn 2000 of a resolution to establish a *Permanent Forum for Indigenous Peoples*, it is now hoped that this body, comprising representatives nominated by both states and indigenous peoples' organizations and groups, will be able to convene in the course of 2002. To strengthen the work of the development assistance administration relating to indigenous peoples, responsibility for the Norwegian indigenous peoples' programme was transferred back to NORAD. In 2000, NOK 392 million was spent on projects involving measures in which indigenous peoples are one of the main target groups.

BANGLADESH © Trygve Bølstad/Samfoto



Refugees from Burma receive clean water in a refugee camp in Bangladesh.

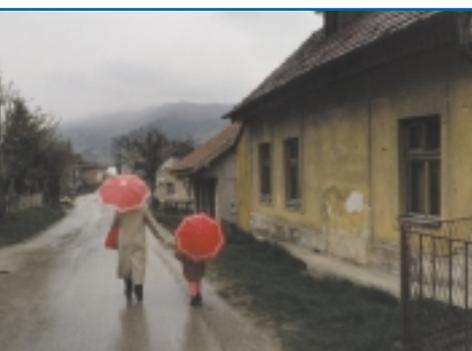


MOZAMBIQUE © Helder Neteocny/Photox

2000 was a year of floods in Mozambique. The photo shows flood victims talking to a Red Cross worker.

Promoting the *rights of children* has high priority in Norway's efforts to safeguard human rights and development assistance. In summer 2000, the UN General Assembly adopted two optional protocols to the UN Convention on the Rights of the Child: one on the prohibition of participation in armed conflict of children under 18 years of age and one of the sale of children, child prostitution and child pornography. Work on Norway's ratification of these two protocols is in progress. Norway has also ratified ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

Norway previously allocated NOK 200 million to support measures to combat child labour over the three-year period 1998-2000. This support has been channelled through the ILO, UNICEF and the World Bank and bilaterally through cooperation with national authorities and non-governmental organizations in various countries. Measures for which Norway provided assistance in 2000 include programmes to combat child labour in India, concentrated around five educational projects run by local NGOs and the UNDP.



GORAZDE © Jens Olof Laethen/Mira/Samfoto

A mother and her child walk through a bombed-out residential district in Gorazde, Bosnia-Herzegovina. NOK 425 million was provided in 2000 for humanitarian efforts in South-Eastern Europe.

In 2000 Norway supported the UN's new programme to strengthen human rights, HURIST, a joint programme of the UNDP and the UN High Commissioner for Human Rights. The aim is to strengthen the UNDP's ability to deal with human rights issues and test new methods for integrating the human rights perspective into development planning. This will also be a key issue for the UNDP's new centre for good governance, which is to be established in Oslo. Norway has also continued to provide funding for the UNDP's programme to develop good governance in Africa and the UNDP programme to advise public authorities on the development of strategies and action plans to reduce poverty. In 2000, in cooperation with the other Nordic countries, Norway played a proactive role in efforts to achieve a more coherent approach to development issues in the World Bank, including the issue of governance. To a large extent, this also applies to the regional development banks.

### Humanitarian assistance

The humanitarian imperative implies not only a moral duty to help victims once a crisis has occurred, but also lays the foundation for a broader approach in which efforts are made to prevent crises, conflict and human rights violations.

Norway's humanitarian assistance is based on the principle that all victims of crises, wars and conflict should have an equal right to help and protection, regardless of who and where they are. Norway is committed to strengthening the protection of human rights in all phases of a conflict. The violation of human rights is often the main reason why people are forced to flee.

In 2000, Norway continued to make a significant contribution to international humanitarian relief, largely for countries and regions in conflict and at war, particularly in Africa. As a rule, the target groups are refugees and/or internally displaced persons, and affected population groups in the same area. Norwegian humanitarian assistance aims at providing swift, effective and targeted relief.

Norway continued to give priority in 2000 to instigating action to increase the effectiveness and improve the coordination of international humanitarian efforts. To this end, emphasis was placed on the pivotal role played by the UN as coordinator of large-scale international relief efforts, and on responding swiftly and effectively to the UN's consolidated appeals which are an important instrument for efficient, coordinated action. At the same time, the close, but informal and flexible cooperation between the authorities and Norwegian non-

governmental organizations continued, for instance in connection with efforts to simplify guidelines (cf. page 40). Norway's fruitful cooperation with the multilateral system and major Norwegian relief organizations was also instrumental in achieving flexible solutions and targeted efforts.

Priority was given to preventing conflicts and consolidating fragile peace accords through strategic efforts to promote peace, reconciliation and conflict resolution. Emphasis was placed on focusing on the causes of conflicts and underscoring the need to work towards reconciliation in addition to providing immediate emergency relief. Greater importance was also attached to the link between short-term emergency relief and development and the use of local resources.

The humanitarian assistance provided by Norway in 2000 amounted to NOK 1.79 billion. This is a reduction compared with 1999, which must be seen in connection with the strong reduction in humanitarian aid in South-Eastern Europe. The funds were mainly channelled through the UN and Norwegian and international non-governmental organizations. The main channels within the UN system were the World Food Programme (WFP), the UN High Commissioner for Refugees (UNHCR), the UNICEF and the UN Office for the Coordination of Humanitarian Assistance (OCHA).

2000 was yet another year of *natural disasters* and *extensive need for humanitarian assistance*. The drought in the Horn of Africa and the floods in Mozambique were among the greatest crises, to which Norway responded swiftly with assistance for disaster victims. Norway also emphasized preparedness and restructuring measures, including the replenishment of emergency stores and the OCHA's emergency fund.

*Ethiopia* was again struck by drought in 2000, which left eight million people dependent on emergency relief. At the same time, there were 350,000 internally displaced persons in the country who were victims of the border conflict between Ethiopia and Eritrea. Besides providing emergency relief, Norway focused on the link between the conflict, the refugee situation and the drought.

In *South-Eastern Europe* there was a considerably reduced, yet still relatively extensive need for humanitarian assistance in the areas affected by the hostilities in Kosovo and the former conflicts in Bosnia-Herzegovina and Croatia. A total of NOK 425 million was disbursed for various forms of humanitarian assistance in the region which targeted refugees, internally displaced persons and particularly weak population groups. High priority was given to securing the right of minorities to return to their homes, by providing assistance for the rehabilitation of houses, schools and hospitals damaged in the war, legal aid projects and demining programmes. Emphasis was also placed on encouraging a transition from short-term, humanitarian measures to more long-term development measures. This was important with a view to stabilization, not only nationally but also throughout the region. A number of medium-term measures were therefore launched, particularly in the field of democratization, as a complement to the humanitarian assistance provided.

Norway was again a major contributor to the Great Lakes region in Central and East Africa in 2000, providing a total of NOK 205 million. Support for peace and reconciliation processes was an integral part of Norway's assistance. Extensive humanitarian assistance, amounting to NOK 75 million, was provided to Sudan. In response to the need for humanitarian aid in *Angola*, which remained very great, Norway provided NOK 52 million. The humanitarian aid and long-term

MOZAMBIQUE © Jem Sjernekjar/Phoenix



Norway works to ensure the international implementation of the Convention prohibiting anti-personnel mines.

ETHIOPIA © Lars M. Hjorthol/Scampix



The gender perspective is extremely important in Norwegian development efforts. In this photo, Ethiopian women fetch seed corn from the local seed bank.



MALAWI © Trygve Balstad/Samfoto

Primary and lower secondary education for girls in Africa is supported through UNICEF and other organizations.

assistance Norway provides to Angola were used to effectively supplement one another to ensure the optimal targeting of efforts in Angola. The civil war in *Sierra Leone* has forced half the population to flee, and Norwegian humanitarian assistance in West Africa increased substantially in 2000. Humanitarian aid for this area totalled NOK 72 million. The joint Norwegian-American initiative to provide assistance to war victims in Sierra Leone continued.

Ever since Norway increased its involvement in *East Timor* in connection with the 1999 popular consultation on the future status of East Timor, it has been Norway's stated aim to focus on a small number of channels for Norwegian assistance and emphasize cooperation with the multilateral system. In 2000, as in 1999, more than half of Norwegian humanitarian assistance was channelled through the UN system. Humanitarian efforts were reduced in favour of more long-term assistance.

*Afghanistan* was still a major recipient of Norwegian humanitarian assistance in 2000, receiving NOK 52 million. Norway continued to provide active support for measures to reinforce the peace process in the *Middle East*. Acute humanitarian needs arising from the new wave of violence in autumn 2000 led to an increase in Norwegian efforts in the region.

In *Latin America*, humanitarian assistance in support of efforts to promote peace in *Colombia* was maintained.

Efforts to ensure the international implementation of the UN convention prohibiting anti-personnel mines and to increase control of small arms continued. Norway chaired the meeting of State parties during the Land Mine Conference, as well as fulfilling other functions under the convention. Norway took active part in the preparations for the UN Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects in the summer of 2001.

### Women and gender equality

One of the primary goals of Norwegian development cooperation is to promote equal rights and opportunities for women and men in all areas of society. Development cooperation can only contribute towards the effective, sustainable reduction of poverty if the activities that are funded help to strengthen the position of women and promote equality between women and men. Sustainable development is contingent on the experience and knowledge of both women and men. In order to eradicate poverty, efforts must be focused on women. However, providing assistance for individual projects that target women will not suffice. Emphasis on equal rights for men and women must be integrated into all areas of development cooperation. This is the main message of the *Strategy for Women and Gender Equality in Development Cooperation* drawn up in 1997, which was based on the Platform for Action adopted at the Fourth World Conference on Women in Beijing in 1995.

Norway has led the way for many years in addressing women's issues in the international arena, and has instigated efforts to improve the position of women and strengthen gender equality, particularly within the UN system and the development banks.

In June 2000 the UN held a special session of the General Assembly to follow up the Conference on Women held in Beijing in 1995: "Women 2000; gender equality, development and peace for the 21st century". A political declaration and a concluding document dealing with further actions and initiatives to strengthen



ETHIOPIA © Norsk Folkehjelp

Economic development is dependent on the active participation of women.

the implementation of the Platform for Action adopted in Beijing were adopted by the General Assembly.

Norway contributed NOK 16 million to the UN Development Fund for Women (UNIFEM) in 2000. According to UNIFEM's mandate, the organization is to serve as a catalyst, and UNIFEM was actively involved in preparations for the Special Session of the UN General Assembly to follow up the Beijing Conference on Women. UNIFEM gives priority to the thematic areas of women and the economic sector, human rights and violence, and women and conflict.

In addition to efforts to integrate the women's perspective and gender equality into development cooperation, Norway has financed activities specially targeting women for many years. In 2000, Norwegian assistance totalled more than NOK 1.1 billion. Norway has also supported the efforts of the development banks to integrate the gender perspective and strengthen the position of women. Assistance was provided in 2000 for the continuation of this work in the World Bank, the African Development Bank, the Inter-American Development Bank and the Asian Development Bank.

*Educating women and girls* is the most profitable investment in development cooperation. Both bilateral and multilateral cooperation encompass a wide range of activities aimed at increasing the access of women and girls to education. Norwegian assistance for educational programmes and sector reforms in partner countries covers all levels of schooling, but focuses particularly on primary education. In partner countries where Norway provides funding for educational reforms, emphasis is placed on ensuring that girls have the same access to and opportunities for completing primary and lower secondary school as boys, and on increasing the percentage of girls who complete upper secondary school and acquire a higher education.

In 2000 Norway entered into a new three-year agreement to support UNICEF's programme to strengthen primary education for girls in Africa. The results of this programme to date have been positive; higher quality education and an increase in the number of girls who start and continue to attend school.

For social, cultural and biological reasons, women and girls are particularly vulnerable to HIV/AIDS. One of the goals in the efforts to combat AIDS is to strengthen the position of women and actively involve men as partners in the fight against the epidemic. Securing possibilities of obtaining an education, ensuring good access to counselling and contraception, and promoting social and economic equality are key strategies in these efforts.

Women's *health in general and reproductive health in particular* are given high priority in Norwegian development assistance. Women and men have different needs, and it is important to better equip public health services to meet the special needs of women related to reproductive health, pregnancy and childbirth. A large part of the aid provided for the health sector is channelled through UNFPA and UNICEF.

In autumn 2000, the Government adopted a plan of action to combat *female genital mutilation*. Bilateral cooperation with African nations which seek to prevent the genital mutilation of girls in their countries has been intensified, and Norway has played an active, effective role in addressing the issue of female genital mutilation in multilateral forums.

NEPAL © Steve McCurry/All Over Press



One focus of cooperation in the environmental sector is preventing environmental problems. Here, in Nepal, spruce trees are planted to prevent erosion.

Cooperation with the Department of Women's Law at the University of Oslo continued, through which technical assistance has been provided for many years to develop expertise in women's law at universities in developing countries, primarily in Africa. This cooperation has been the source of valuable input in connection with Norway's efforts to promote rights-based development cooperation.

In many developing countries, women account for a significant volume of economic activity in agriculture, small industry and trade. Norway takes this into consideration in implementing its *Strategy for Support for Private Sector Development in Developing Countries*.

Norway provides assistance for a project to prevent drug abuse among Afghan women in refugee camps in Pakistan. The aim of the project is to reduce the women's demand for opium and heroin by giving them information, counselling and training. Emphasis is also placed on health-related issues, in addition to rehabilitation and help to establish income-generating activities.

*Trafficking in persons* is a problem on which growing attention has been focused in the past few years. Norway has played an active role in the UN in negotiations on resolutions to prevent trafficking in women and girls. This form of organized crime is widespread and generates higher profit at lower risk for the persons responsible than trafficking in drugs. In 2000 Norway provided funding for the Centre for International Crime Prevention's efforts to prevent trafficking in women and girls in West Africa. The project is part of a global programme aimed at facilitating better coordination of official efforts to combat trafficking in persons.

Norway supported the establishment of a working group under the auspices of the OSCE under the Stability Pact for South-Eastern Europe to combat trafficking in women and girls in this region. The working group will primarily concentrate on assistance for the victims of such trafficking. Norway also played an active role in connection with the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, which supplements the UN Convention on Transnational Organized Crime.

Since 1999, Norway has supported activities aimed at increasing women's political participation in the Balkans. A programme based on the Norwegian Labour Party Women's project, "Kvinner Kan" (Women Are Able), was first carried out in Bosnia through the OSCE. This resulted in a significant rise in the percentage of women who took part and were elected in local elections. Assistance for similar programmes in a number of countries in South-Eastern Europe has been channelled through Norwegian People's Aid.

### **Environmental and natural resource management**

Norwegian support for environmental and natural resource management is based on Report No. 19 to the Storting (1995-96) and the *Strategy for Environment in Development Cooperation* (1997) and covers the following four target areas:

- development of sustainable production systems,
- protection and use of biological diversity,
- reduced pollution of soil, air and water, and
- conservation of cultural heritage and management of the natural environment's cultural values.

Importance is attached to strengthening recipient countries' capacity to integrate environmental considerations into its policies and to take part in fulfilling international environmental commitments. This encompasses, for instance, their capacity to identify and prevent environmental problems, develop legislation, strengthen environmental management and draw up action plans for environmental protection. Norway contributes financial assistance to enable developing countries to participate in international processes to address environmental issues, with a view to ensuring broad-based support for international environmental cooperation.

Norwegian development assistance for environmental and natural resource management totalled just under NOK 1.2 billion in 2000.

The most serious environmental problems today are related to climate change, the loss of biological diversity and degradation of ecological systems, including soil degradation and desertification, over-utilization of natural resources and a growing scarcity of water. Although many of these environmental problems are global, it is often the poorest people who are hardest hit. The survival of many poor people living in rural areas is directly dependent on natural resources. The most impoverished countries have limited resources to prevent and adjust to the consequences of climate change, floods and droughts.

There is broad international agreement that the environment and poverty must be seen in a holistic perspective, and there is a need for action at project and programme level. In order to advance this process, Norway has examined existing routines and procedures with a view to integrating environmental and poverty reduction objectives. Adopting this type of approach makes it possible to define environmental goals more explicitly in relation to overarching development goals and poverty reduction.

The latest report from the UN Intergovernmental Panel on Climate Change shows that the poorest countries suffer the greatest consequences of climate change. Industrialized countries have a significant responsibility towards the most impoverished countries, who themselves have done little to cause climate change.

The UN Framework Convention on Climate Change establishes that, initially, it is the industrialized countries that must take steps to reduce their emissions. This obligation was concretized in the Kyoto Protocol, in which the industrialized countries have committed themselves to binding emission targets. At present, developing countries have no such commitments. Forecasts show that emissions from developing countries will increase dramatically in the years ahead. If climate problems are to be solved, efforts must be made to ensure that future economic growth in developing countries is as climate-friendly as possible.

In 2000 Norway attached great importance to efforts linked to the UN Convention on Biological Diversity, drawing up a national action plan of which Norwegian development cooperation is an integral part.

There was also emphasis on cooperation on energy and environmental issues under the auspices of the International Energy Agency (IEA), in connection with the dialogue within the UN Forest Protection Forum, during the negotiations on the prohibition against and regulation of certain harmful chemicals (the POPs treaty), and through the international cooperation on water security.



ERITREA © Helour Netocny/Phoenix

NGOs are important channels of assistance for sustainable agriculture, such as in Eritrea, where this nursery is located.

The UN Commission for Sustainable Development (CSD) is responsible for monitoring the implementation of Agenda 21, which was adopted at the 1992 UN Conference on Environment and Development. Each country reports to the CSD on developments under various chapters of Agenda 21. Topics discussed at the CSD meeting in 2000 included management of land resources, financial resources, economic growth, trade and investments.

Several special financing mechanisms have been established to assist developing countries in taking into account global environmental considerations. The most important of these is the Global Environmental Facility (GEF), which was established in 1991 to cover the additional costs of implementing measures that are beneficial to the global environment.

The UN Convention to Combat Desertification is important for many developing countries. One of the main issues addressed at last year's meeting of State parties was a review of countries' implementation of the convention. Many countries, particularly in Africa, prepared national action plans. Norway has contributed funding through the UNDP's Sudano-Sahelian Office (UNSO), which combats desertification and drought, for the preparation of such plans in several countries. Norway has also provided assistance for the Global Financial Mechanism for the Desertification Convention which is to facilitate the implementation of national plans.

Norway has also provided funding for the formulation of a joint work programme for the Desertification Convention and the Biodiversity Convention in order to ensure fruitful cooperation between the various conventions and more effective use of resources.

In the past few years, Norway has gradually increased its support for the UN Environmental Programme (UNEP). This is linked to its wish to strengthen the role of the UNEP in international environmental protection efforts and the need to improve the UNEP's ability to assist developing countries, particularly countries in Africa.

In 2000, the World Bank continued to focus on environmental protection by creating a new thematic fund for environment and social development, to which NOK 63 million was allocated in 2000.

NOK 4.5 million was allocated for the UNDP's efforts to promote a transition to more sustainable energy systems in developing countries. Norway participated actively in negotiations on an international treaty on the use of plant genetic resources for food and agriculture under the auspices of the FAO. An agreement that ensures the free exchange of genetic resources will be of vital importance for research and development in agriculture and thus for global food security. In 2000, NOK 32 million was allocated for the FAO's work relating to resource management in primary industries.

Funds were also allocated for centres established under the Consultative Group on International Agricultural Research (CGIAR) to support programmes aimed at improving natural resource management and combating soil degradation in the highlands of East Africa.

Support for environmentally-oriented development cooperation accounted for 16 per cent of total bilateral development assistance for *Africa* in 2000, and was channelled to a number of countries. The environmental programmes in South

Africa and Tanzania focus on strengthening the expertise and capacity of the environmental administration and on project activities. No funding was provided for the environmental programme in Zimbabwe in 2000 due to the political situation. The programmes for wildlife management and national parks in Botswana and Zambia continued. A new four-year programme to strengthen the capacity of the regional wetlands administration in the SADC was initiated in 2000.

Institutional cooperation between the Environmental Council of Zambia and the Norwegian Pollution Control Authority has continued. This cooperation has been evaluated and received a very favourable assessment. An agreement to continue cooperation was signed in 2000. Similar cooperation continued in Mozambique, with a view to developing expertise in the industrial control and handling of harmful chemicals. Cooperation also continued on a new phase of a project to achieve cleaner production in Tanzania. Activities to conserve cultural heritage in South Africa, Tanzania and Zambia and other countries continued. A regional programme for the conservation of cultural heritage in sub-Saharan Africa through the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) was initiated in 2000. A three-year programme of cooperation with the START research network, the main secretariat of which is located in Washington DC, was established to assess climate and environmental changes in a broad sense (Global Change). The purpose of the network is to strengthen capacity and expertise in developing countries, thereby enabling them to participate to a greater extent with developed countries in international cooperation to limit global climate change.

In the *fisheries sector*, assistance for Africa has focused on maintaining current programmes and establishing new bilateral agreements between Norway and Namibia and South Africa, respectively. In 2000, the Nansen research and management programme in the fisheries sector encompassed cooperation with Namibia, South Africa and Angola, both bilaterally and through BENEFIT, a regional organization. Through the FAO, Norway increased its cooperation with Northwest Africa. Priority was given to human resource and institutional development in fishery management in partner countries. The Nansen programme was evaluated in 2000. While the evaluation was relatively favourable, certain suggestions for improvements were made. In Namibia, assistance was provided for the drafting of legislation and management plans for freshwater resources, and a regional programme for the joint administration and harmonization of legislation for the Okavango area (Namibia, Zambia, Botswana and Zimbabwe) is currently being planned. Cooperation with Zimbabwe and Zambia on joint management of the fishery resources in Lake Kariba has come to a halt in the past year due to the situation in Zimbabwe. The fishery sector is a priority area under a new agreement between Mozambique and Norway.

Assistance was provided for various agricultural projects in Ethiopia, Madagascar, Malawi, Tanzania, Zambia and Zimbabwe. Most of the support for activities to promote sustainable agriculture in 2000 was channelled through non-governmental organizations, particularly in Eritrea, Madagascar and Mali. Norway continued to provide funding for the SADC's gene bank in cooperation with other Nordic donors.

Norway provided assistance for *forestry programmes* in Malawi, Tanzania and Uganda. The largest programme, which is in Uganda, aims at strengthening the institutional capacity of the forestry ministry, increasing productivity in the forestry sector and protecting biological diversity.

NICARAGUA © Martin Jäger/All Over Press



NGOs have played a pivotal role in cooperation with Nicaragua. This work was evaluated in 2000.

Support for environmentally-oriented development cooperation accounted for 24 per cent of total bilateral development assistance for *Asia* in 2000. Environmental programmes aimed at strengthening the expertise and capacity of the environmental administration continued in India and Bangladesh, in addition to project activities. The International Centre for Integrated Mountain Development (ICIMOD), which is committed to promoting environmentally sound, sustainable development in the Hindu Kush-Himalayan region, received funding from Norway in 2000. The third work programme within the framework of cooperation between the Ministries of the Environment in Indonesia and Norway was concluded, and work began on planning a new programme.

*The focus on activities to combat pollution* was maintained in 2000, with the main emphasis on China. A comprehensive evaluation has been carried out of these activities, which primarily target water and air pollution, and the results are considered to be good. A project to study the effects of acid precipitation was initiated in 2000. Norway provided assistance for projects to promote cleaner production in Indonesia and Pakistan. An agreement to cooperate on reducing marine pollution was signed in Sri Lanka. Several measures relating to the conservation of cultural heritage have been carried out in China, Pakistan, Laos and other countries. NORAD has funded cooperation with China on fishery management, aimed at upgrading scientifically-based expertise on fishery management. This cooperation will continue over a five-year period. In the agricultural sector, measures to promote integrated plant protection continued in 2000, with emphasis on activities in Vietnam, Nepal and Laos.

Support for environmentally-oriented development cooperation accounted for 19 per cent of total bilateral development assistance to *Central America* in 2000. This primarily consists of regional agricultural programmes, but also country-specific activities. Cooperation with the World Conservation Union (IUCN) and the Instituto Nacional de Biodiversidad (INBIO) in Costa Rica continued in 2000. Among the new activities initiated in the Caribbean, a project for the conservation of cultural heritage was started in Jamaica.

The scarcity of water resources in the *Middle East* is a growing problem and an issue of contention between the countries in the region. Norway has provided assistance for efforts to resolve regional water conflicts in the Middle East to the Palestinian authorities and through the Norwegian Centre for Environmental Studies and Resource Management (CESAR) for many years.

Norwegian institutions are involved in development cooperation as technical advisors to NORAD and as partners in institutional cooperation with the authorities in partner countries. NORAD has agreements with seven centres of expertise for environmental counselling, including three agreements entered into in 2000 with NORAGRIC at the Agricultural University of Norway, the Directorate of Fisheries, Institute of Marine Research and the Ministry of the Environment.

## Evaluation, research, information and administration of development assistance

### Evaluation

#### *Purpose*

To be able to monitor use of the Ministry's funds and contribute towards the

improvement of ongoing activities and development of future measures, evaluations are carried out at regular intervals. These evaluations apply to the entire Norwegian Foreign Service and thus cover the sphere of responsibility of both the Minister of Foreign Affairs and the Minister of International Development. They also cover the activities of NORAD, as well as those of non-governmental organizations and others that receive funding from the Ministry and NORAD. A programme of evaluation activities is drawn up for each year. The evaluation reports are prepared by persons and institutions that are independent of the Ministry and the entity being evaluated. All of the Ministry's evaluation reports are available to the public and are published in a special series of reports issued by the Ministry, which are distributed free of charge. The reports are also available in electronic form.

#### *Use and follow-up*

In connection with the evaluations, seminars and meetings are arranged to facilitate the exchange of knowledge and views. The reports must contain recommendations for follow-up in the form of improvements and other changes in the activities evaluated. These recommendations are dealt with specifically and proposals for follow-up action are submitted to the political leadership of the Ministry. Decisions regarding follow-up are made after obtaining the comments and views of the parties concerned. Responsibility for implementing follow-up action lies with the competent department at the Ministry and NORAD, which must report back to the political leadership of the Ministry on the status of the work within six months.

Evaluations that had been carried out previously were followed up in a variety of ways in 2000. A special working group comprising representatives of NORAD and the Ministry of Foreign Affairs was established as a result of the 1998 evaluation of the *Strategy relating to Children in Development Cooperation*. As a follow-up to the 1998 evaluation of the information activities of non-governmental organizations, a system for self-evaluation of NGO activities was established. This system was devised by the NGOs in cooperation with NORAD, the Ministry of Foreign Affairs, the Norwegian Central Information Service and the consultancy firm Agenda. Several evaluations of international organizations in 1998 and 1999 formed the basis for the Ministry of Foreign Affairs' policy in relation to these organizations. This applied, for instance, to the 1999 evaluation of the organizations' work to promote the rights of women and gender equality. The 1999 evaluation of cooperation with Tanzania was used in further cooperation with that country and has also laid the foundation for coordination of efforts with other donor countries. The 1998 evaluation of cooperation with Nicaragua showed a need for a special evaluation of the work of Norwegian NGOs in that country, which was carried out in 2000. Departments of the Ministry of Foreign Affairs and NORAD used the information contained in earlier surveys and analyses, including the study of efforts to combat poverty in Norwegian development cooperation and the study of coordination of development assistance, both carried out in 1999.

#### *International efforts*

Evaluation activities are international in scope, and the Ministry collaborates with other donor countries on evaluations of international organizations and activities. The Ministry participates in technical cooperation and facilitates the participation of experts from developing countries. In March 2000, the Ministry hosted an international seminar at Solstrand, Bergen, on the lessons learned from evaluations of international development assistance for peace and reconciliation in areas of conflict.

TANZANIA © Sean Sprague/Phoenix



Access to information is crucial, both in Tanzania and in Norway. Norwegian research on development issues is used in planning and following up bilateral and multilateral efforts.

The Christian Michelsen Institute organized and reported on the seminar. The Ministry takes part in the OECD's Development Assistance Committee's Working Party on Aid Evaluation, which held two meetings in 2000 and prepared a review of experience from results-based management and a glossary of terms used in evaluation. In conjunction with the Working Party, Japan hosted a conference on Evaluation Feedback for Effective Learning and Accountability, and Sweden hosted the annual meeting at Nordic level. Within the framework of cooperation between the Ministers of International Development from the Netherlands, UK, Germany and Norway (Utstein), there was close contact between evaluation agencies. The Ministry took part in meetings in the Active Learning Network on Accountability and Performance in Humanitarian Assistance (ALNAP), which comprises fifty representatives of bilateral donors, non-governmental organizations and international organizations. The cooperation agreement between the Ministry and the Operations Evaluation Department of the World Bank was extended, and funding was provided for evaluations of environmental and natural resource management, women and gender equality, the bank's general lending operations and the development of evaluation expertise. The Norwegian research and consultancy groups NORAGRIC, Norwegian Consulting Group and Hartmark Iras were involved in this work. Under the agreement, funding was also provided for a conference in South Africa on the evaluation capacity of developing countries arranged by the African Development Bank and the World Bank. Financial assistance was also provided in 2000 for *Bistandstorget* (the Aid Market), a resource centre for non-governmental organizations that aims at developing the evaluation expertise of Norwegian NGOs.



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#### *Work in progress*

An evaluation of the work of Norwegian NGOs in Nicaragua in the past five years and an evaluation of the operations of the Norwegian Human Rights Fund were completed. Work was in progress on a study of the effects for developing countries of eliminating duties and regulatory controls on exports to industrialized countries, and on a study of cooperation between the Bretton Woods institutions on poverty reduction. Work was also begun on an evaluation of development cooperation in the past five years between Bangladesh and Norway. Furthermore, the Ministry was involved in several international evaluations and participates in the steering group for the evaluation of UNAIDS, the World Bank's CDF initiative and an evaluation of international development assistance for basic education, headed by the Netherlands.

#### **Evaluation reports published in 2000**

- 1/00 *Review of Norwegian Health-related Development Cooperation 1988-1997*
- 2/00 *Norwegian Support to the Education Sector. Overview of Policies and Trends 1988-1998*
- 3/00 *The Project "Training for Peace in South Africa"*
- 4/00 *An overview of lessons learned from the provision of Norwegian development aid through non-governmental organizations, 1987-1999*
- 5/00 *Evaluation of the NUFU programme: Norwegian Council of Universities' Programme for Development Research and Education*

A number of Norwegian organizations are involved in long-term cooperation with local communities in the South. Several municipalities in Guatemala and Norway have forged friendship ties.

- 6/00 Making Government Smaller and More Efficient. The Botswana Case*
- 7/00 Evaluation of the Norwegian Plan of Action for Nuclear Safety. Priorities, Organisation and Implementation*
- 8/00 Evaluation of the Norwegian Mixed Credit Programme*
- 9/00 "Norwegians? Who needs Norwegians?" Explaining the Oslo Back Channel: Norway's Political Past in the Middle East*
- 10/00 Taken for Granted? An Evaluation of Norway's Special Grant for the Environment*

#### *Expenditure*

The Ministry of Foreign Affairs spent a total of NOK 17 million on evaluation activities in 2000. At the end of the year, five members of the Ministry staff were engaged in such activities.

#### **Research and human resource development**

Research is a key instrument for building up Norwegian expertise on important development issues and on conditions in developing countries. Funding is provided through the development cooperation budget to further develop research-based knowledge. This knowledge is meant to serve as a basis for the formulation of a coherent Norwegian policy towards developing countries and for the planning and implementation of multilateral and bilateral development cooperation. Assistance is essentially provided under a framework agreement with the Research Council of Norway. The main focus of this cooperation in 2000 was a research programme entitled Globalization and Marginalization: Multi- and Interdisciplinary Research on Development Paths in the South. Within this programme, priority was given in 2000 to research on health, education and poverty. Funding was provided to establish "network links" in the fields of education and poverty. This function is intended to serve as a link between Norwegian research communities, and helps to strengthen the respective fields in Norway.

In 2000, assistance was also provided for other research programmes under the auspices of the Research Council of Norway, including development-oriented research on fisheries, research on biological diversity and research on the multilateral system in the field of development. The basic allocation for the Christian Michelsen Institute (CMI) was also administered by the Research Council of Norway. In 2000, the Ministry of Foreign Affairs also provided assistance for various conferences, book projects and other research-related activities, including activities related to human rights issues.

This emphasis on research also entails more systematic cooperation with various ministries and other public bodies to strengthen Norwegian research on global challenges. This was reflected in Norway's participation in the important international conference on health research held in Bangkok in October 2000. Just under NOK 45 million was allocated through the development cooperation budget for Norwegian development research.

#### **Information activities**

Information on human rights was again a priority focus in information activities in 2000. HIV/AIDS, corruption and the immunization programme GAVI were also important topics.

In 2000, the Internet and the new Intranet were particularly important channels for information activities at both NORAD and the Ministry of Foreign Affairs. The introduction of the Intranet made the most significant contribution towards improving internal information. Efforts are being made to improve the websites. The NORAD website has been redesigned, administrative management tools have been acquired and special pages for young people have been produced. Norwegian embassy portals were established in February 2001.

A major GAVI symposium took place in June 2000, which attracted considerable attention in the media.

The coordinated UN appeal for humanitarian assistance in 2000 was launched in parallel in several countries, including Norway, thereby also increasing media coverage of the appeals.

The annual press grant was awarded to 15 journalists. Attention in 2000 was focused on the topics of HIV/AIDS, girls and education and cooperation with business and industry. Cooperation with the Colleges of Media in Oslo and Kristiansand on a course in international reporting continued. A study trip to South Africa for journalists under the auspices of the Institute of Journalism was given support. The establishment of a press officer at NORAD has resulted in more frequent, systematic contacts, both with the development assistance administration and, not least, with the media.

NORAD held regional conferences on development cooperation in Trondheim, Elverum and Bodø, which were well attended and received good media coverage.

In 2000, NORAD published 10 issues of the newspaper *Bistandsaktuelt*, its newspaper on development cooperation issues. The publication is well received and the number of subscribers increased to 9500. The newspaper and other published documents were adapted for the Internet. Other important publications include "Focus on Norwegian Development Cooperation", the Annual Report on Human Rights and NORAD's Annual Report.

New guidelines were drawn up for the assistance Norway provides for information activities to organizations with which the development assistance administration has framework agreements. Quality assurance systems have also been developed and meetings have been held regularly with the non-governmental organizations that receive funding from NORAD and the Ministry of Foreign Affairs. A youth campaign called "InvolveYourself" that was jointly carried out by Redd Barna (Save the Children Norway), Norwegian People's Aid, the Norwegian Red Cross, the Norwegian Refugee Council and Norwegian Church Aid was entirely financed by NORAD. With assistance from the annual grant scheme for information on North-South issues, NGOs from all over Norway drew attention to key issues in Africa, Latin America and Asia. Grants were particularly provided for the topics of human rights, information on international conflicts, economic operating parameters and the environment. Efforts to promote friendship links and networks and information on the situation in individual countries were also prominent issues. The Ministry of Foreign Affairs also provided funding for the establishment of a joint Norwegian Internet gateway for NGOs.

In connection with ongoing activities, a number of publications were issued on Norwegian development cooperation and North-South issues. Some of the information produced in cooperation with NGOs and institutions has particularly targeted schools. For instance, UNIVISJON AS has developed four TV programmes

for upper secondary school pupils on topics such as HIV/AIDS. In cooperation with the UNICEF Committee and the UNESCO Commission, the UN Association developed a new topical magazine entitled GLOBUS for schoolchildren.

### **Organization and administration**

In 2000, personnel equivalent to 520 man-years were involved in the administration of development cooperation: 172 man-years at the Ministry of Foreign Affairs, 247 at NORAD's headquarters in Oslo and 101 at foreign service missions abroad

The internal training that takes place at the Ministry of Foreign Affairs and NORAD plays an important role in efforts to improve the quality of development cooperation and the administration of development assistance funds. It is important that the training that is offered be designed to meet the needs of staff members and the organization both in Norway and abroad.

Some 60 courses, specially designed for the development assistance administration, were arranged at the Norwegian Foreign Service Institute. Most of the courses dealt with development theory and the administration of development cooperation, such as "Development Assistance and Development", "Development Assistance and Administration", "Integrated Methods". A number of language courses were directly related to development assistance, as were some of the IT courses.

The Norwegian Foreign Service Institute serves all personnel working in the Norwegian Foreign Service, many of whom are posted at Norwegian embassies around the world. Four pilot courses were therefore developed and implemented on the Internet, including a course on good governance and corruption and one on human rights. The goal is to ascertain whether the Internet is an appropriate tool for learning and upgrading expertise in the Foreign Service. The pilot courses are currently being evaluated, and the results of the evaluation will serve as the basis for planning any further Internet-based courses.

# Statistics and maps 2000



**Table 1. Development aid, by type of assistance 1998-2000**

	1998		1999 <sup>1)</sup>		2000	
	NOK million	%	NOK million	%	NOK million	%
Bilateral aid	5 226.8	52.2	5 666.6	52.9	6 217.2	55.7
Multi-bilateral aid <sup>2)</sup>	1 540.9	15.4	1 696.7	15.8	1 486.6	13.3
Multilateral aid <sup>3)</sup>	2 801.5	28.0	2 831.6	26.4	2 901.3	26.0
Total contributions to						
multilateral agencies	4 342.4	43.3	4 528.2	42.2	4 387.9	39.3
Administration	449.6	4.5	525.7	4.9	562.7	5.0
<b>Gross development aid</b>	<b>10 018.8</b>	<b>100.0</b>	<b>10 720.5</b>	<b>100.0</b>	<b>11 167.9</b>	<b>100.0</b>
Loan instalments	45.1		40.4		52.7	
Net development aid	9 973.7		10 680.1		11 115.1	
Of which NORFUND	12.9		83.4		95.9	
Net aid as percentage of gross domestic product	0.91		0.91		0.80	

<sup>1)</sup> There was an error in last year's publication. These are the correct figures for 1999.

<sup>2)</sup> Multi-bilateral aid is bilateral aid administered by multilateral agencies.

<sup>3)</sup> Multilateral aid is general contributions to multilateral agencies.

**Table 2. Gross bilateral development aid<sup>1)</sup>, by region and income group LDCs (Least Developed Countries), 1998-2000**

	1998		1999 <sup>1)</sup>		2000	
	NOK million	%	NOK million	%	NOK million	%
<b>Africa</b>	<b>3 128</b>	<b>46.2</b>	<b>2 890</b>	<b>39.2</b>	<b>2 978</b>	<b>38.7</b>
Bilateral aid to LDCs	2 218	32.8	2 065	28.0	2 154	28.0
<b>Asia &amp; Oceania</b>	<b>1 152</b>	<b>17.0</b>	<b>1 226</b>	<b>16.7</b>	<b>1 307</b>	<b>17.0</b>
Bilateral aid to LDCs	500	7.4	500	6.8	518	6.7
<b>Europe</b>	<b>500</b>	<b>7.4</b>	<b>1 274</b>	<b>17.3</b>	<b>1 251</b>	<b>16.2</b>
<b>Latin-America</b>	<b>686</b>	<b>10.1</b>	<b>547</b>	<b>7.4</b>	<b>522</b>	<b>6.8</b>
Bilateral aid to LDCs	9	0.1	9	0.1	15	0.2
<b>Middle East<sup>2)</sup></b>	<b>488</b>	<b>7.2</b>	<b>517</b>	<b>7.0</b>	<b>509</b>	<b>6.6</b>
Bilateral aid to LDCs	0	0.0	18	0.2	1	0.0
<b>Global, unallocated</b>	<b>814</b>	<b>12.0</b>	<b>910</b>	<b>12.4</b>	<b>1 136</b>	<b>14.7</b>
<b>Total</b>	<b>6 768</b>	<b>100.0</b>	<b>7 363</b>	<b>100.0</b>	<b>7 704</b>	<b>100.0</b>
Bilateral aid to LDCs	2 727	40.3	2 592	35.2	2 688	34.9

<sup>1)</sup> Bilateral aid including multi-bilateral aid.

<sup>2)</sup> The Middle East is defined in accordance with OECD guidelines and was included in statistics for previous years.

**Table 3. Gross bilateral aid<sup>1)</sup>, by types of aid, 1999-2000**

	1999		2000	
	NOK million	%	NOK million	%
Investments	714	9.7	684	8.9
Sector-oriented project and programme aid	2 597	35.3	2 827	36.7
Non-sector-oriented aid and other commodity aid	2 915	39.6	3 140	40.8
Technical assistance incl. institution-building	1 054	14.3	956	12.4
NORFUND	83	1.1	96	1.2
<b>Total</b>	<b>7 363</b>	<b>100</b>	<b>7 704</b>	<b>100</b>

<sup>1)</sup> Bilateral aid including multi-bilateral aid.

**Table 4. Aid channelled through multilateral agencies in 2000 (NOK 1 000)**

	Multilateral aid <sup>1)</sup>	Multi-bilateral aid <sup>2)</sup>	Total
<b>1. UN Development Programme (UNDP) and funds administered by UNDP</b>			
UN Development Programme (UNDP)	574 500	192 440	766 940
UN Capital Development Fund (UNCDF)	14 500		14 500
UN Development Fund for Women (UNIFEM)	16 000	1 616	17 616
<b>Total</b>	<b>605 000</b>	<b>194 056</b>	<b>799 056</b>
<b>2. Development banks and affiliated development funds</b>			
International Development Association (IDA)	276 000	- 9	275 991
African Development Fund (AfDF) and Bank (AfDB)	311 858		311 858
Asian Development Fund (AsDF) and Bank (AsDB)	38 978	12 541	51 519
Inter-American Development Bank (IADB) and Fund (IADB Sp. Fund)	11 172	31 673	42 845
World Bank (IBRD)	4 000	268 911	272 911
PRGF <sup>3)</sup> of the IBRD (former International Monetary Fund)	14 075		14 075
International Fund for Agricultural Development (IFAD)	48 395		48 395
Nordic Development Fund	71 440		71 440
Debt relief through HIPC <sup>4)</sup>	175 674		175 674
<b>Total</b>	<b>951 592</b>	<b>313 116</b>	<b>1 264 709</b>
<b>3. Organizations for the development of agriculture, fishing and food aid</b>			
World Food Programme (WFP)	189 212	102 575	291 786
Food and Agricultural Organization (FAO)	8 505	88 352	96 856
Consultative Group on International Agricultural Research (CGIAR)	61 000		61 000
International Centre for Research in Agroforestry (ICRAF)		1 800	1 800
<b>Total</b>	<b>258 716</b>	<b>192 727</b>	<b>451 443</b>
<b>4. Organizations for children, population issues and health</b>			
UN Fund for Population Activities (UNFPA)	200 000	22 209	222 209
World Health Organization (WHO) <sup>5)</sup>	156 840	61 751	218 591
UN Children's Fund (UNICEF)	280 000	242 510	522 510
UNAIDS	70 800	1 485	72 285
Pan-American Health Organization (PAHO)		5 684	5 684
<b>Total</b>	<b>707 640</b>	<b>333 638</b>	<b>1 041 278</b>
<b>5. Other UN organizations</b>			
Aid share of the ordinary contribution to the UN	5 871		5 871
UN Industrial Development Organization (UNIDO)	4 662	15 600	20 262
International Labour Organization (ILO)	1 660	40 034	41 694
UN Educational, Scientific and Cultural Organization (UNESCO)	29 246	22 484	51 730
UN Research Institute for Social Development (UNRISD)	3 000		3 000
UN University	800	500	1 300
International Maritime Organization (IMO)		10 000	10 000
UN International Drug Control Programme (UNDCP)		14 000	14 000
UNCTAD/GATT's International Trade Centre (ITC)		5 490	5 490
UN Conference on Trade and Development (UNCTAD)		15 304	15 304
UN Special Coordinator for the Occupied Territories (UNSCO)		5 800	5 800
UN Observer Corps in Guatemala (MINUGUA)		6 300	6 300
<b>5. Other UN organizations (cont.)</b>			
FNs secretariat		6 569	6 569
Other <sup>6)</sup>		15 731	15 731
<b>Total</b>	<b>45 240</b>	<b>157 812</b>	<b>203 052</b>
<b>6. UN environmental funds</b>			
UN Environmental Programme (UNEP) and Multilateral Funds of the Montreal Protocol	5 810	4 284	10 094
Global Environment Facility (GEF)	57 335		57 335
<b>Total</b>	<b>63 145</b>	<b>4 284</b>	<b>67 429</b>

Continuation of table 4

7. International humanitarian relief work and aid for refugees

UN High Commissioner for Refugees (UNHCR)	170 000	138 791	308 791
UN Relief and Work Agency for Palestine Refugees in the Near East (UNRWA)	100 000	5 000	105 000
UN Office for Coord. of Humanitarian Aid (UNOCHA)		76 789	76 789
International Organization for Migration (IOM)		8 889	8 889
UN Centre for Human Rights (UNCHR)		21 000	21 000
Other humanitarian relief work <sup>7)</sup>		40 495	40 495
<b>Total</b>	<b>270 000</b>	<b>290 964</b>	<b>560 964</b>
<b>Sum Total</b>	<b>2 901 333</b>	<b>1 486 597</b>	<b>4 387 930</b>

<sup>1)</sup> Multilateral aid is defined as general grants to multilateral agencies.

<sup>2)</sup> Multi-bilateral aid is defined as earmarked support for projects administered by multilateral agencies.

<sup>3)</sup> Contributions to the Poverty Reduction Growth Facility (PRGF) were posted under the International Monetary Fund up until 1999, after which it was taken over by the World Bank.

<sup>4)</sup> HIPC: Highly Indebted Poor Countries.

<sup>5)</sup> Comprises the WHO, the Alliance for Health Policy and Global Forum for Health Research.

<sup>6)</sup> Comprises the UN Centre for Human Settlement, UN's Economic Commission for Africa, UN International Decade of Natural Disaster Reduction, UN Mine Action Service, UN Staff College, World Meteorological Organization and other UN activities.

<sup>7)</sup> Comprises the UN Dep. of Political Affairs, UN Dep. of Peace Keeping Operations, UN War-Torn Societies Project, UN Adm. Committee on Coord. on Nutrition, UN Delegation New York, UN Electoral Assistance Division, UN General Trust Fund, UN Interim Administrations and other UN activities.

Table 5. General contributions to multilateral agencies 1996-2000

	1996	1997	1998	1999	2000
	NOK 1 000				
<b>1. UN Development Programme (UNDP) and funds administered by UNDP</b>	<b>537 000</b>	<b>564 000</b>	<b>605 500</b>	<b>596 000</b>	<b>605 000</b>
UN Development Programme (UNDP)	500 000	524 000	560 000	550 000	574 500
UN Capital Development Fund (UNCDF)	28 000	30 000	30 000	30 000	14 500
UN Development Fund for Women (UNIFEM)	9 000	10 000	15 500	16 000	16 000
<b>2. Development banks and affiliated development funds</b>	<b>698 778</b>	<b>988 009</b>	<b>900 976</b>	<b>862 820</b>	<b>951 592</b>
International Development Association (IDA)	501 000	341 525	361 465	410 000	276 000
International Finance Corporation (IFC)		11 737			
African Development Fund (AfDF) and Bank (AfDB)	148 482	207 146	257 431	195 096	311 858
Asian Development Fund (AsDF) and Bank (AsDB)	2 319	41 573	41 711	41 865	38 978
Inter-American Development Bank (IADB) and Fund (IADB Sp. Fund)	11 430	11 457	12 286	11 089	11 172
World Bank (IBRD)		63 800		4 000	4 000
PRGF <sup>1)</sup> in IBRD (formerly International Monetary Fund)		20 000	20 000	10 000	14 075
International Fund for Agricultural Development (IFAD)		40 000	70 000	38 216	48 395
Nordic Development Fund	35 547	89 771	48 083	76 553	71 440
Debt relief through HIPC <sup>2)</sup>		161 000	90 000	80 000	175 674
<b>3. Organizations for the development of agriculture, fishing and food aid</b>	<b>269 658</b>	<b>255 522</b>	<b>278 525</b>	<b>265 784</b>	<b>258 716</b>
World Food Programme (WFP) <sup>3)</sup>	219 076	208 255	209 998	197 087	189 212
Food and Agricultural Organization (FAO)	6 582	6 267	7 527	7 697	8 505
Consultative Group on International Agricultural Research (CGIAR)	44 000	41 000	61 000	61 000	61 000
<b>4. Programmes for health, mother-child care, family planning</b>	<b>547 366</b>	<b>640 542</b>	<b>691 730</b>	<b>692 686</b>	<b>707 640</b>
UN Fund for Population Activities (UNFPA)	185 000	200 000	210 000	200 000	200 000
World Health Organization (WHO) <sup>4)</sup>	89 366	120 663	141 230	156 186	156 840
UN Children's Fund (UNICEF)	255 000	271 000	290 000	280 000	280 000
UNAIDS	18 000	48 879	50 500	56 500	70 800
<b>5. Other UN agencies</b>	<b>39 248</b>	<b>30 332</b>	<b>39 363</b>	<b>51 236</b>	<b>45 240</b>
Aid share of the regular contribution to the UN	4 563	3 874	5 647	5 408	5 871
UN Industrial Development Organization (UNIDO)	4 708	4 405	3 839	4 077	4 662
International Labour Organization (ILO)	1 977	1 610	1 477	1 654	1 660
UN Committee on the Rights of the Child	2 000	2 000	2 000		
UN Educational, Scientific and Cultural Organization (UNESCO)	23 000	15 130	20 900	31 326	29 246
UN Research Institute for Social Development (UNRISD)	1 000	2 000	3 000	3 000	3 000
UN University				771	800
UN International Drug Control Programme (UNDCP)			2 000	5 000	
International Research and Training Institute for the Advancement of Women (INSTRAW)	2 000	1 000	500		
Adm. Com. on Coordination/Sub-Com. Nutrition		313			

<b>6. UN environmental funds</b>	<b>51 463</b>	<b>46 550</b>	<b>15 408</b>	<b>93 035</b>	<b>63 145</b>
Global Environment Facility (GEF)	46 200	46 550		85 027	57 335
Multilateral Fund of the Montreal Protocol (UNEP)	5 263		15 408	8 008	5 810
<b>7. International humanitarian relief work and aid to refugees</b>	<b>225 000</b>	<b>235 000</b>	<b>270 000</b>	<b>270 000</b>	<b>270 000</b>
UN High Commissioner for Refugees (UNHCR)	150 000	150 000	170 000	170 000	170 000
UN Relief and Work Agency for Palestine Refugees in the Near East (UNRWA)	75 000	85 000	100 000	100 000	100 000
<b>Total multilateral aid</b>	<b>2 368 513</b>	<b>2 759 955</b>	<b>2 801 502</b>	<b>2 831 562</b>	<b>2 901 333</b>

<sup>1)</sup> Contributions to the Enhanced Structural Adjustment Policy (ESAF) in 1997 and 1998, the Poverty Reduction Growth Facility (PRGF) in 1999. The scheme was placed under the International Monetary Fund until 1999, after which it was taken over by the World Bank.

<sup>2)</sup> HIPC: Highly Indebted Poor Countries

<sup>3)</sup> Includes general contributions to the WFP, IEF and FAC.

<sup>4)</sup> Includes the WHO, Alliance for Health Policy and Global Forum for Health Research.

**Table 6. Bilateral aid<sup>1)</sup> to international NGOs<sup>2)</sup> in 2000 (NOK 1000)**

<b>International Planned Parenthood Federation (IPPF)</b>	<b>45 000</b>
Worldview International Foundation (WIF)	20 035
The World Conservation Union (IUCN)	17 496
International Organisation for Migration (IOM)	13 003
<b>Woman's World Banking (WWB)</b>	<b>10 000</b>
The IDI Foundation	6 317
<b>Int. Union Against Tuberculosis &amp; Lung Disease (IUATLD)</b>	<b>5 600</b>
<b>Int. Institute for Demo. &amp; Elect. Assist. (IDEA)</b>	<b>5 581</b>
The Panos Institute	4 220
Worldview Rights	4 163
International Development Law Institute (IDLI)	4 000
Trauma Care Foundation	3 454
International Food Policy Research Institute (IFPRI)	3 000
Legal Resource Foundation	2 830
Int. Work Group for Indigenous Affairs (IWGIA)	2 800
Transparency international	2 400
International Foundation of Science (IFS)	2 250
International Institute for Environment & Development (IIED)	1 710
Institute for Democracy and Electoral Assistance (IDEA)	1 650
International Alert	1 300
International Council for Adult Education	1 100
Women for Change (WFC)	1 000
International Civil Aviation Organisation (ICAO)	985
Women Living under Muslim Law	880
Earth Action	850
Human Rights Information and Documentation Systems (HURIDOCS)	800
International Womens Health Coalition (IWHC)	800
International Collective in Supp. Fishworkers (ICSF)	800
Isis International	800
Women's Environment & Development Organisation (WEDO)	763
Isis- Women's International Cross Cultural Exchange (Isis-WICCE)	750
PENHA	750
Minority Rights Group	600
Handicap International	550
The Institute of Water and Sanitation Development (IWSD)	540
International Service for Human Rights	511
Coalition to Stop the Use of Child Soldiers	500
Index on Censorship	500
Defence for Children International	500
Women for Women	500
Other international NGOs	2 065
<b>Total</b>	<b>173 352</b>

1) Bilateral aid including multi-bilateral aid

2) Organizations listed in bold type have received support as a general contribution.

**Table 7. Net bilateral aid<sup>1)</sup> for countries and regions 1998-2000**

	1998		1999		2000	
	NOK 1000	%	NOK 1000	%	NOK 1000	%
Mozambique	373 435	5.6	285 903	3.9	336 089	4.4
Tanzania	336 312	5.0	387 688	5.3	309 419	4.0
Zambia	240 240	3.6	213 241	2.9	218 038	2.8
Ethiopia	201 621	3.0	186 540	2.5	207 321	2.7
Uganda	236 073	3.5	198 421	2.7	184 716	2.4
Somalia	61 474	0.9	81 149	1.1	176 878	2.3
Angola	174 566	2.6	153 966	2.1	145 937	1.9
South-Africa	165 895	2.5	123 649	1.7	129 573	1.7
Sudan	144 316	2.1	110 964	1.5	124 728	1.6
Zimbabwe	104 404	1.6	103 945	1.4	85 951	1.1
Sierra Leone	29 802	0.4	48 144	0.7	77 137	1.0
Namibia	82 752	1.2	41 724	0.6	63 006	0.8
Malawi	107 886	1.6	96 932	1.3	59 827	0.8
Mali	61 118	0.9	67 517	0.9	57 916	0.8
Eritrea	40 631	0.6	58 005	0.8	56 392	0.7
Other countries	318 914	4.7	272 080	3.7	351 246	4.6
Africa unspecified	425 095	6.3	452 786	6.2	393 757	5.1
<b>Total Africa</b>	<b>3 104 534</b>	<b>46.2</b>	<b>2 882 652</b>	<b>39.4</b>	<b>2 977 930</b>	<b>38.9</b>
Bangladesh	225 400	3.4	266 477	3.6	161 649	2.1
Sri Lanka	99 628	1.5	109 301	1.5	128 117	1.7
Afghanistan	61 315	0.9	55 564	0.8	110 547	1.4
China	89 882	1.3	109 689	1.5	87 087	1.1
Nepal	66 435	1.0	57 670	0.8	78 399	1.0
Laos	53 960	0.8	51 121	0.7	74 760	1.0
India	83 394	1.2	76 780	1.0	70 673	0.9
Pakistan	40 248	0.6	36 254	0.5	58 658	0.8
Other countries	313 367	4.7	337 585	4.6	396 417	5.2
Asia & Oceania unspecified	96 722	1.4	109 291	1.5	140 942	1.8
<b>Total Asia &amp; Oceania</b>	<b>1 130 351</b>	<b>16.8</b>	<b>1 209 731</b>	<b>16.5</b>	<b>1 307 248</b>	<b>17.1</b>
Serbia & Montenegro	80 044	1.2	749 755	10.2	628 756	8.2
Bosnia-Herzegovina	210 464	3.1	246 136	3.4	270 729	3.5
Other countries	209 819	3.1	277 783	3.8	145 276	1.9
Europe unspecified	0	0.0	0	0.0	206 536	2.7
<b>Total Europe</b>	<b>500 327</b>	<b>7.4</b>	<b>1 273 674</b>	<b>17.4</b>	<b>1 251 297</b>	<b>16.4</b>
Nicaragua	126 548	1.9	132 175	1.8	116 508	1.5
Guatemala	86 714	1.3	102 801	1.4	71 390	0.9
Other countries	230 591	3.4	211 629	2.9	248 221	3.2
Latin-Amerika unspecified	241 765	3.6	100 870	1.4	86 336	1.1
<b>Total Latin-Amerika</b>	<b>685 618</b>	<b>10.2</b>	<b>547 475</b>	<b>7.5</b>	<b>522 456</b>	<b>6.8</b>
Palestinian Area	302 752	4.5	216 833	3.0	245 678	3.2
Iraq	86 968	1.3	172 989	2.4	123 278	1.6
Other countries	60 969	0.9	95 081	1.3	124 388	1.6
Middle East unspecified	36 873	0.5	31 635	0.4	15 970	0.2
<b>Total Middle East</b>	<b>487 562</b>	<b>7.3</b>	<b>516 538</b>	<b>7.1</b>	<b>509 315</b>	<b>6.7</b>
<b>Global unspecified</b>	<b>814 265</b>	<b>12.1</b>	<b>892 730</b>	<b>12.2</b>	<b>1 082 862</b>	<b>14.2</b>
<b>Total priority countries</b>	<b>2 158 613</b>	<b>32.1</b>	<b>2 096 297</b>	<b>28.6</b>	<b>1 942 425</b>	<b>25.4</b>
<b>Sum Total</b>	<b>6 722 657</b>	<b>100.0</b>	<b>7 322 801</b>	<b>100.0</b>	<b>7 651 107</b>	<b>100.0</b>

<sup>1)</sup> Bilateral aid including multi-bilateral aid minus loan instalments

**Table 8. Development aid<sup>1)</sup>, by country and channels in 2000 (NOK 1000)**

	NORWEGIAN AND INTERNATIONAL NGOs				
	Norwegian NGOs	Local NGOs <sup>2)</sup>	Regional NGOs	Intern. NGOs	Foundations, research institutes
<b>Priority countries</b>					
Mozambique	54 761	4 931		670	
Tanzania	27 174	5 508			745
Zambia	21 936	36 133	30	2 400	195
Ethiopia	117 110	2 763		37	3 121
Uganda	39 061	1 000			
Bangladesh	20 392	20 770		500	
Sri Lanka	33 419	11 020		75	215
Nicaragua	35 926	8 657	95		
Zimbabwe	17 514	8 927	594	1 480	
Nepal	14 622	1 256		1 600	
Malawi	1 114	1 680			1 599
Eritrea	22 556	300			
<b>Subtotal</b>	<b>405 586</b>	<b>102 946</b>	<b>719</b>	<b>6 762</b>	<b>5 874</b>
Serbia & Montenegro	109 733				400
Bosnia-Herzegovina	60 381				113
Palestinian Area	65 810	6 027			3 330
Somalia	26 399				
Angola	61 935	7 079	14	352	153
South Africa	48 319	25		1 280	12 695
Sudan	80 801				
Iraq	30 488			1 307	
Afghanistan	35 536				174
China	23 065	3 321	688	1 523	6 205
Sierra Leone	32 107				
Laos	15 816				
Guatemala	32 038	5 836	1 214		
India	20 220	18 867		150	900
Namibia	11 765				980
Pakistan	1 586	14 729		3 413	
Mali	38 312			1 710	1 004
Vietnam	12 130				
Cambodia	23 571	2 840		835	
Colombia	31 867		2 378		840
Indonesia	19 735	1 828			121
Congo (Dem Rep)	30 100				
Burundi	37 097			500	
Iran		80		264	
Croatia	25 207				1 500
Philippines	8 491				
Madagascar	12 287	1 200			
Rwanda	34 741				
Lebanon	30 569				
Albania	15 366				
East-Timor	4 097				3 221
Jordan	205				3 500
North-Korea	11 000				
Other countries	230 257	8 968	1 760	1 352	5 018
<b>Unspecified</b>	<b>708 932</b>	<b>730 195</b>	<b>-10 534</b>	<b>296 718</b>	<b>9 894</b>
<b>Total</b>	<b>1 923 333</b>	<b>183 641</b>	<b>57 388</b>	<b>173 352</b>	<b>71 301</b>
<b>As a percentage</b>	<b>25.1</b>	<b>2.4</b>	<b>0.8</b>	<b>2.3</b>	<b>0.9</b>

Continuation Table 8

	Multi-bilateral aid	Private-sector financing facilities <sup>4)</sup>	OTHER CHANNELS		Total
			Refugees in Norway <sup>2)</sup>	Other <sup>5)</sup>	
<b>Priority countries</b>					
Mozambique	39 899	9 357	575	225 896	336 089
Tanzania	15 690	35 055	844	224 404	309 419
Zambia	3 435	48 715		105 194	218 038
Ethiopia	56 207		12 936	15 147	207 321
Uganda	32 869	10 988	794	100 004	184 716
Bangladesh	1 442	2 458	4 084	112 002	161 649
Sri Lanka	1 641	24 305	15 447	41 994	128 117
Nicaragua	15 816	35 900		20 114	116 508
Zimbabwe	3 337	4 548		49 551	85 951
Nepal	16 269	3 325	2 659	38 668	78 399
Malawi	6 725	467		48 242	59 827
Eritrea	13 615		7 813	12 107	56 392
<b>Subtotal</b>	<b>206 946</b>	<b>175 119</b>	<b>45 151</b>	<b>993 323</b>	<b>1 942 425</b>
Serbia & Montenegro	9 378		324 440	184 805	628 756
Bosnia-Herzegovina	16 300	89 724	37 753	66 460	270 729
Palestinian Area	40 424	17 545		112 542	245 678
Somalia	14 059		134 319	2 100	176 878
Angola	45 451	927	575	29 450	145 937
South-Africa	753	3 038	103	63 359	129 573
Sudan	33 650		4 934	5 342	124 728
Iraq			91 483		123 278
Afghanistan	21 380		53 291	165	110 547
China		14 043	2 659	35 584	87 087
Sierra Leone	41 000		4 030		77 137
Laos	23 757	34 796		390	74 760
Guatemala	20 123			12 178	71 390
India	6 721	1 709	575	21 530	70 673
Namibia	16	36 558	164	13 522	63 006
Pakistan	6 736	16	26 310	5 869	58 658
Mali	13 294	544		3 053	57 916
Vietnam	7 325	183	114	34 540	54 292
Cambodia	20 005	6 604		235	54 090
Colombia	8 500		756	6 701	51 041
Indonesia	18 500	1 422	76	9 305	50 986
Congo (Dem Rep)	14 935		139	4 634	49 808
Burundi	5 237		1 480	2 660	46 973
Iran	3 657		41 622	80	45 703
Croatia	4 000		3 995	9 438	44 140
Philippines	2 319	23 440	55	5 899	40 203
Madagaskar	22 691			3 489	39 667
Rwanda	1 000		1 480	378	37 600
Lebanon	450		1 809		32 828
Albania			7 237	8 584	31 187
East-Timor	22 280			1 312	30 909
Jordan			710	25 153	29 568
North-Korea	18 000			275	29 275
Other countries	107 514	33 787	84 864	84 013	557 533
<b>Unspecified</b>	<b>50 615</b>	<b>153 905</b>	<b>25 274</b>	<b>1 148</b>	<b>1 966 147</b>
<b>Total</b>	<b>1 486 597</b>	<b>428 922</b>	<b>871 274</b>	<b>2 455 299</b>	<b>7 651 107</b>
<b>As a percentage</b>	<b>19.4</b>	<b>5.6</b>	<b>11.4</b>	<b>32.1</b>	<b>100.0</b>

1) Bilateral aid including multi-bilateral aid minus loan instalments.

2) In the recipient country.

3) Comprises funds for refugees in Norway and write-off of study loans.

4) Since multi-bilateral aid is also provided through the private-sector financing facilities, the figure for the latter is not complete. Net private-sector financing facilities totalled NOK 442 124 000.

5) "Other" comprises measures funded through Country/regional allocations, Information activities, organizational activities and grass-roots cooperation, Women's projects, Reporting, research and evaluation, Human rights, humanitarian aid and refugee work and Peace, reconciliation and democracy.

**Table 9. Development aid<sup>1)</sup> provided through private-sector financing facilities (NOK 1000)**

	Investment schemes	Parallel-financing	Mixed credits	Training & adv. services <sup>2)</sup>	Various-loan schemes	NORFUND	Total
Angola	927						927
Botswana	650						650
Egypt				1 034			1 034
Ethiopia		3 765					3 765
Ghana	171						171
Cape Verde	282						282
Malawi	95			372			467
Mali	35			510			544
Mauritius						8 180	
Mozambique	965	3 765				4 627	9 357
Namibia	58		34 000		2 500		36 558
Nigeria	50						50
Sao Tome & Principe							
South Africa	2 993			45			3 038
Tanzania	2 970	23 721			1 200	7 164	35 055
Uganda	252	10 590		146			10 988
Zambia	29	48 686					48 715
Zimbabwe	37	4 511					4 548
Africa unspecified						6 599	
<b>Total Africa</b>	<b>9 514</b>	<b>91 273</b>	<b>34 000</b>	<b>2 107</b>	<b>3 700</b>	<b>26 570</b>	<b>152 385</b>
Bangladesh	226			2 043		189	2 458
Bhutan	207						207
India	590			318	800		1 709
Indonesia	1 151			270			1 421
China	1 668		11 670	705			14 043
Phillippines	675		2 765			20 000	23 440
Cambodia		6 604					6 604
Laos	252	17 504	16 841	200			34 796
Maldives				90			90
Nepal	3 287			529			3 815
Pakistan	16						16
Sri Lanka	5 962	15 285		2 149	2 550		25 947
Thailand	371						371
Usbekistan				760			760
Vietnam	160			23			183
Asia unspecified	255			40			295
<b>Total Asia</b>	<b>14 820</b>	<b>39 394</b>	<b>31 276</b>	<b>7 127</b>	<b>3 350</b>	<b>20 189</b>	<b>116 156</b>
Palestinian Area	93	17 352		100			17 545
<b>Total Middle East</b>	<b>93</b>	<b>17 352</b>		<b>100</b>			<b>17 545</b>
Cuba	95						95
Ecuador						3 097	
Nicaragua		10 877			10 000	15 023	35 900
Paraguay	349				14 000	4 451	18 800
America unspecified	70	8 884		4 650		2 907	16 511
<b>Total Latin America</b>	<b>514</b>	<b>19 761</b>		<b>4 650</b>	<b>24 000</b>	<b>25 478</b>	<b>71 306</b>
Bosnia-Herzegovina	1 770	78 148				9 806	89 724
Former Yugoslavia unspec.	357				1 000	10 206	11 563
<b>Total Europe</b>	<b>2 127</b>	<b>78 148</b>			<b>1 000</b>	<b>20 012</b>	<b>101 287</b>
<b>Global unspecified</b>	<b>7 937</b>	<b>2 110</b>		<b>4 559</b>		<b>3 700</b>	<b>18 307</b>
<b>Total gross</b>	<b>35 006</b>	<b>248 038</b>	<b>65 276</b>	<b>18 543</b>	<b>32 050</b>	<b>95 949</b>	<b>494 862</b>
<b>Loan instalments</b>							<b>-52 738</b>
<b>Total net</b>							<b>442 124</b>

<sup>1)</sup> The table shows all funds provided from Chapter 0157 Private sector financing facilities and Chapter 3157 Write-back loan instalments.

<sup>2)</sup> Export-related training and advisory services for product development.

**Table 10. Net bilateral aid<sup>1)</sup>, by priority area and sector, 1999-2000**

		1999		2000	
		NOK million	%	NOK million	%
<b>Social development</b>					
111	Education	167.2	2.3	133.5	1.7
112	Primary & lower sec. educ.	300.3	4.1	290.5	3.8
113	Upper secondary education	71.4	1.0	37.3	0.5
114	University and college educ.	152.8	2.1	185.7	2.4
121	Health, general	177.6	2.4	176.4	2.3
122	Primary health	128.3	1.8	191.9	2.5
130	Population prog. & reprod. health	132.0	1.8	181.7	2.4
140	Water supplies & sanitation	227.3	3.1	214.2	2.8
161	Employment	94.1	1.3	150.5	2.0
162	Housing	33.4	0.5	70.1	0.9
163	Other social services	392.1	5.4	447.6	5.9
430.20	Other social services	74.9	1.0	88.9	1.2
<b>Total</b>		<b>1951.3</b>	<b>26.6</b>	<b>2168.3</b>	<b>28.3</b>
<b>Peace, human rights and democracy</b>					
150	Public admin. & popular participation	992.0	13.5	1235.5	16.1
<b>Total</b>		<b>992.0</b>	<b>13.5</b>	<b>1235.5</b>	<b>16.1</b>
<b>Economic development</b>					
210	Transport and inventory	72.7	1.0	56.8	0.7
220	Communication	58.6	0.8	52.0	0.7
230	Energy	496.3	6.8	394.4	5.2
240	Banking & financial services	106.3	1.5	63.4	0.8
250	Private sector & other services	96.1	1.3	131.8	1.7
311	Agriculture	194.8	2.7	243.2	3.2
312	Forestry	59.4	0.8	69.6	0.9
313	Fishing	78.3	1.1	155.0	2.0
321	Industry	123.1	1.7	53.8	0.7
322	Mineral resources & mining	5.6	0.1	8.4	0.1
323	Construction		0.0		0.0
331	Trade	17.3	0.2	22.8	0.3
332	Tourism	0.3	0.0	0.7	0.0
430	Multi-sectoral efforts	143.5	2.0	148.9	1.9
510	Structural adjustment prog. IBRD/IMF		0.0		0.0
520	Food aid/food security		0.0		0.0
530	Other general programme & commodity aid	85.0	1.2	130.0	1.7
600	Debt-related measures	182.7	2.5	81.9	1.1
<b>Total</b>		<b>1719.9</b>	<b>23.5</b>	<b>1612.7</b>	<b>21.1</b>
<b>Humanitarian assistance</b>					
710	Emergency relief, food	224.2	3.1	152.8	2.0
720	Other emergency relief/crisis assistance/refugees	1680.1	22.9	1637.4	21.4
<b>Total</b>		<b>1904.3</b>	<b>26.0</b>	<b>1790.2</b>	<b>23.4</b>
<b>Other</b>					
410	Multi-sectoral environmental efforts	353.0	4.8	331.5	4.3
420	Multi-sectoral women and development (WID)	73.3	1.0	70.9	0.9
998	Unallocated/Unspecified	329.0	4.5	442.1	5.8
<b>Total</b>		<b>755.3</b>	<b>10.3</b>	<b>844.5</b>	<b>11.0</b>
<b>Sum Total</b>		<b>7322.8</b>	<b>100.0</b>	<b>7651.1</b>	<b>100.0</b>

<sup>1)</sup> Bilateral aid including multi-bilateral aid minus loan instalments.

**Table 11. Net bilateral aid<sup>1)</sup>, by priority area and region, 2000**

	Social development		Economic development		Peace, democracy & human rights		Humanitarian assistance	
	1000 kr	%	1000 kr	%	1000 kr	%	1000 kr	%
	Africa	957 468	32	838 913	28	395 213	13	641 164
Asia & Oceania	418 387	32	242 174	19	142 337	11	354 870	27
Latin-America	145 759	28	167 177	32	138 124	26	30 280	6
Europe	253 983	20	189 166	15	338 926	27	467 654	37
Middle East	143 350	28	60 196	12	86 310	17	212 097	42
Global unspecified	249 298	23	115 081	11	134 543	12	84 123	8
<b>Total</b>	<b>2 168 245</b>		<b>1 612 707</b>		<b>1 234 453</b>		<b>1 790 189</b>	
Percentage of net bilateral aid		28		21		16		23

**Continuation Table 11**

	Other <sup>2)</sup>		Total
	1000 kr	%	1000 kr
Africa	146 171	5	2 977 930
Asia & Oceania	149 479	11	1 307 248
Latin-America	41 116	8	522 456
Europe	1 568	0	1 251 297
Middle East	7 362	1	509 315
Global unspecified	499 817	46	1 082 862
<b>Total</b>	<b>845 514</b>		<b>7 651 107</b>
Percentage of net bilateral aid		11	100

<sup>1)</sup> Bilateral aid including multi-bilateral aid minus loan instalments.

<sup>2)</sup> "Other" comprises the main DAC sectors 410 (Environmental Protection), 420 (Women's Projects) and 998 (Other). These are general measures that cannot be assigned to a specific sector.

**Table 12. Net bilateral aid<sup>1)</sup> targeting women and the environment**

	Total	Women and Gender Equality		Environment and Natural Resource Management	
	NOK 1000	NOK 1000	%	NOK 1000	%
Africa	2 977 930	611 706	21	471 712	16
Asia & Oceania	1 307 248	269 146	21	318 202	24
Latin-America	522 456	129 703	25	101 040	19
Europe	1 251 297	60 289	5	28 864	2
Middle East	509 315	11 950	2	15 064	3
Global unspecified	1 082 862	68 398	6	178 370	16
<b>Total</b>	<b>7 651 107</b>	<b>1 151 192</b>		<b>1 113 251</b>	
Percentage of net bilateral aid	100		15		15

<sup>1)</sup> Bilateral aid including multi-bilateral aid minus loan instalments.

**Table 13. Development aid<sup>1)</sup> targeting good governance, human rights, popular participation or democratization<sup>2)</sup>, 1999 - 2000 (NOK 1000)**

	1999	1999	1999	2000	2000	2000
	Main goal	Sub-goal	Total	Main goal	Sub-goal	Total
Palestinian Area	20 361	19 595	39 955	52 717	45 685	98 402
Serbia and Montenegro	15 407		15 407	59 452	11 049	70 502
Mozambique	60 951	21 286	82 237	47 603	13 599	61 202
Guatemala	71 381	9 061	80 441	48 441	6 627	55 068
Angola	36 870	37 165	74 035	29 953	17 296	47 249
Zambia	23 681	6 829	30 510	34 256	7 315	41 571
Sudan	2 683	552	3 235	10 851	29 645	40 495
South-Africa	31 454	8 384	39 839	29 506	7 209	36 715
Nicaragua	24 097	9 715	33 812	20 976	15 460	36 436
Zimbabwe	13 458	18 166	31 624	17 060	17 608	34 668
Colombia	8 356	1 660	10 016	23 005	11 000	34 005
Former Yugoslavia	43 681		43 681	31 094	1 990	33 084
India	20 791	9 737	30 528	22 578	9 228	31 806
Bangladesh	23 184	6 917	30 100	17 038	11 383	28 421
Bosnia-Herzegovina	14 043	5 075	19 118	24 328	3 225	27 553
Ethiopia	13 533	9 820	23 353	21 011	6 406	27 417
Tanzania	7 545	18 237	25 782	10 442	15 048	25 491
China	6 309	2 385	8 694	16 143	6 823	22 966
Sri Lanka	13 775	7 441	21 216	18 134	4 374	22 508
Rwanda	6 983		6 983	14 277	6 042	20 320
Sierra Leone	300		300	19 235		19 235
Brasil	7 347	5 403	12 750	10 494	8 042	18 536
Mali	7 273	8 397	15 670	7 154	9 664	16 818
Cambodia	4 670	2 324	6 994	9 610	6 984	16 594
Uganda	17 609	5 093	22 702	14 409	1 706	16 115
Indonesia	5 739	1 320	7 059	14 735	1 153	15 888
Nepal	3 994	2 236	6 230	6 186	7 436	13 622
Laos	6 368	175	6 543	12 382	712	13 094
Pakistan	8 692	3 340	12 032	8 189	3 879	12 068
Albania	12765		12 765	12 029		12 029
Afghanistan	998	922	1 920	895	10 500	11 395
Burma	2901	466	3 367	10 163	479	10 642
Malawi	9 800		9 800	9 168	422	9 590
Bhutan					9 409	9 409
El Salvador	7 492	2 781	10 273	6 334	2 696	9 030
Jordan	137		137	8 892		8 892
Eritrea	1 510	6 631	8 141	3 683	5 037	8 719
East Timor				8 193	500	8 693
Kenya	2 445	3 540	5 985	2 927	5 740	8 667
Botswana	2 942	6 849	9 791	2 896	5 044	7 940
Equador	2 195	3 823	6 018	2 173	5 598	7 770
Peru	3 677	1 868	5 545	4 862	2 035	6 897
Other countries	66 747	33 728	100 475	83 226	36 912	105 469
Middle East unspecified	13 932	560	14 492	6 691	3 080	9 771
Africa unspecified	36 426	57 458	93 883	42 166	65 808	107 975
Asia unspecified	8 006	8 976	16 982	10 361	18 822	29 183
Latin America unspecified	15 948	11 888	27 836	15 898	7 685	23 583
Europe unspecified				136 586	20	136 606
Global unspecified	80 155	97 173	177 328	113 959	170 948	284 907
<b>Total</b>	<b>782 739</b>	<b>451 285</b>	<b>1 234 024</b>	<b>1 125 323</b>	<b>629 692</b>	<b>1 755 015</b>

<sup>1)</sup> Bilateral aid including multi-bilateral aid.

<sup>2)</sup> The table shows measures targeting good governance, human rights, popular participation or democracy.

**Table 14. Development aid<sup>1)</sup> targeting women and gender equality<sup>2)</sup> in 2000 (NOK 1000)**

	Women and gender equality as main goal	Women and gender equality as sub-goal	Total
Angola	17 910	60 309	78 219
Zambia	2 485	56 486	58 971
South-Africa	4 866	40 864	45 730
Tanzania	1 901	43 281	45 183
Mali	28 942	13 201	42 144
Zimbabwe	17 005	23 672	40 678
Ethiopia	5 321	27 430	32 750
Sudan	16 777	15 460	32 237
Uganda	1 989	27 109	29 099
Mozambique	1 112	23 463	24 575
Madagascar		21 548	21 548
Malawi	1 372	16 442	17 814
Botswana	2 095	7 781	9 876
Kenya	4 860	3 670	8 530
Eritrea	1 618	3 947	5 565
Other countries	6 965	13 219	20 184
Africa unspecified	53 711	44 893	98 604
<b>Total Africa</b>	<b>168 929</b>	<b>442 778</b>	<b>611 706</b>
Bangladesh	60 579	11 120	71 699
India	19 007	24 066	43 073
Sri Lanka	892	22 805	23 697
Pakistan	5 420	13 088	18 508
Nepal	6 506	7 868	14 374
Cambodia		13 465	13 465
Indonesia	66	10 391	10 458
Bhutan		9 409	9 409
Laos	2 723	3 410	6 133
Philippines	1 134	4 981	6 115
Vietnam	185	4 074	4 259
Other countries	3 054	10 305	13 358
Asia unspecified	22 300	12 299	34 599
<b>Total Asia &amp; Oceania</b>	<b>121 865</b>	<b>147 281</b>	<b>269 146</b>
<b>Total Middle East</b>	<b>5 514</b>	<b>6 436</b>	<b>11 950</b>
Guatemala	9 343	27 041	36 384
Nicaragua	8 101	17 819	25 920
Bolivia	1 422	10 115	11 537
Other countries	4 291	18 513	22 804
Latin America unspecified	4 796	28 262	33 058
<b>Total Latin America</b>	<b>27 954</b>	<b>101 749</b>	<b>129 703</b>
Serbia & Montenegro	3 719	20 474	24 194
Other countries	6 065	4 254	10 319
Europe unspecified	12 175	13 601	25 776
<b>Total Europe</b>	<b>21 960</b>	<b>38 329</b>	<b>60 289</b>
<b>Global unspecified</b>	<b>23 462</b>	<b>44 936</b>	<b>68 398</b>
<b>Total bilateral measures</b>	<b>369 684</b>	<b>781 508</b>	<b>1 151 192</b>
<b>Multilateral<sup>3)</sup> contributions</b>		<b>16 000</b>	<b>16 000</b>
<b>Sum total</b>	<b>369 684</b>	<b>797 508</b>	<b>1 167 192</b>
<b>Total</b>			<b>1 167 192</b>

<sup>1)</sup> The table comprises bilateral aid, multi-bilateral aid and multilateral aid.

<sup>2)</sup> The table comprises measures in which women are the main and sub-goal. These are funded through special allocations for women and other budget chapters.

<sup>3)</sup> General support for UNIFEM.

**Table 15. Development aid<sup>1)</sup> targeting the environment<sup>2)</sup> in 2000 (NOK 1000)**

	Environment as main goal	Environment as sub-goal	Total
Tanzania	45 324	25 783	71 107
Angola	3 899	38 493	42 392
Ethiopia	25 150	9 520	34 670
Mozambique	7 352	23 544	30 896
South-Africa	7 430	22 903	30 333
Mali	17 991	11 916	29 906
Zambia	24 446	1 431	25 877
Zimbabwe	10 701	11 238	21 939
Uganda	1 963	19 149	21 112
Madagaskar	2 299	17 475	19 774
Botswana	5 080	2 692	7 773
Other countries	8 139	26 785	34 924
Africa unspecified	32 143	68 865	101 007
<b>Total Africa</b>	<b>191 918</b>	<b>279 795</b>	<b>471 712</b>
China	43 681	580	44 262
India	23 240	16 589	39 828
Sri Lanka	24 651	7 230	31 881
Laos	6 118	17 956	24 074
Vietnam	18 255	4 229	22 484
Nepal	1 709	19 871	21 579
Pakistan	9 423	4 950	14 373
Bhutan	0	9 514	9 514
Indonesia	8 665	0	8 665
Philippines	2 626	4 759	7 384
Mongolia	4 500	2 300	6 800
Cambodia	6 604	0	6 604
Other countries	6 872	9 566	16 438
Asia unspecified	63 247	1 068	64 314
<b>Total Asia and Oceania</b>	<b>219 591</b>	<b>98 611</b>	<b>318 202</b>
Palestinian Area	340	5 081	5 420
Other countries & Middle East unspecified	8 160	1 483	9 643
<b>Total Middle East</b>	<b>8 500</b>	<b>6 564</b>	<b>15 064</b>
Nicaragua	10 081	3 164	13 244
Bolivia	2 052	8 743	10 795
Brasil	5 037	3 000	8 037
Guatemala	504	6 838	7 342
Other countries	9 561	19 034	28 595
Latin America unspecified	25 504	7 522	33 026
<b>Total Latin-America</b>	<b>118 854</b>	<b>59 516</b>	<b>178 370</b>
Serbia & Montenegro	5 292	10 375	15 667
Former Yugoslavia unspecified	0	6 708	6 708
Other countries & Europe unspecified	2 609	3 879	6 489
<b>Total Europe</b>	<b>7 902</b>	<b>20 963</b>	<b>28 864</b>
<b>Global unspecified</b>	<b>52 739</b>	<b>48 301</b>	<b>101 040</b>
<b>Total bilateral measures</b>	<b>599 503</b>	<b>513 748</b>	<b>1 113 252</b>
<b>Multilateral<sup>3)</sup> contributions</b>	<b>63 145</b>	<b>0</b>	<b>63 145</b>
<b>Sum total</b>	<b>662 648</b>	<b>513 748</b>	<b>1 176 397</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1 176 397</b>

<sup>1)</sup> The table comprises bilateral aid, multi-bilateral aid and multilateral aid.

<sup>2)</sup> The table covers environmental support provided through special allocations for the environment and from other budget chapters.

<sup>3)</sup> General support for the GEF and the Montreal Protocol.

**Table 16. Development aid<sup>1)</sup> earmarked for one or more main groups in 2000 (NOK 1000)**

	Children	Refugees	Women	Indigenous Peoples	People w/ Disabilities
Algerie	3 500	5 840	1 000		
Angola	77 016	49 470	66 233		10 004
Botswana	1 308	29	3 521	2 714	
Burkina Faso	3 679		3 741		
Burundi	5 703	28 323	4 067		
Egypt		741			
Ivory Coast	685		685		
Eritrea	7 330	16 027	4 873	968	2 214
Ethiopia	58 605	20 126	49 420	9 576	10 243
Ghana	213	329	213		857
Kamerun	1 039	1 974	1 147	816	
Kenya	14 238	1 508	14 646		339
Congo	4 000	6 455	9 000		
Congo (Dem Rep)	4 067	16 290	4 006		
Lesotho			1 086		466
Liberia	1 563	710			
Madagascar	12 693				66
Malawi	530		1 147		
Mali	2 165	1 406	32 879		
Morocco		1 069			
Mauretania		482			
Mozambique	37 721	1 550	18 171		2 885
Namibia	3 709	1 787			1 407
Niger		164	3 605		
Nigeria		2 220			
Rwanda	271	1 523	1 254	212	
Senegal		522	522		522
Sierra Leone	10 405	53 652	1 198		
Somalia	16 559	138 375	14 056	5 000	4 832
Sudan	34 664	24 459	21 554	429	4 001
Swaziland	555		320		
South-Africa	27 594		23 110	3 870	855
Tanzania	10 831	11 864	11 996		2 532
Tchad	60	164	154		
Tunisia	200	329	856		
Uganda	31 528	12 825	33 048	1 000	10 263
Zambia	61 218	339	51 344	3 056	6 382
Zimbabwe	28 201	1 254	33 155	7 122	4 539
Sub-Sahara unspecified	1 836		765		
Africa unspecified	83 665	29 127	32 073	3 139	8 440
<b>Total Africa</b>	<b>547 355</b>	<b>430 933</b>	<b>444 845</b>	<b>37 901</b>	<b>70 849</b>
Afghanistan	16 331	79 406	14 228	15	8 116
Armenia		10 527			
Aserbajdsjan	754	6 945		754	
Bangladesh	64 374	4 030	70 299	1 142	5 851
Bhutan	630	330	630		570
Burma	602	9 417	746	1 200	
Philippines	6 464	794	4 568	52	3 853
Georgia		5 247			
India	41 306	1 427	44 378	21 253	1 866
Indonesia	625		2 383	1 841	
Cambodia	18 802	14 909	10 036		8 111
Kasakhstan		7 237			
China	6 418	4 828	3 051	1 674	5 290
Kirgisistan		2 386			
Laos	6 339		2 874	3 556	127
Malaysia				704	
Mongolia	3 635	164	4 814		4 541
Nepal	30 731	2 220	8 089		
North Korea	6 000		4 000		
Pakistan	6 884	27 292	13 097	5 708	1 232
Sri Lanka	7 427	28 130	1 839		1 102
Tadsjikistan		3 125			
Thailand	500				
Turkmenistan		904			

Continuation Table 16

	Children	Refugees	Women	Indigenous Peoples	People w/ Disabilities
Uzbekistan		329			
Vietnam	9 384		3 978	267	982
East-Timor	2 000	8 455			500
Asia unspecified	19 741	24 100	17 494	12 629	
<b>Total Asia</b>	<b>248 947</b>	<b>242 201</b>	<b>206 504</b>	<b>50 795</b>	<b>42 141</b>
Iraq	5 869	98 283	2 060		5 000
Iran		41 622			
Jordan		8 675			
Lebanon	2 219	18 756	866	422	9 640
Palestinian Area	11 503	19 166	25 488	200	6 853
Syria		11 990			312
Yemen	1 000		1 000		
Middle East unspecified	47	7 376			
<b>Total Middle East</b>	<b>20 638</b>	<b>205 867</b>	<b>29 414</b>	<b>622</b>	<b>21 806</b>
Argentina	64		64		
Bolivia	8 692		14 753	13 441	137
Brasil	6 887		2 675	14 723	
Chile	916	1 280		2 272	
Colombia	314	21 032	11 255	1 010	
Costa Rica	2 687			557	
Cuba			277		293
Ecuador	205		11 226	6 954	
El Salvador	2 903	164	3 862		339
Guatemala	16 432	13 028	22 667	33 222	2 081
Haiti		1 448	633		
Honduras	4 620		4 292	3 350	
Jamaica					448
Mexico	3 381		3 416	332	
Nicaragua	27 387		23 764	4 717	3 481
Paraguay	2 444			3 716	1 104
Peru	2 855	164	5 223	3 895	
Uruguay					233
America unspecified	12 383	700	25 336	12 429	2 200
<b>Total Latin America</b>	<b>92 169</b>	<b>37 816</b>	<b>129 442</b>	<b>100 616</b>	<b>10 316</b>
Albania	4 021	8 536	1 499	8 657	5 073
Bosnia-Herzegovina	8 770	42 927	1 515		3 127
Croatia		3 995			
Makedonia (Fyrom)	2 013	3 645	2 000	2 589	2 000
Moldova	289	5 263	289	89	289
Serbia & Montenegro	21 240	365 837	26 968	39 590	34 863
Slovenia		575			
Former Yugoslavia unspecified	6 466	12 928	7 690	2 500	2 700
Turkey		13 488	170		
Europe unspecified	82 562	93 305	83 543	138 717	87 931
<b>Total Europe</b>	<b>125 360</b>	<b>550 499</b>	<b>123 673</b>	<b>192 142</b>	<b>135 983</b>
Fiji-Øyene	912		912		
Papua Ny-Guinea				1 315	
<b>Total Oceanea</b>	<b>912</b>		<b>912</b>	<b>1 315</b>	
<b>Global unspecified</b>	<b>120 268</b>	<b>31 345</b>	<b>56 821</b>	<b>8 714</b>	<b>12 015</b>
<b>Total bilateral measures</b>	<b>1 155 649</b>	<b>1 498 661</b>	<b>991 611</b>	<b>392 108</b>	<b>293 109</b>
<b>Multilateral measures</b>	<b>280 000</b>	<b>280 000</b>	<b>270 000</b>	<b>16 000</b>	
<b>Total</b>	<b>1 435 649</b>	<b>1 768 661</b>	<b>1 007 611</b>	<b>392 108</b>	<b>293 109</b>

<sup>11</sup> Development aid may be earmarked for one or more main groups. Therefore the columns cannot be added up since a measure may appear in several columns.

**Table 17. Overview of Norwegian personnel posted in developing countries, 1998 - 2000**

	1998		1999		2000	
	Total Man-years	Man-years Women	Total Man-years	Man-years Women	Total Man-years	Man-years Women
Experts in Africa <sup>1)</sup>	19	2	12	1	6	0
Norwegian Volunteer Service personnel	48	13	26	9	0	0
Junior experts	2	0	1	0	29	17
Africa					9	5
Asia & Oceania	2	0	1	0	12	6
Middle East					1	1
Latin America					7	5
Europe					1	1
<b>Total bilateral personnel</b>	<b>69</b>	<b>15</b>	<b>38</b>	<b>10</b>	<b>34</b>	<b>17</b>
<b>Total multilateral personnel</b>	<b>55</b>	<b>34</b>	<b>67</b>	<b>44</b>	<b>26</b>	<b>21</b>
<b>Total</b>	<b>124</b>	<b>49</b>	<b>105</b>	<b>54</b>	<b>61</b>	<b>39</b>

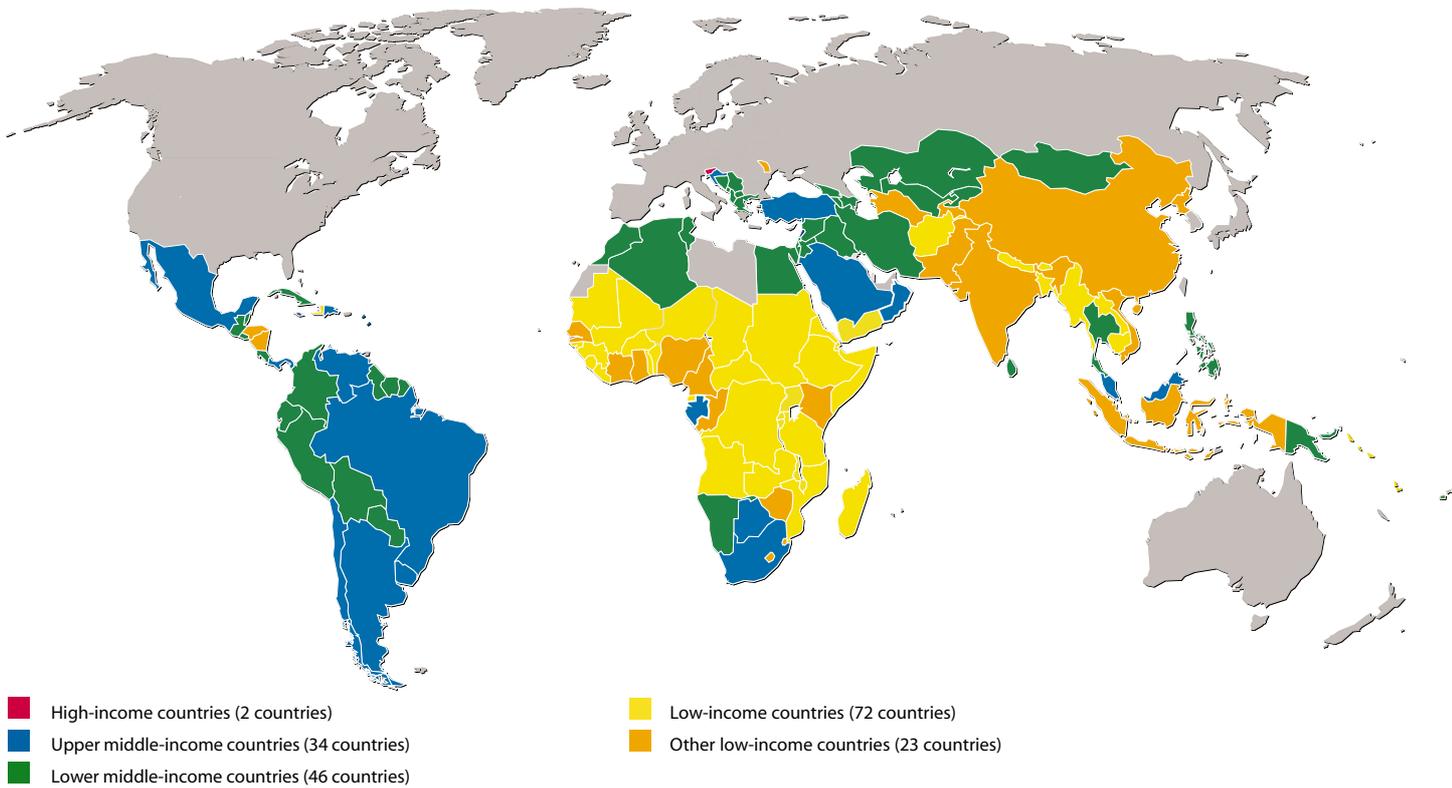
<sup>1)</sup> Includes projects in the fisheries (1.75 man-years), transport (2.25 man-years) and agricultural (1.5 man-years) sectors.



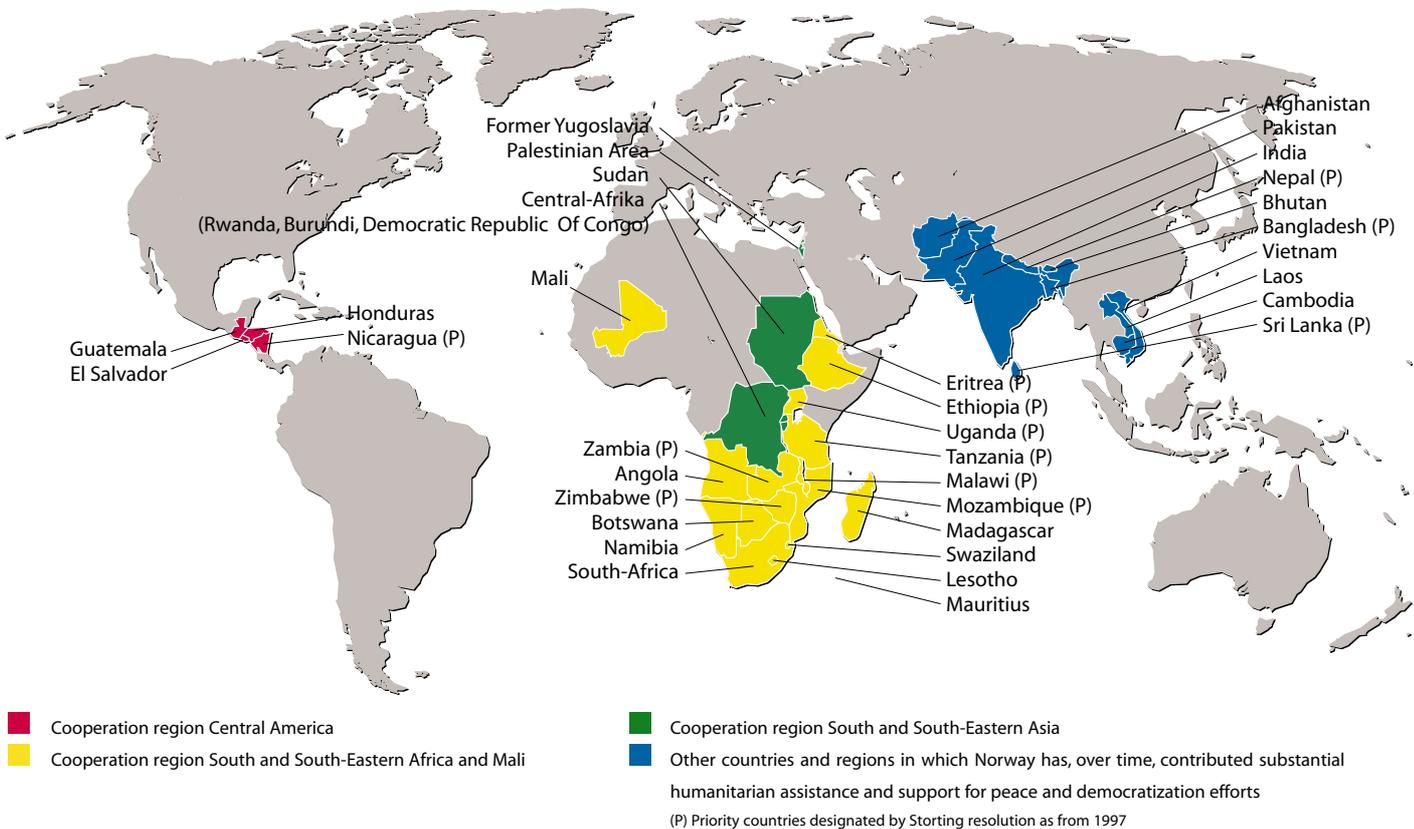
# Countries and territories that are eligible for development assistance

This list has been approved by the OECD/DAC and applies from 1 January 2000 to 31 December 2002.

<p><b>High-income countries</b> 2 countries</p> <p>Malta Slovenia</p>	<p><b>Lower middle-income countries</b> 46 countries</p> <p>Albania Algeria Belize Bolivia Bosnia-Herzegovina Colombia Costa Rica Cuba Dominica Dominican Republic Ecuador Egypt El Salvador Fiji Former Yugoslavia Georgia Guatemala Guyana Iran Iraq Jamaica Jordan Kazakhstan Macedonia Marshall Islands Micronesia, Federated States of Morocco Namibia Niue Palestinian Area Papua New Guinea Paraguay Peru Philippines St. Vincent and Grenadine Sri Lanka Surinam Swaziland Syria Thailand Timor Tokelau Tonga Tunisia Uzbekistan Wallis and Futuna</p>	<p><b>Low-income countries</b> 71 countries</p> <p><b>Least Developed Countries (LDCs)</b> 48 countries</p> <p>Afghanistan Angola Bangladesh Benin Bhutan Burkina Faso Burma Burundi Cambodia Cape Verde Central African Republic Chad Comoros Democratic Republic of Congo Djibouti Equatorial Guinea Eritrea Ethiopia Gambia Guinea Guinea-Bissau Haiti Kiribati Laos Lesotho Liberia Madagascar Malawi Maldives Mali Mauretania Mozambique Nepal Niger Rwanda Sao Tomé and Príncipe Sierra Leone Solomon Islands Somalia Sudan Tanzania Togo Tuvalu Uganda Vanuatu West Samoa Yemen Zambia</p>	<p><b>Other low-income countries</b> 23 countries</p> <p>Armenia Azerbaijan Cameroon China Congo, Republic of Ghana Guyana Honduras India Ivory Coast Kenya Kyrgyz Republic Moldova Mongolia Nicaragua Nigeria North Korea Pakistan Senegal Tajikistan Turkmenistan Vietnam Zimbabwe</p>
<p><b>Upper middle-income countries</b> 34 countries</p> <p>Botswana Brazil Chile Cook Islands Croatia Gabon Grenada Lebanon Malaysia Mauritius Mayotte Mexico Nauru Palau Islands Panama South Africa St. Helena St. Lucia Trinidad and Tobago Turkey Uruguay Venezuela</p> <p><i>Threshold for World Bank loan eligibility - USD 5280 in 1995</i></p> <p>Anguilla Antigua and Barbuda Argentina Bahrain Barbados Montserrat Oman St. Kitts-Nevis Saudi Arabia Seychelles Turks and Caicos Islands</p>			



## Development cooperation regions



## Abbreviations

### **ADEA**

Association for the Development of Education in Africa

### **AfDB**

African Development Bank

### **AHLC**

Group of international donor countries that provide funds to the Palestinian Area

### **AsDB**

Asian Development Bank

### **AsDF**

Asian Development Fund

### **BNI**

Gross national income

### **BNP**

Gross domestic product

### **CDC**

Commonwealth Development Corporation

### **CESAR**

Centre for Environmental Studies and Resource Management

### **CDF**

Comprehensive Development Framework

### **CGAP**

World Bank's Consultative Group to Assist the Poorest

### **CGIAR**

Consultative Group on International Agricultural Research

### **CMI**

Christian Michelsen Institute

### **CSD**

UN Commission on Sustainable Development

### **DAC**

OECD's Development Assistance Committee

### **DiS**

Norwegian Lutheran Hospital Centre for Partnership in Development

### **DMFAS**

Debt Management and Financial Analysis System

**ECOSOC**

UN Economic and Social Council

**FAFO**

Institute for Applied Social Science

**FAO**

Food and Agriculture Organization of the United Nations

**GAVI**

Global Alliance for Vaccines and Immunization

**GEF**

Global Environmental Facility

**GSP**

Generalised System of Preferences

**HIPC**

Heavily Indebted Poor Country Debt Initiative

**HURIST**

United Nations' Human Rights Strengthening programme

**ICCROM**

The International Centre for the Study of the Preservation and Restoration of Cultural Property

**ICIMOD**

International Centre for Integrated Mountain Development

**IDA**

International Development Association (World Bank)

**IDB**

Inter-American Development Bank

**IFAD**

International Fund for Agricultural Development

**IIC**

Inter-American Investment Corporation

**IIEP**

International Institute for Educational Planning

**IFC**

International Finance Corporation

**ILO**

International Labour Organization

**IMF**

International Monetary Fund

**INBIO**

Instituto Nacional de Biodiversidad (National Biodiversity Institute)

**INSTRAW**

International Research and Training Institute for the Advancement of Women

**ITC**

International Trade Centre

**IUCN**

World Conservation Union

**MINUGUA**

UN Observer Corps in Guatemala

**LDCs**

Least Developed Countries

**Multi-bilateral aid**

Earmarked support for projects and programmes administered by multilateral agencies

**NCG**

Nordic Consulting Group

**NDF**

Nordic Development Fund

**NORAD**

Norwegian Agency for Development Cooperation

**NORFUND**

Norwegian Investment Fund for Developing Countries

**NUFU**

Norwegian Council of Universities' Committee for Development Research and Education

**OAU**

Organization of American States

**OCHA**

UN Office for the Coordination of Humanitarian Assistance

**ODA**

Official Development Aid

**OECD**

Organization for Economic Cooperation and Development

**OSCE**

Organization for Security and Cooperation in Europe

**Paris Club**

Group of Western creditor countries which meets monthly in Paris to discuss/deal with outstanding debt issues

**PRIDE**

Promotion of Rural Initiatives and Development Enterprises

**PRSP**

Poverty Reduction Strategy Papers

**SADC**

Southern African Development Community

**SIDA**

Swedish International Development Cooperation Agency

**UKS**

Norwegian Foreign Service Institute

**UN**

United Nations

**UNAIDS**

UN's joint AIDS programme

**UNCTAD**

UN Conference on Trade and Development

**UNDAF**

UN Development Assistance Framework

**UNDCP**

UN International Drug Control Programme

**UNDG**

UN Development Group (consisting of the UNDP, UNFPA and UNICEF)

**UNDP**

UN Development Programme

**UNEP**

UN Environment Programme

**UNESCO**

UN Educational, Scientific and Cultural Organization

**UNFPA**

UN Fund for Population Activities

**UNHCHR**

UN High Commissioner for Human Rights

**UNHCR**

UN High Commissioner for Refugees

**UNICEF**

UN Children's Fund

**UNIFEM**

UN Development Fund for Women

**UNIDO**

United Nations Industrial Development Organization

**UNSO**

United Nation Office to Combat Desertification and Drought

**WFP**

World Food Programme

**WHO**

World Food Programme

**WTO**

World Trade Organization

**WWB**

Women's World Banking

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