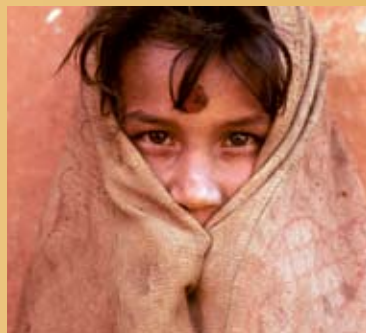


Results in Development Cooperation 2008



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Foreword

AS A COUNTRY, Sweden sets an example in terms of aid volumes. In 2008, aid from Sweden corresponded to 0.98 percent of the country's gross national income – the highest in the world. On the other hand, Sweden has not set an example when it comes to reporting the results of its aid efforts.

Consequently, since 2006, the Government has worked to improve the management and reporting of results of Swedish foreign aid. In June 2007, the Government adopted a model to strengthen results-based management. The model stipulates an annual Communication to the Riksdag on results as the principle instrument for the comprehensive reporting of aid efforts.

The Communication provides an account of the results of Sweden's international development cooperation and its reform cooperation in Eastern Europe. Both Sweden's bilateral and multilateral foreign aid are addressed. The intention is to provide as comprehensive a view of operations as possible. To provide a context for the account, trends in global and Swedish development cooperation during the period 2000-2008 are also described.

On the whole, it is the Government's assessment that many of the foreign aid measures implemented have been of great benefit in relation to the established objectives. At the same time, the Communication demonstrates the difficulties involved in reporting the long-term effects of operations receiving support through Swedish development cooperation.

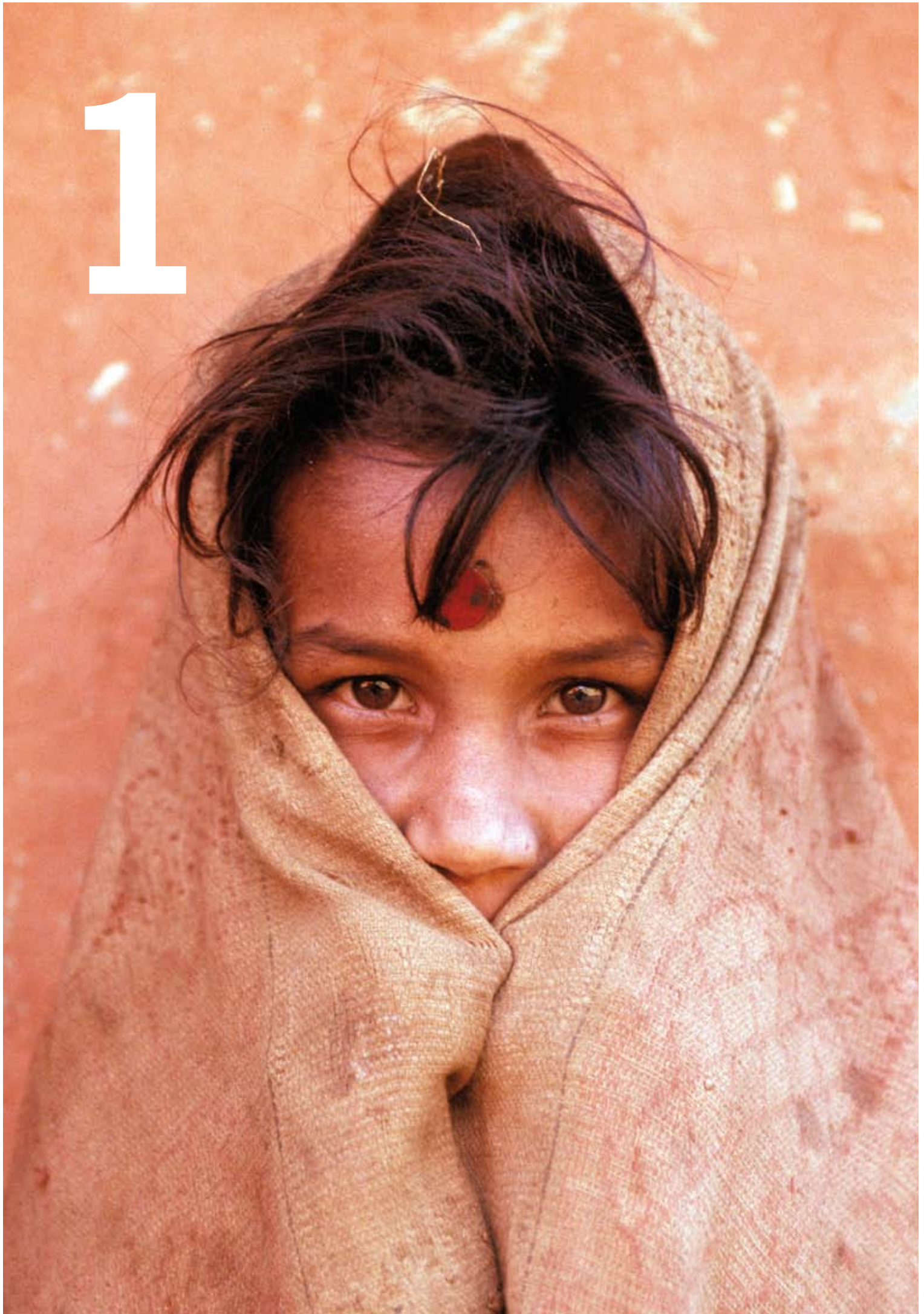
It is my firm belief that, correctly used, aid can help raise people out of poverty. Nonetheless, to improve our aid efforts, we must draw lessons from past mistakes.

I am pleased to have been able to submit this first communication to the Riksdag. This represents an important step in work to enhance results-based management in Swedish aid and the reporting of results to the Riksdag and the general public.



Gunilla Carlsson
Minister for International Development Cooperation

1



Introduction

The world is changing at a rapid pace. Globalisation, the development of information technology and international research provide people with tools to achieve economic growth and improve their living conditions. Income disparities and social differences between countries are diminishing. Between 1990 and 2005, the proportion of the world's population living in extreme poverty decreased from approximately 40 to 25 per cent. Today, more countries than ever are democracies. At the same time, globalisation imposes considerable stresses. Climate change is a development that is partly associated with globalisation. Another is the tendency towards increased inequality within countries and regions. Even today, more than one billion people live in extreme poverty. Several countries, particularly in sub-Saharan Africa, have been economically marginalised and are severely affected by conflicts. In addition, new threats, such as the food crisis, the global financial crisis and the economic downturn impact vulnerable groups and poor countries hardest. In the past two years, the global trend regarding democracy and political freedom has been slightly negative. Although it is too early to speak of a break in the trend, it is of concern that democracy and political freedom no longer appear to be making progress in the world.

Aid in general and development cooperation in particular are tools, albeit not the only or possibly even the most important ones, in dealing with these challenges. It is fundamental that people in developing countries be capable of mobilising their own resources and the political will for positive social development. Beyond this, the global community can, through responsible policies, create the conditions whereby poor countries can benefit from the positive effects of globalisation. This applies to policies in areas including security, trade, research, the environment and agriculture. Correspondingly, it is a fact that direct investment and remittances comprise a considerably greater proportion of total capital flows to developing countries than aid. Consequently, aid must be designed, developed and assessed in a broader context where the point of departure is that aid can provide an important contribution to development and, in decisive cases, can make a considerable difference in people's lives.

Against this background, how should we view the contribution of aid to a society's development? To answer this question, it is necessary to have an understanding of what characterises economic underdevelopment.

Economic underdevelopment and widespread poverty are consequences of

■ Aid in general and development cooperation in particular are tools, albeit not the only or possibly even the most important ones, in dealing with these challenges. It is fundamental that people in developing countries be capable of mobilising their own resources and the political will for positive social development.

interacting factors such as inadequate institutions, weak resource mobilisation capacity and inadequate integration with the international community, as well as a low level of human capital (in terms of health, education, etc.). Societies that have pulled themselves out of economic underdevelopment – often despite major initial problems – have typically, over time, undergone positive changes in the following three areas: the institutions of justice have been strengthened, corruption has decreased, democratic accountability has increased and respect for human rights has improved. Domestic savings and investments have increased, as have the influx of foreign investments and access to new technologies, in pace with increasing economic integration with the international community. The level of income, education and health of each generation has improved compared with that of its parent generation. Naturally, the process differs between societies and individual factors may reflect setbacks although the general development trend is positive. It is central that several interacting obstacles to development be overcome if a sustainable improvement is to be made possible in the lives of most people.

■ The complex process that leads to sustained development cannot be created by aid alone. However, aid efforts are necessary if the conditions for such development are to be strengthened.

The complex process that leads to sustained development cannot be created by aid alone. However, aid efforts are necessary if the conditions for such development are to be strengthened. Consequently, the question that should be asked regarding Swedish aid is not whether it generates development or even, in a more limited sense, whether it generates growth. Instead, the results of aid should primarily be sought in the context in which it is expected to act – when a partner country is to implement a strategy to reduce poverty; when child soldiers are to be demobilised following an armed conflict; or when actors of democratic change attempt to make themselves heard in an authoritarian society. These are a few examples of situations in which aid may be expected to contribute to development with its special tools. On the basis of a systematic analysis of the objectives of various contributions and the fulfilment of these, conclusions can then be drawn regarding which contributions are successful and how the role of aid should be strengthened. Therefore, the more relevant questions are instead: in a particular case, has Swedish aid provided leverage for development or not? Has Sweden's development cooperation helped create conditions that allow poor people to improve their lives?

Sweden's aid has increased by approximately SEK 15bn since 2000. Over the same period, total international aid has more than doubled and new donor countries have appeared, such as China and the new EU member states. Developing countries benefit from more resources being earmarked to support their efforts to increase growth and fight poverty. At the same time, increased aid volumes and additional players impose demands for more effective and more coordinated aid.

The Government is continuing the extensive process begun in the autumn of 2006 to ensure that Swedish aid is distinguished by quality, effectiveness and results. The changes being implemented are in line with the ambitions of the "Paris Declaration". Development cooperation is being focused geographically and thematically on countries and regions where Swedish contributions are judged to have the greatest benefit. It is also a matter of improving the methods and aid modalities used in development cooperation and in evaluating its effects.

What, then, is Sweden's contribution in the fight against poverty? The new aid approach has three clear characteristics.

Firstly, Sweden is an active aid donor and a partner with a clear normative agenda, based on the rights perspective and the perspective of the poor on development, which pervade all efforts.

Secondly, the aid provided by Sweden represents only a part of total world aid. As a major results-oriented donor, Sweden therefore assumes a particular responsibility in helping improve the effectiveness and coordination of all international aid.

Thirdly, by means of increased focus on countries and sectors, thematic focus and focus on results, the Government has clarified the value added by Swedish aid. Sweden shall be active in those countries and sectors where the best conditions prevail for it to make a difference. Consequently, the Government has decided to focus its cooperation efforts to countries where Sweden has the best conditions to contribute to development. By means of the cooperation strategies now being adapted, cooperation will also be concentrated on sectors where Sweden has particular knowledge and experience and where demand for Swedish support is greatest.

Individual rights and freedoms are central, as reflected by the thematic priorities set by the Government for the electoral term: democracy and human rights, environment and climate, and gender equality and the role of women in development. These priorities have been chosen because Sweden offers added value in these areas and is considered to be able to influence development in the right direction.

It shall also be possible to identify the results of Swedish aid over time. The communication at hand is an expression of this aspiration.

As with the development cooperation of other donor countries, Swedish development cooperation has not been sufficiently focused on results. In the preparation and follow-up of programmes and projects, insufficient focus has been placed on the results of aid in contributing to opportunities for the poor to improve their living conditions. Therefore, in the autumn of 2006, the Government initiated a long-term and systematic process to improve management and the reporting of results in Swedish development cooperation. The strategies that govern Sweden's cooperation with partner countries have been given a clearer results focus, based on the partner country's targets and results framework. Requirements regarding the monitoring and assessment of contributions have been tightened. Swedish aid must, to a greater extent, utilise results data to continuously improve operations. An important element in this process involves improving the reporting of results to the Riksdag (Swedish Parliament) and the general public.

The purpose of this Communication is to report on the results of Sweden's international development cooperation, including humanitarian aid and reform cooperation in Eastern Europe. Since the Government has not previously submitted a communication of this type to the Riksdag, the Government considers it appropriate to provide as comprehensive a view of operations as possible. However, it would not be practical to do so every year. Instead, over the next few years, the Government intends to select part or parts of operations for which an in-depth report on results will be made.

In a few years' time it will probably again be appropriate to report on results in a broader manner. At that time, the process of strengthening results-based

management will have progressed further. By means of ongoing efforts to establish clearer objectives, the programmes and projects reported will be more easily assessed than the aid accounted for by the Government in this Communication. By that time, the Swedish International Development Cooperation Agency (Sida) will also have introduced a uniform results-based management system that will lead to more systematic monitoring of results and assessments of programmes and projects financed by Sweden. In turn, this will allow a more coordinated assessment of aid results and a representative selection of the contributions reported – a feature that was not possible in this Communication.

1.1 MONITORING AND ASSESSING AID RESULTS

The objective of Sweden's international development cooperation is to create conditions that will enable poor people to improve their lives. The objective of reform cooperation in Eastern Europe is strengthened democracy, equitable and sustainable development, and closer relations with the EU and its values. Since the partner countries represent the key driving force for development, objectives are best achieved by Sweden contributing, where possible, to the reform programmes and projects conducted by the partner countries. Other donors often support the same programmes as Sweden. This means that it is not possible, in most cases, to show results linked solely to Swedish development cooperation. Instead, programmes and projects must be assessed in their entirety. Questions pertinent in this context are: are the operations financed entirely or partly by Sweden progressing as planned and are the objectives and expected short and long-term effects being achieved? If this is not the case, what is the reason and what can or should the partner country or Sweden (or the donors) do about it?

As with all reporting of results, the ambition of this Communication has been to account for the longer-term effects of the operations Sweden supports. The fact that Sweden has contributed financially to the building of ten schools is not particularly interesting if it has not resulted in more children learning to read and write. However, the difficulties that prevail when it comes to the analysis of long-term effects mean that it is often the physical achievements, such as services, products and capital goods generated by operations, as well as short-term effects that are reported in the Communication.

Analysing the longer-term effects of the type of operations supported by Swedish development cooperation is difficult for several reasons. Development within a particular area is affected by numerous factors. Whether in its capacity as a political instrument of change or as a flow of capital, aid cannot be entirely isolated from other forces for development. This means that at the aggregate macro level, aid results will, by definition, always be difficult to substantiate. In many cases, it is not possible to determine causal connections between a certain activity and a change. The improvements in gender equality discernible in sub-Saharan Africa are probably attributable to a combination of deliberate efforts, partly financed by aid, in that area and to general economic growth that has led to increased opportunities for women in the region. Extensive research exists analysing the connections between aid and growth using

econometric models based on macro data. However, the questions addressed in these studies differ from those central to this Communication which are intended to illustrate the results that Swedish aid can actually present. This review, which has never before been made, provides increased knowledge on how future aid should be designed to truly achieve positive effects in the fight against poverty.

The opportunities to analyse both the short and long-term effects also differ between various sectors. It is relatively simple to quantify at least the short-term effects of distributing mosquito nets or of a certain vaccination programme. It is considerably more difficult to analyse the effects of aid to civil society when it comes to the degree of democratic culture in a particular country. In the latter case, resource-intensive participant studies or in-depth interviews may be necessary if we are to be able to say anything about the possible effects of aid.

These difficulties also apply when assessing the effects of government efforts within Sweden in several areas. For example, it is difficult to ascertain the extent to which labour market policy measures affect employment levels and the extent to which government youth policy efforts affect the development of young people's living conditions within the country. In many of Sweden's partner countries, the conditions for analysing effects are particularly arduous due to insufficient capacity, inadequate statistics, etc.

The fact that it is difficult to evaluate effects and that conditions are in part lacking in Sweden's partner countries does not, however, lead to the conclusion that Sweden should concentrate its aid solely to areas where quantifying the effects is relatively simple. Instead, additional effort should be made to improve the conditions for conducting analyses and the methods applied.

Sweden works continuously with partner countries and other donors to develop better methods for analysing both short and long-term effects, including by supporting the building up of partner countries' own statistics authorities. This is important in order for Sweden to be able to contribute to partner countries' own capacity while improving opportunities to monitor the results of operations receiving Swedish aid.

There is also a dialogue with other donors regarding what tools and methods work best. The challenges that Sweden faces regarding the monitoring and assessment of aid results are shared by other donors.

Discussing results without, at the same time, discussing the costs associated with these, limits the understanding of what value a contribution has. In this Communication, the Government has, as far as possible, accounted for the total cost of a particular programme or project and Sweden's share of that cost. However, in development cooperation, there is a long way to go when it comes to more systematic thinking with regard to results in relation to costs and Sweden must work together with other donors to develop common methods.

To answer the question of how Swedish aid should be used to achieve the greatest possible benefit, it is also important, as far as possible, to draw general conclusions regarding what works well and what works less well. However, the operations receiving support through Swedish development cooperation are heterogeneous and are conducted in a large number of countries with varying conditions. Consequently, it is difficult to draw general conclusions on, for

■ The fact that it is difficult to evaluate effects and that conditions are in part lacking in Sweden's partner countries does not, however, lead to the conclusion that Sweden should concentrate its aid solely to areas where quantifying the effects is relatively simple. Instead, additional effort should be made to improve the conditions for conducting analyses and the methods applied.

example, Swedish aid in the health sector, when cooperation encompasses sector programme support in Zambia as well as more narrowly defined aid for midwife training in Nicaragua arranged by organisations in civil society. Sida's Secretariat for Evaluation works systematically with assessments of smaller sub-areas in certain sectors. For example, the Secretariat has studied the effects of efforts to integrate cross-sector issues such as gender equality and the environment in development cooperation.

As mentioned above, aid often forms a modest proportion of financial flows to developing countries (compared with trade, foreign investment, commercial loans and remittances). Consequently, aid cannot be considered to have unilaterally created a positive trend in areas where these flows have been considerable, although it may have had an important strategic effect. The positive connection between aid and development at an aggregate level is therefore difficult to substantiate. This cautious assessment of the development effects characterises the account given in this Communication.

1.2 METHODOLOGY

In the Government's annual appropriation directions for 2008, it gave Sida the assignment of reporting on the results of Sweden's bilateral development cooperation in an appendix to its annual report. This Communication is largely based on Sida's account. The Ministry for Foreign Affairs, which is responsible for most of Sweden's multilateral development cooperation, has supplemented the report with information on the results of multilateral development cooperation and development cooperation through the EU.

Sida continuously monitors efforts receiving Swedish aid. The means by which this is achieved include partners' six-monthly and annual reports. Contributions are also continuously monitored on-site by way of, for example, personnel at Swedish embassies and field visits.

Contributions are also evaluated regularly. Joint evaluations in which the partner country or several donors share the cost and labour, often through the procurement of external expertise, are growing more commonplace. It is natural to work together given that an increasing number of efforts receive aid from several donors. It is also more cost effective and reduces the administrative burden on partners in developing countries. Sida's Secretariat for Evaluation coordinates the evaluations managed by Sida. Swedish development cooperation is also evaluated by the Swedish Agency for Development Evaluation (SADEV) and is audited by the Swedish National Audit Office.

Results reports, evaluations and country reports produced in partner countries where Swedish aid is managed by a partnership strategy form the basis for an overall results analysis prepared at the end of each strategy period. Other studies, assessments and analyses that could be of relevance are also used in this process. The regional sections of this Communication are based on results analyses conducted between 2005 and 2008.

The examples of contributions presented in the thematic sections were carried out between 2000 and 2008. The examples have been selected with the purpose of providing as comprehensive a view of Swedish development cooperation as

possible. The ambition has been to provide examples from different regions, country categories, sectors, aid modalities and channels. The reporting of both positive and negative results has been a significant facet in providing a realistic picture of operations. However, the selection is not representative in a statistical sense. The development cooperation contributions through Sida exemplified in the thematic sections amounted to 8 per cent of Sida's total costs in 2008.

Examples of results are also reported for countries where Sweden is phasing out its bilateral development cooperation. In the process of focusing the number of partner countries, the selection of countries has been based on a total appraisal of a large number of key factors. Consequently, a decision may have been reached to phase out development cooperation with a particular country even though individual programmes and contributions demonstrate positive results.

External reports and evaluations have been used as extensively as possible to enhance the reliability of the report. A predominant proportion of the documentation used dates from 2007 and 2008. Source references are not indicated in the Communication but are available from Sida and the Ministry for Foreign Affairs. However, it should be noted that it is primarily the partner countries that have been responsible for collecting primary data.

Sida's contributions are divided into 11 principal sectors (health; education; research; democratic governance and human rights; conflict, peace and security; humanitarian aid; infrastructure; trade, industry and financial systems; natural resources and the environment; budget support for fighting poverty and other). Each contribution is classified based on the sector it is intended to develop. In addition, Sida's contributions are classified based on the degree to which they aim to foster one or more of the following policy areas: democracy and human rights, gender equality, the environment and sustainable development, and conflict management, peace and security.

The sections Democracy and human rights, Environment and climate, Gender equality and the role of women in development, and Security and development are based on the classifications of the policy areas. For the section Economic growth, data has been collected from the principal sectors of infrastructure, trade, industry, financial systems and natural resources (excluding the environmental area), and for the section Social development and protection, data has been collected from the principal sectors of health and education. For the section Research cooperation, data has been collected from the principal sector of the same name. Data for the chapter Humanitarian aid has been collected from the humanitarian aid principal sector and data for the section Non-governmental organisations are based on Sida's appropriation item for support for non-governmental organisations.

Since contributions are classified according to both principal sector and policy area, there is a certain degree of overlap in the reporting of Sida's costs in the thematic sections. Consequently, the report provides only a rough indication of the extent of operations within each thematic area. For an account of costs per principal sector in 2008, see section 3.4.

When it comes to the reporting of results from operations conducted by the multilateral organisations to which Sweden contributes, examples have been collected from Sida's reporting on cooperation with these organisations and from the organisations' own results reports.

■ The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) consists of 22 donor countries and the European Commission. The OECD/DAC collects and presents statistics on aspects including aid volumes, channels and aid modalities with relevance to its members. Not all donor countries are members of the OECD/DAC. When statistics on international aid are presented in this Communication, these have been obtained from the OECD/DAC and relate to its members unless otherwise stated.

The quality of results reporting also differs when it comes to multilateral organisations, depending on the effectiveness of each organisation's system for results-based management. This is one of the factors analysed in the Government's assessments of the organisations' relevance and effectiveness (see Chapter 8). Where there are shortcomings, Sweden endeavours, within the board of the relevant organisation, or through other forms of dialogue with the organisation, to improve the quality and reliability of the reporting.

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1.3 LESSONS LEARNED

In its Budget Bill for 2009, the Government underscored the importance of maintaining a realistic view of what can be achieved in terms of the reporting of outcomes and the analysis of causal connections, while the ambition expressed was to make future years' reports clearer with regard to the results of Swedish development cooperation.

On the whole, it is the Government's assessment that many of the aid measures implemented have been of great benefit in relation to the established objectives and that Swedish aid does have positive effects. That said, there remains much to do to achieve a system of aid that can be considered to be characterised at all levels by a results-based approach that can be monitored. However, this Communication provides Sweden with better conditions than ever for the continued improvement of management and results-based reporting throughout its aid system.

This Communication shows that the results vary within and between different regions, country categories and thematic areas. Many, albeit not all, contributions have been successful and it is important that we learn from both the noted successes and the mistakes that are made. In several thematic areas, such as democracy and human rights, it is possible to demonstrate positive effects at the programme and project level. On the other hand, it is considerably more difficult to demonstrate the long-term effects on overall democratic development, since this is affected by so many different factors.

Among the lessons that can be drawn from this Communication are ten clear conclusions that deserve particular emphasis.

1. A number of factors affect the results of development cooperation. The obstacles to achieving targets include the political instability in many of Sweden's partner countries and their governments' insufficient capacity

in planning and implementation. This is particularly evident in countries involved in, or recovering from, conflicts and those with major democratic deficits and weak institutions.

For this reason, the focus of Swedish development cooperation on capacity development requires reinforcement. This is particularly evident in bilateral cooperation characterised by support for the development of partner countries' administration and service at various levels of the system. To enhance the effectiveness of programme-based aid, this should be supplemented by selective capacity developing efforts in public administration to, among other things, strengthen financial systems and counteract the risk of corruption.

2. Within Swedish development cooperation, aid effectiveness has been weakened by broad portfolios with many small contributions and presence in as many as 11 sectors. Consequently, the Government has initiated an extensive process to concentrate the number of contributions and sectors. This process has made good progress but takes time to implement if operations are to be phased out responsibly. This also requires new approaches and ways of thinking, such as the increased utilisation of programme-based approaches, which take time to establish.
3. One lesson that can be drawn is that where conditions for programme-based approaches exist, such contributions are, in most cases, more effective than traditional project support. Programme-based approaches, that is, aid provided directly to partner countries' own organisations and institutions, strengthen national ownership and increase the capacity and effectiveness of national systems. In African countries, it is also evident that general budget support has led to increased openness and transparency in partner countries' national accounts.

However, the report shows that project support remains the dominant aid modality in the Swedish system. One reason for this is that conflict situations and political instability in many of Sweden's partner countries constrain the conditions for programme support. The need for rapid and flexible contributions and coordination with non-governmental players is another reason for the high proportion of project support. At the same time, it is the Government's ambition that the proportion of programme support shall increase over the coming years.

4. Sweden should continue to seek a balance between various forms and channels of aid, and between cooperation partners. This means that in a sector such as health, support for the national sector, selective contributions for capacity development aimed at, for example, health planners and those responsible for budgeting at health ministries, as well as support for organisations working for sexual and reproductive rights are coordinated. These forms of support complement one another and contribute in different ways to the achievement of objectives. By cooperating with various players, Sweden is able to enhance the effectiveness of its development cooperation, contribute to increased pluralism and strengthen trust between government and civil society.
5. The result assessments made demonstrate an increasingly central role for dialogue as an instrument of influence and change in development

cooperation. To enhance impact, it is important that Swedish players conduct a coherent, well considered and focused dialogue with partner countries, multilateral organisations and others. In several instances, the dialogue conducted in sector and budget support programmes has proven to be an effective way of encouraging the realisation of positive change regarding, for example, the occurrence of corruption.

6. In the thematic area of social development and protection, which encompasses half of the UN Millennium Development Goals, the trend is erratic. Major advances can be confirmed with regard to decreased child mortality and children's right to education, for example, while hardly any improvement has been achieved regarding maternity care. In part, insufficient financing is the explanation, although so are inequitable and undemocratic power structures. Consequently, greater attention must be paid to the connections between various thematic areas, not least between democracy, gender equality, education and health.
7. Work to promote gender equality and the role of women in development involve gender mainstreaming, political dialogue and direct contributions. An important lesson that Sweden has drawn is that gender mainstreaming often has no effect as the sole method for promoting gender equality and increasing women's participation in social development. For this reason, strategies encompassing several approaches have been developed. Contributions directly targeting women have proven particularly effective in areas such as increased political participation among women, as well as sexual and reproductive health and rights.
8. Experience shows that the need for support is also particularly great during periods of transition from a conflict situation to a more stable reconstruction phase. Like other donor countries, Sweden should, as far as possible, continue to provide support for long-term state-building programmes. In countries in situations of acute conflict, it is important that Sweden and other donor countries are flexible and prepared to accept greater risks in terms of the achievement of objectives and that contributions are monitored closely. Such contributions require Swedish field personnel being on site. Sweden has therefore increased its presence in countries including Afghanistan, Burma/Myanmar and Liberia.
9. Another lesson drawn from work with countries in a phase of reconstruction following a conflict is that it is important to support increased participation in decision making, both locally and nationally. The decentralisation and distribution of power among more players in society has contributed to a more stable post-conflict situation in, for example, Liberia.
10. Channelling resources through multilateral organisations generates coordination synergies. This may also be expedient for other reasons. Politically sensitive contributions such as electoral, parliamentary and judicial assistance and broad assistance to political parties are often conducted through organisations such as the United Nations Development Programme (UNDP), which has legitimacy as a politically neutral player. The UN also plays a key role in maintaining, developing and implementing a global system of standards for democracy and human rights.

Beyond these conclusions, an overriding lesson drawn from the result-based assessments on which the report is based is the importance of improving the management of development cooperation by means of realistic and clear objectives.

As mentioned previously, in the autumn of 2006, the Government initiated a long-term and systematic process to improve management and the reporting of results in Swedish development cooperation. A certain amount has already been done but much work remains. This has been demonstrated, not least, during the preparation of this report.

The strategies determined by the Government that steer Swedish cooperation with countries and other development cooperation operations must become clearer.

The focus on expected and actual results must also increase in the preparation, implementation and monitoring of individual programmes and projects. The objectives of the operations supported by Sweden through each individual contribution must be clarified so that the conditions subsequently exist to assess the extent to which the expected results were achieved.

At the same time, it is important to remember that Sweden no longer conducts its own aid projects, but that it instead supports operations primarily conducted by others. Consequently, Sweden can only attempt to influence the set goals being as clear as possible.

To progress further in its efforts to improve management and results-based reporting in development cooperation, it is important that Sida establishes a uniform system for results-based management, including systems for the assessment of aid contributions and systematic risk analyses, which the Government's appropriation directions for 2009 instructed Sida to introduce as soon as possible. Sida shall report on the progress of the implementation by 30 September 2009.

It is also important that assessment work be systematised and that the quality of individual assessments be raised. Assessing the long-term effects of a certain operation is difficult and often costly. Therefore, efforts must be intensified to conduct assessments in collaboration with other donors and to plan assessments such that baseline data can be established.

Finally, SADEV has an important role to play. In its appropriation directions for 2009, the Government assigned SADEV the task of preparing a proposal for a multi-year assessment plan for a selection of the Government's cooperation strategies with individual countries. The assessments are expected to provide a basis for the development of new cooperation strategies.

1.4 DISPOSITION

In Chapters 2 and 3, the Government reports on trends in global and Swedish development cooperation during the period 2000–2007/2008.

Chapter 4 reports on the results of development cooperation by region. The chapter begins with a brief section describing how work with our partner countries is managed and how the results of this work are monitored. All of the geographical sections include a comprehensive description of trends in the

region, focusing on Sweden's partner countries. Then follows an account of the direction of development cooperation in the region, an analysis of the results of cooperation with a number of partner countries and, in conclusion, an assessment of development cooperation in the region.

Chapter 5 reports on the results of development cooperation by thematic area. The chapter begins with a brief section on the Government's three thematic priorities and the selection of the contributions reported. All of the thematic sections include a comprehensive description of trends in the area, focusing on Sweden's partner countries. Then follows an account of the direction of development cooperation in the area, examples of a number of contributions and, in conclusion, an assessment of development cooperation in the area.

Chapter 6 reports on humanitarian aid and Chapter 7 reports on development cooperation through non-governmental organisations.

Multilateral development cooperation and development cooperation through the EU are, to a certain extent, integrated into the geographical and thematic chapters. Chapter 8 reports on four major multilateral organisations and funds of importance to Sweden: the World Bank, the UNDP, the United Nations Children's Fund (UNICEF) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM).

In Chapter 9, the Government reports on results regarding its ambition to enhance effectiveness in the implementation of development cooperation.



2

Global development cooperation

There is an internationally agreed agenda for global development. The UN Millennium Declaration from 2000, the International Conference on Financing for Development in Monterrey 2002, and the High Level Forum on Aid Effectiveness in Paris 2005 form a framework for international development cooperation and entail commitments in terms of increased aid volumes, partner countries taking responsibility for their own development and measures to increase the effectiveness of development cooperation.

In 2000, the “Millennium Summit” was arranged in New York. At that meeting, the world’s heads of state and government agreed on a Millennium Declaration that was adopted by the UN General Assembly. The Millennium Declaration establishes that global development requires a comprehensive view. Contributions for peace, security, the fight against poverty, health, the environment, human rights and democracy are interdependent. From the Millennium Declaration, the Millennium Development Goals have been formulated. The Millennium Development Goals consist of eight goals and 21 targets that are to be achieved by 2015. The goals deal with global development issues such as the eradication of poverty, education, gender equality, child mortality, maternal health, HIV and AIDS, as well as sustainable development. One of the Millennium Development Goals directly targets wealthy countries and establishes the necessity of strengthening the global partnership for development. The Millennium Development Goals are:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a Global Partnership for Development

Since 2002, the UN has presented an annual report on progress towards achieving the Millennium Development Goals. According to the UN’s most recent review, it is expected that it will be possible to achieve several of the goals by 2015. However, trends vary between regions and there is a risk that none of the Millennium Development Goals will be achieved in sub-Saharan Africa.

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■ In 2005, a high-level forum was held in Paris with the purpose of enhancing the effectiveness of international aid. This resulted in the Paris Declaration. The Declaration was signed by 120 donors, partner countries and organisations. The Paris Declaration consists of commitments in 12 areas. Four of these are to be implemented by the partner countries and eight by the donor countries.

Furthermore, there is a risk that climate change will undo results already achieved.

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In the autumn of 2008, a follow-up meeting was held in Accra, Ghana. Some 100 ministers from all regions of the world participated. Sweden participated actively in the meeting. The meeting resulted in the Accra Agenda for Action which entails reinforced international consensus on efforts to achieve results-oriented and effective aid. The Agenda for Action emphasises the partner country's own systems and predictability as fundamental in increasing the effectiveness and capacity of development cooperation. In addition, it emphasises the importance for development plans and results in partner countries of broadening democratic ownership by including and supporting players contributing to democratic governance, such as national and local parliaments, civil society and the media. The Agenda for Action also explains that preventing and counteracting corruption are ways in which obstacles to development can be eliminated.

2.1 AID VOLUMES

The UN's goal that at least 0.7 per cent of donor countries' gross national income (GNI) should be used for aid was initially stated in a resolution of the UN General Assembly in 1970. This target has since been restated on a number of occasions, including in the final communiqués of the International Conference on Financing for Development in Monterrey, Mexico in 2002 and the follow-up meeting in Doha, Qatar in 2008. The final conference document states that donor countries' aid should increase to 0.7 per cent of GNI by 2015.

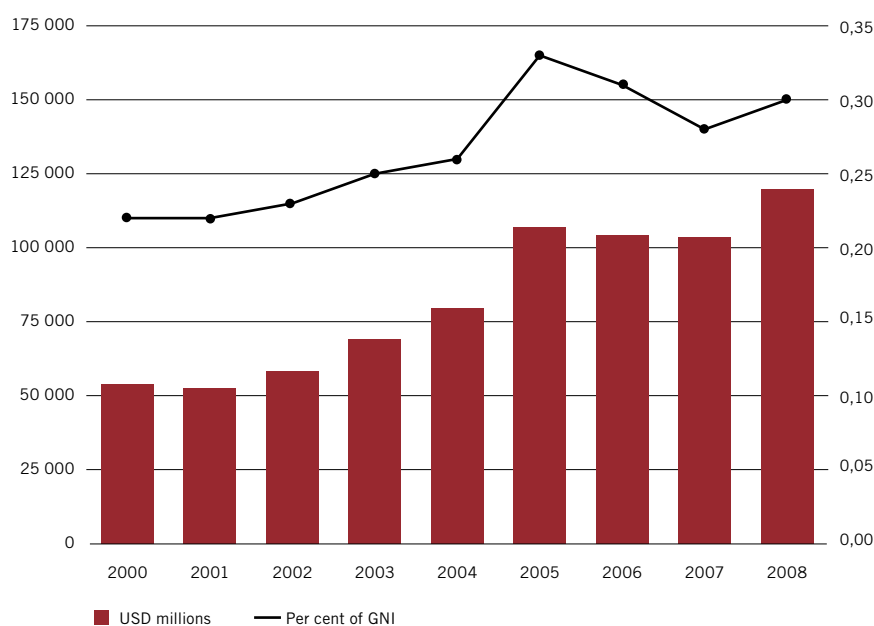
To achieve the target of 0.7 per cent of GNI by 2015, the EU member states agreed in 2005 on a common intermediate goal of 0.56 per cent of GNI by 2010. At the same time decisions were reached on an individual intermediate goal for the older member states of the EU of 0.51 per cent of GNI by 2010, while the countries that joined after 2002 were given a lower intermediate target of 0.17 per cent by 2010. The countries that already donate 0.7 per cent or more of GNI undertook to maintain this level.

Despite the fact that the donor countries have agreed on the target of 0.7 per cent of GNI being used for aid by 2015, it has not been possible outside the EU to agree on schedules for how this is to be achieved.

Global aid flows have increased in recent years. Statistics from the OECD/DAC show that aid from its member countries has more than doubled, from USD 54bn in 2000 to almost USD 120bn in 2008. The greatest increase occurred between 2004 and 2005 when aid rose by more than USD 27bn. A large part of this increase can be attributed to debts being written off, primarily to Iraq and Nigeria. As debt cancellations decreased in proportion to total aid after 2005, aid in terms of the member countries' GNI also decreased. Excluding debt cancellations, aid volumes have continued to rise in absolute terms, although the increases have been smaller.

The EU (the EU member states and the European Commission) is the world's largest donor. In 2008, the EU accounted for more than 60 per cent of global aid. In 2000, the corresponding share was 47 per cent.

Diagram 2.1
International aid in current prices and as share of GNI, 2000–2008



Despite increased aid volumes, only a few donor countries meet the target of 0.7 per cent of GNI being used as aid. Only Sweden, Luxembourg, Norway, Denmark and the Netherlands achieved the target in 2008. Of all the world's countries, Sweden donated the largest share of GNI as aid in 2008. Trends in aid volumes differ within the EU. For example, aid from Austria decreased from 0.49 per cent to 0.42 per cent of GNI between 2007 and 2008 while Portugal's aid rose from 0.19 per cent to 0.27 per cent of GNI over the same period. In absolute terms, Sweden was in eighth place in 2008. Major donors in absolute terms, such as the USA and Japan, donated only 0.18 per cent of GNI as aid in 2008.

The commitment of new donor countries, such as Brazil, India, Korea, Russia and South Africa, is increasing steadily. The expansion of the EU, combined

with commitments on increased aid volumes, has also increased the number of donor countries. Private donors, both individuals and foundations, are also increasingly common. These donors are not members of the OECD/DAC and are therefore not included in the total statistics on international aid presented by the OECD/DAC.

TABLE 2.1
Aid per bilateral donor ranked according to share of GNI and in absolute terms (in parentheses), 2008

			Per cent of GNI	USD millions
1	(8)	Sweden	0.98	4 730
2	(21)	Luxembourg	0.92	409
3	(11)	Norway	0.88	3 967
4	(13)	Denmark	0.82	2 800
5	(6)	Netherlands	0.80	6 993
6	(17)	Ireland	0.58	1 325
7	(14)	Belgium	0.47	2 381
8	(7)	Spain	0.43	6 686
9	(3)	United Kingdom	0.43	11 409
10	(18)	Finland	0.43	1 139
11	(16)	Austria	0.42	1 681
12	(15)	Switzerland	0.41	2 016
13	(4)	France	0.39	10 957
14	(2)	Germany	0.38	13 910
15	(12)	Australia	0.34	3 166
16	(9)	Canada	0.32	4 725
17	(22)	New Zealand	0.30	346
18	(20)	Portugal	0.27	614
19	(19)	Greece	0.20	693
20	(10)	Italy	0.20	4 444
21	(5)	Japan	0.18	9 362
22	(1)	USA	0.18	26 008
Total OECD/DAC			0.30	119 759

2.2 DISTRIBUTION BY REGION AND INCOME CATEGORY

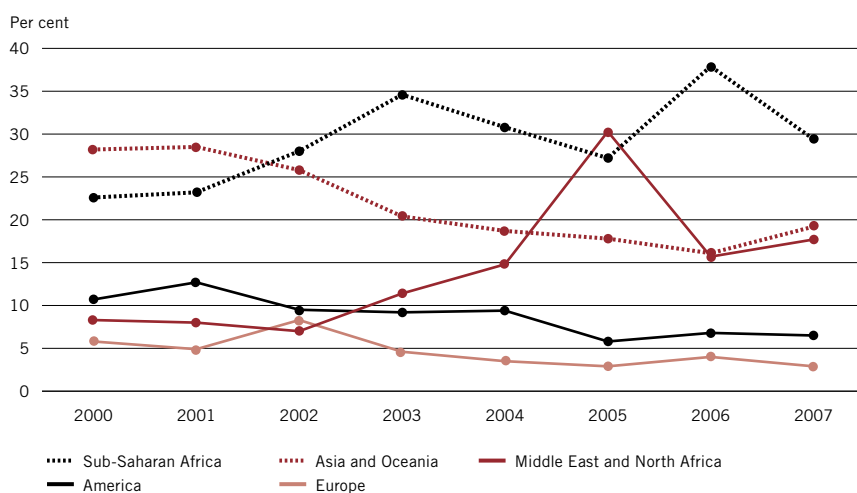
The UN's follow-up of the Millennium Development Goals shows Africa to be the region having greatest difficulty in reaching the Goals, and in some parts of Africa the trend is actually negative. Consequently, the donor countries have decided to focus their development cooperation contributions on Africa in particular. In 2005, the EU member states decided that at least half of the EU's increased aid should go to Africa. In 2005, the G8 countries (heads of state and government from France, Italy, Japan, Canada, the UK, Germany, the USA and Russia) also established the goal that aid to Africa should double – a target with which the EU subsequently concurred. As an intermediate target, aid shall increase to at least USD 25bn by 2010.

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The largest share of international aid goes to sub-Saharan Africa. In 2007, the donor countries channelled 29 per cent of their bilateral aid to the region – an increase of 6 percentage points since 2000. Beyond bilateral aid, aid to Africa is channelled through multilateral organisations and the European Commission. In 2007, 46 per cent of multilateral organisations' aid was channelled to Africa. In the same year, 39 per cent of the European Commission's aid was channelled to Africa. In 2006, there was a considerable increase in aid to Africa due to a major debt cancellation for Nigeria.

The share of international aid going to the Middle East has also increased since 2000. In 2005, there was a considerable increase in aid to the region due to a major debt cancellation for Iraq. Asia is the region whose share of international aid has decreased most since 2000.

DIAGRAM 2.2
Bilateral aid by region, 2000–2007

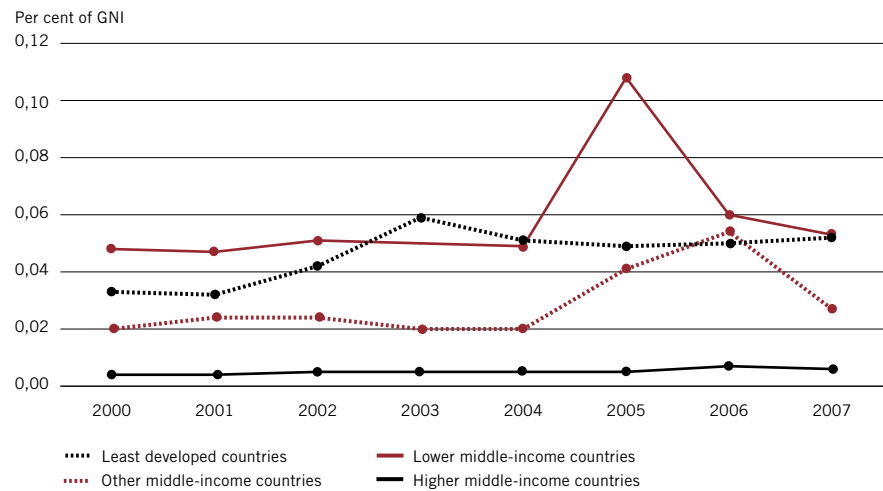


The world's developing countries are divided according to income categories. Of the world's poorest countries, 50 belong to a category with extremely low per capita income, weak human capital and great economic vulnerability. These are known as the least developed countries. Among these, 34 are located in Africa. The least developed countries are considered to have a particularly great need for assistance from the international community. The UN has therefore decided that at least 0.15–0.20 per cent of donor countries' GNI should go to these countries.

Statistics from the OECD/DAC show that only a small portion of donor countries' GNI goes to the least developed countries. In 2007, 0.05 per cent of donor countries' GNI went to the least developed countries. In 2000, the corresponding figure was 0.03 per cent. Among the other income categories, the distribution has been relatively constant if one disregards the increase among lower middle-income countries in 2005 and other low-income countries in 2006, which was primarily due to debt cancellations for Nigeria and Iraq.

Diagram 2.3

International aid by income category as a share of GNI, 2000–2007



2.3 BILATERAL AND MULTILATERAL ASSISTANCE

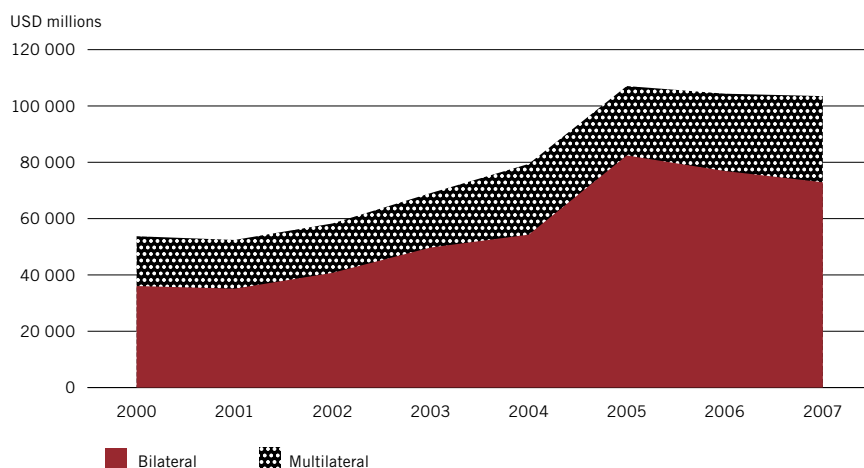
The OECD/DAC divides donors' development cooperation into bilateral and multilateral aid. Bilateral aid involves cooperation between one donor country and one recipient (partner) country. Bilateral aid also includes, for example, aid through non-governmental organisations (in Sweden and in its partner countries) and the costs associated with aid management in the donor countries that may be considered aid according to the OECD/DAC. Bilateral aid includes multi-bilateral aid, which refers to contributions channelled through a multilateral organisation but that are earmarked for a specific purpose or country.

According to the OECD/DAC, multi-bilateral aid is the support channelled to developing countries through budget support for multilateral organisations such as the UN, the World Bank, regional development banks and development funds. Multi-bilateral aid also includes support through the EU. Core funding support is that provided to the organisations' operations as a whole. The boards and management of the organisations then determine how the funds are to be used. As members of the organisations, the donor countries can affect operations and priorities within the framework of the organisations' boards.

About two thirds of the donor countries' aid is bilateral and one third is multilateral. This division between bilateral and multilateral aid has been relatively constant in recent years if one disregards the major debt cancellations for Nigeria and Iraq of 2005 and 2006, which entailed a temporary increase in bilateral aid. The proportion of multilateral aid differs between donor countries. Multilateral aid accounted for 60 per cent of Italy's aid in 2008 while it accounted for only 11 per cent of the USA's aid that year. One reason for Italy's high proportion of multilateral aid is that contributions to the European Commission are considered multilateral aid.

In 2007, the three largest recipients of multilateral aid from the donor countries accounted for 77 per cent of the donors' multilateral support: the European Commission (38 per cent), the World Bank Group (20 per cent) and the UN system (19 per cent).

DIAGRAM 2.4
Bilateral and multilateral aid, 2000–2007



2.4 AID MODALITIES

Aid is provided in the form of project or programme support. Project support entails clearly delimited support for a contribution or part of a contribution in a partner country. This could involve, for example, teacher training or road construction. Programme support entails support for a major share of the partner country’s development policy and often involves supporting the day-to-day operations of governmental or municipal administration. Or it may involve a broad programme covering, for example, the health sector and this is termed sector programme support. Such support is generally provided together with other donors. Occasionally, the term “programme-based approach” is used to describe aid that is partly coordinated with other donors or that is an initial step towards outright programme support.

Programme support can also be provided to the partner country’s comprehensive strategy for fighting poverty. It is then generally termed budget support for poverty reduction or budget support. Budget support is characterised by the fact that it is paid into the partner country’s national budget and is managed within the ordinary budgetary processes and systems for reporting and management. Budget support is generally provided together with other donors. Such support is usually linked to the fulfilment of targets developed on the basis of the Millennium Development Goals and a large number of indicators are monitored in the dialogue between the donors. Budget support grants donors insight into the partner country’s public financial system and an opportunity to affect and support its development. The reinforcement of domestic systems of administration, the improvement of budget processes and strengthened macro-economic stability are areas where budget support makes a contribution. This also brings about improved conditions for combating corruption. The strengthening of the public financial system is therefore central to budget support.

The advantage of budget support as a mechanism is that it unites donors around a common agenda and is able to foreground issues such as key reforms and policy and budget priorities in a rigorous and coordinated manner.

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In 2006, the OECD/DAC reported the results of an extensive international assessment of budget support to seven countries between 1994 and 2004. Sweden participated in the assessment alongside several other donors. The results were cautiously positive and showed that budget support has contributed to increased access to social services in several of the countries reviewed. At the same time, it can be stated that data available make it difficult to assess the long-term effects on poverty in those countries. The assessment also showed that budget support has helped strengthen coordination between aid donors and that donors have adapted to the policies of the partner countries. Against this background, there have been improvements in the budgetary processes and financial systems of the partner countries. According to the assessment, there is no evidence that budget support is more exposed to corruption than other forms of support. A corrupt or ineffective administration decreases the effectiveness of all aid — regardless of whether this involves programme or project support. In order to be effective, aid-financed projects are also dependent on the government funds that are eventually to finance their operation not being exposed to corruption. Budget support grants donors the opportunity to conduct an open dialogue on a country's efforts to combat corruption and to support the reform of these efforts and administrative systems in general, thereby increasing the effectiveness of all aid in that country.



3

Swedish development cooperation

Sweden's development policy consists of the coherence policy (the policy for global development), international development cooperation (aid) and reform cooperation in Eastern Europe. The coherence policy entails all areas of policy being coordinated and contributing jointly to the objective of equitable and sustainable global development. The coherence policy is based on two perspectives: the perspective of the poor on development and the rights perspective. This means that the needs, interests and circumstances of the poor shall be given a central position and that human rights shall form a basis for development cooperation. The objective of Sweden's international development cooperation is to help create conditions that will enable poor people to improve their lives. The objective of reform cooperation in Eastern Europe is strengthened democracy, equitable and sustainable development, and closer relations with the EU and its values.

3.1 DISTRIBUTION BY COUNTRY CATEGORY AND REGION

The Government's decision to focus the number of partner countries means that the number of countries with which Sweden conducts in-depth development cooperation is being cut from 67 to 33.

Sweden's partner countries are divided among the categories listed below to clarify the motives for Sweden's presence.

Prioritised partner countries

Countries with which Sweden conducts long-term development cooperation

With the purpose of strengthening the fight against poverty, Sweden maintains long-term cooperation with 12 countries in Africa, Asia and Latin America, focusing primarily on Africa. These include both countries where a democratic development is already established and those where Sweden has opportunities to affect developments in the right direction. In these countries, Sweden works to support the process of building up functioning national institutions and democratic governance, as well as efforts in the areas of human rights, climate and environment, and gender equality.

- Africa: Burkina Faso, Ethiopia, Kenya, Mali, Mozambique, Rwanda, Tanzania, Uganda and Zambia
- Asia: Bangladesh and Cambodia
- Latin America: Bolivia

Countries and regions in conflict and/or post-conflict situations with which Sweden conducts development cooperation

Sweden conducts development cooperation with 12 countries or regions in conflict or post-conflict situations. Cooperation includes flexible contributions deemed necessary despite a high risk of setbacks. Peace and security is an important area. Other important areas include humanitarian aid and contributions aimed at children and women, who are often particularly exposed to violence in conflict situations but who also play an important role in reconstruction and peace-building activities.

- Africa: Burundi, the Democratic Republic of Congo, Liberia, Sierra Leone, Somalia and Sudan
- Asia: Afghanistan and Timor-Leste
- Latin America: Colombia and Guatemala
- The Middle East: Iraq and the West Bank/Gaza

Countries and regions in Eastern Europe with which Sweden conducts reform cooperation

Sweden conducts reform cooperation with nine countries in Eastern Europe. The purpose of this cooperation is to facilitate the integration of the countries into the EU, thereby strengthening the fight against poverty and reform efforts in Sweden's vicinity.

- Europe: Albania, Bosnia and Herzegovina, Georgia, Kosovo, Macedonia, Moldova, Serbia, Turkey and Ukraine

Other countries

Beyond the 33 countries with which Sweden conducts long-term bilateral development cooperation, Swedish work for democracy and human rights is being reinforced in a small number of countries. Swedish cooperation is also being phased out in certain countries.

Countries in which Sweden is conducting efforts under alternative forms to promote democracy and human rights

In a small number of countries, Sweden is conducting efforts under alternative forms to promote democracy and human rights. In these countries, outright state-to-state cooperation is neither possible nor desirable. In most cases aid funds can be channelled to non-governmental organisations and forces in civil society. In other cases, for example where civil society is small or non-existent, it is a question of conveying knowledge on democracy, human rights and market economics.

Countries where Swedish cooperation is being phased out but where selective cooperation is still in progress

In seven countries where Sweden's development cooperation is being phased out, Sweden's commitment is being expressed in new ways. During a transitional period, selective cooperation is taking place in prioritised areas such as the environment and democracy and human rights. Limited aid budget funds are used for these efforts to contribute, in particular, to various forms of partner-driven cooperation.

- Africa: Botswana, Namibia and South Africa
- Asia: India, Indonesia, China and Vietnam

Countries where cooperation is being phased out and where relations are being supported by means other than bilateral development cooperation

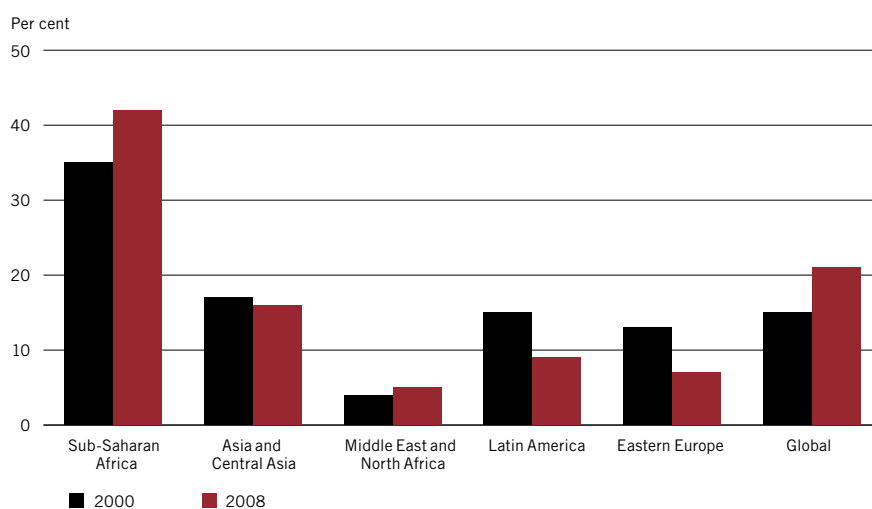
In other countries where Sweden is phasing out its bilateral development cooperation, Sweden's commitment is continuing through support to the EU and the UN and other multilateral institutions. In various ways, Sweden is maintaining and developing relations with countries where development cooperation is being phased out. The phase-out process is being conducted responsibly and in coordination with other donors.

- Africa: Angola, Côte d'Ivoire, Malawi and Nigeria
- Asia: the Philippines, Kyrgyzstan, Laos, Mongolia, Pakistan, Sri Lanka, Tajikistan and Thailand
- Latin America and the Caribbean: Chile, El Salvador, Haiti, Honduras, Nicaragua and Peru
- Europe: Armenia, Azerbaijan, Montenegro and Russia
- The Middle East: Lebanon

Sweden also contributes support to additional countries by means of humanitarian aid and aid through Swedish non-governmental organisations.

Distribution by region

DIAGRAM 3.1
Development cooperation through Sida, by region, 2000 and 2008

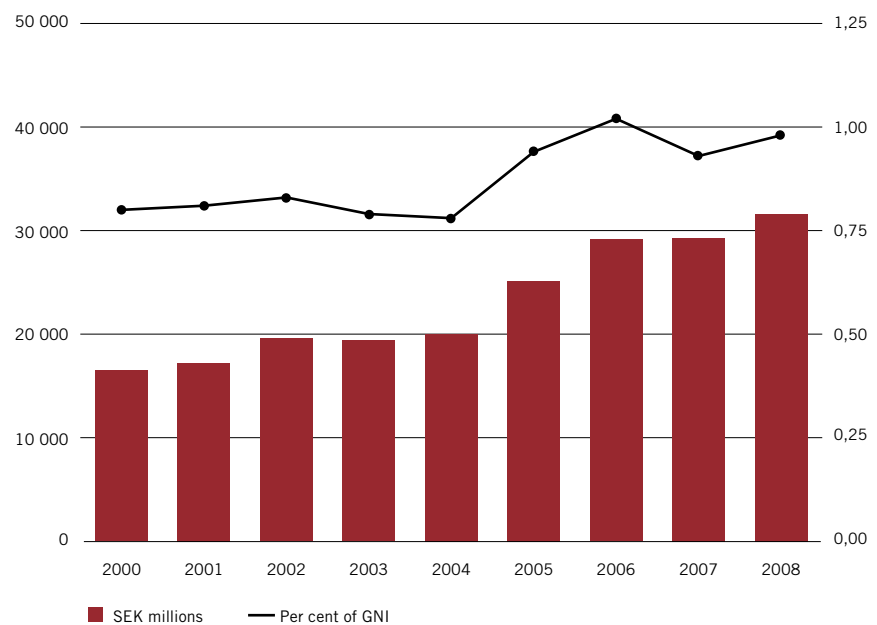


The majority of Sweden's partner countries are located in sub-Saharan Africa. In 2008, 42 per cent of bilateral development cooperation through Sida went to Africa. In 2000, the corresponding share was 35 per cent. Eight of Sweden's largest partner countries in 2008 are located in sub-Saharan Africa. The Government's work to focus the number of partner countries reflects a clear prioritisation of Africa. Nine of the 12 countries where Sweden conducts long-term development cooperation and six of the 12 conflict or post-conflict countries where Sweden conducts development cooperation are located in Africa.

In 2007, 0.16 per cent of Sweden's GNI went to the least developed countries; in 2000, the share was 0.15 per cent.

3.2 AID VOLUMES

DIAGRAM 3.2
Swedish aid reported to the OECD/DAC, 2000–2008



■ Each year, the Riksdag decides the size of the aid budget. Since 2006, the framework for Sweden's aid has corresponded to 1 per cent of estimated GNI. In 2008, Swedish aid totalled SEK 31.5bn, corresponding to 0.98 per cent of GNI.

Each year, the Riksdag decides the size of the aid budget. Since 2006, the framework for Sweden's aid has corresponded to 1 per cent of estimated GNI. In 2008, Swedish aid totalled SEK 31.5bn, corresponding to 0.98 per cent of GNI. The discrepancy between the adopted aid budget and the outcome reported to the OECD/DAC is due to factors including fluctuations in GNI and differences between budgeting and reporting in accordance with the OECD/DAC guidelines.

The Government bases its determination of what is considered aid on the OECD/DAC guidelines. The Swedish aid budget therefore includes costs from other areas of the government budget classified as aid according to the OECD/DAC. These include costs for refugees from developing countries, Sweden's contributions to common EU aid, Sweden's contributions to certain UN bodies conducting development cooperation, the Foreign Service's administration of development cooperation and debt cancellations. In 2008, these costs

amounted to SEK 4.5bn, equivalent to 14 per cent of the aid budget. In 2000, costs amounted to SEK 1.8bn, equivalent to about 13 per cent of the aid budget.

Costs for the reception of refugees from developing countries during their first year in Sweden are included as part of the Swedish aid budget. This is justified in terms of both aid and humanitarian international law. Sweden shall be able to assist both an individual needing protection in a refugee camp in, for example, Tanzania, and a refugee during his/her initial period in Sweden. In 2008, costs for refugees from developing countries included in the aid budget came to SEK 2.5bn, equivalent to about 8 per cent of the aid budget. In 2000, these costs amounted to SEK 763bn, equivalent to 5 per cent of the aid budget.

According to the OECD/DAC guidelines, bilateral debt cancellations form a part of aid, which is why they are included in the Swedish aid budget. Debt relief promotes development since it allows developing countries to use funds that would otherwise have been used for interest and loan payments for measures to reduce poverty. In 2008, bilateral debt cancellations amounted to SEK 500bn, equivalent to approximately 1.6 per cent of the aid budget. In 2000, the bilateral debt cancellations were not included in the aid budget. In 2007, bilateral debt cancellations amounted to SEK 1.5bn, equivalent to approximately 5 per cent of the aid budget.

3.3 BILATERAL AND MULTILATERAL ASSISTANCE

TABLE 3.1
Swedish development cooperation, by aid channel, 2007

	SEK millions	Share (%)
Multilateral	9 506	32
– of which, EU	2 113	7
Bilateral	19 814	68
– of which, multi-bilateral	4 579	16
Total	29 320	100

Sweden's development cooperation is channelled to partner countries in the form of bilateral and multilateral aid. In 2007, bilateral aid amounted to 68 per cent of Sweden's aid. The distribution between bilateral and multilateral aid has remained largely unchanged since 2000.

Bilateral aid is mainly managed by Sida, whose tasks include implementing the cooperation strategies adopted by the Government. The Swedish National Audit Office also conducts development cooperation work within its area of expertise. Another player in bilateral aid is Swedfund International AB (Swedfund). Swedfund is a governmental aid-financed venture capital company with the task of offering financing and expertise for investments in developing countries and certain countries in Eastern Europe (non-EU members).

The Nordic Africa Institute conducts research and seminar activities on Africa, the Folke Bernadotte Academy conducts efforts to strengthen Swedish and international capacity in the area of conflict and crisis management and

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SADEV conducts evaluations of Swedish international development cooperation and reform cooperation in Eastern Europe.

In addition, the Swedish Civil Contingencies Agency has instructions to maintain emergency preparedness and to carry out and support international humanitarian relief and disaster operations. The National Police Board makes available Swedish personnel for peace support, security building and conflict prevention activities to contribute to international crisis management, conflict resolution and conflict prevention operations.

Part of Sweden's bilateral aid is channelled through civil society organisations. In countries with authoritarian regimes or in fragile states, cooperation with civil society organisations provides particularly valuable access to channels and information.

Multilateral aid taking the form of core funding support to the UN, the World Bank, the regional development banks and development funds is largely managed by the Ministry for Foreign Affairs. Multilateral aid includes Sweden's contributions to common EU aid, known as Community aid.

Community aid comprises parts of the EU budget and the separately financed European Development Fund (EDF). In 2008, Sweden's contribution to Community aid amounted to SEK 2.4bn, of which SEK 828m was financed via the EDF. In 2008, Sweden's share of the EC budget and the EDF was approximately 2.9 per cent each. In 2000, Sweden's contribution to Community aid amounted to SEK 757m (no contribution to the EDF was paid in 2000).

Community aid has both geographical and thematic components. Geographically, the EDF is governed by the Cotonou Agreement and covers countries in Africa, the Caribbean and the Pacific. Asia and Latin America are covered by the Development Cooperation Instrument (DCI), the Western Balkans and Turkey by the Instrument for Pre-Accession (IPA) and Eastern Europe and the Mediterranean region by the European Neighbourhood and Partnership Instrument (ENPI). The DCI includes global thematic programmes. Furthermore, the Instrument for Stability (IfS) (for development and security), the European Instrument for Democracy and Human Rights (EIDHR) and the Instrument for Humanitarian aid are global.

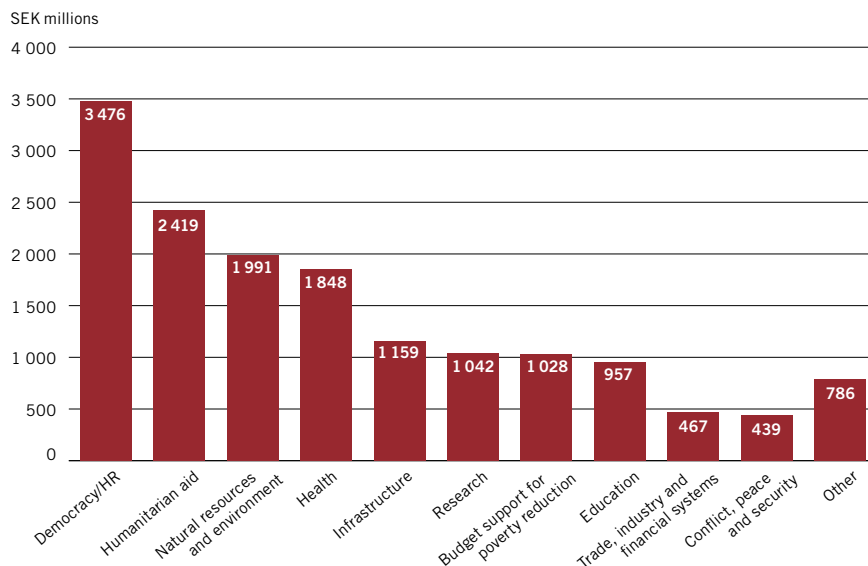
The European Commission conducts development cooperation in nearly all developing countries and a large number of sectors. Community aid is implemented within the framework of a broad development agenda in the EU. The working groups of the Council of the European Union develop the EU's common development policy following discussions of a more technical nature in expert groups. Via implementation committees and its embassies in the field, Sweden is also involved in affecting the design of country strategies in Community aid.

3.4 SECTORS

To decrease the administrative burden on partner countries from having a large number of aid providers in each sector and to more efficiently administrate increased aid volumes, Sweden has initiated a process to concentrate its bilateral development cooperation to at most three sectors per country. Beyond those three sectors, Sweden may provide general budget support, support to civil

society, humanitarian aid and, where small-scale contributions are concerned, support for research and trade-related aid. The cooperation strategies Sweden decided on in 2008 contained considerably fewer sectors than previously. The objective is also to concentrate operations within these sectors by decreasing the number of contributions but increasing their size and the proportion of programme-based aid.

DIAGRAM 3.3
Swedish development cooperation through Sida, by principal sector, 2008



In 2008, democratic governance and the promotion of human rights was the single largest sector in Sweden's bilateral development cooperation and corresponded to nearly a quarter of development cooperation through Sida.

3.5 AID MODALITIES

An increased proportion of Swedish development cooperation is mediated in the form of programme support. Here, programme support refers to fully developed programmes of direct state-to-state aid to an entire sector or equivalent, such as health or education. Of total development cooperation through Sida, programme support corresponded to about 16 per cent in 2008, of which 59 per cent was sector programme support and 41 per cent was general budget support. In 2000, the programme support share was 9 per cent. In 2008, project support amounted to 44 per cent of total aid through Sida.

3.6 INCREASED RESULTS-BASED MANAGEMENT

In 2007, the Government decided on a model for strengthened results-based management in Swedish development cooperation. The purpose was to improve the Government's management through, among other things, more systematic follow-up of results in order to enhance the quality of aid.

■ The management of bilateral development cooperation primarily entails the Government determining cooperation strategies for each country with clear objectives based primarily on the goals and priorities of the partner countries.

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Sida then operationalises the objectives stated in the cooperation strategy in a results matrix applicable throughout the strategy period. The annual operationalisation is to be expressed in Sida's operational plans. Among other things, these shall contain an account of the results of the preceding year's operations, an analysis of external factors affecting operations, priorities, how the dialogue with other players should be conducted, key contributions and meetings, as well as the short-term results that should be achieved if the objectives of the strategy period are to be met. The operational plans are followed up through annual reports that also form the basis for Sida's reporting to the Government.

In 2008, Sida embarked on a process to develop a cohesive system of results-based management. The goal is to have a system that can be tested in the operational planning for 2010. Among other things, a pilot model shall be developed for the systematic follow-up of results and the assessment of projects and programmes financed by Sida. The introduction of this system is a prerequisite for enabling a representative selection of contributions.

Within multilateral development cooperation, results-based management is strengthened through the development of organisational strategies for a number of international organisations with which Sweden cooperates. At the same time, Sweden has acted for the UN organisations to improve their own reporting of results. In recent years, for example, the United Nations Population Fund (UNFPA) has been able to demonstrate results achieved through the introduction of performance reporting.

Independent evaluations of development cooperation represent an important tool in the process of improving effectiveness. Evaluations generally span an extended period and complement the regular follow-ups conducted within the framework of various contributions.

Evaluations are often conducted in collaboration with other donors, particularly where several donors jointly support a programme in a partner country. Evaluations should primarily be conducted in close coordination with the relevant partner country. Particular support should be mediated to strengthen partner countries' capacity to follow up, learn from and evaluate the results of development cooperation.

Swedish aid is evaluated through SADEV, Sida and others. Since its inception in 2006, SADEV has conducted several evaluations of both the effects and effectiveness of development cooperation on, among other things, the prevention and handling of corruption in Swedish development cooperation (report 2008:5) and the integration of a rights perspective in international development cooperation (report 2008:2). The agency also has the task of promoting the development of evaluation capacity in the partner countries. Sida's evaluation secretariat procures evaluations conducted by external parties and provides methodological support with regard to evaluation questions to other Sida departments. The evaluation "Managing Aid Exit and Transformation" was conducted in collaboration with Denmark, the Netherlands and Norway and deals with experiences from the phasing-out of aid in a number of countries. A large proportion of the evaluations procured by Sida are conducted by the unit

responsible for the relevant programme. These evaluations are conducted both within the framework of the bilateral cooperation strategies and of thematic programmes.

Furthermore, the Swedish National Audit Office reviews Swedish development cooperation within the framework of its auditing of government operations. Two reports have recently been published dealing with development cooperation: "Aid through budget support" (RiR 2007:31) and "Fraud in foreign aid" (RiR 2007:20). For the effectiveness and expediency of development cooperation, it is crucial that results, lessons drawn and experiences from evaluations are considered when designing management. Consequently, a central component in the model for strengthened results-based management is the handling of knowledge regarding the effects and results of development cooperation. The Ministry for Foreign Affairs' work on this score is expressed through the Budget Bill, appropriation directions and through consultation between the Ministry and Sida.



Results by region

This chapter reports on the results of development cooperation by region. Example results are reported through the presentation of results analyses for 16 countries. These analyses were conducted between 2005 and 2008. The point of departure for the selection has been to ensure a balance in terms of scope between the geographical sections and between various country categories.

Swedish development cooperation with each partner country is governed by cooperation strategies applicable over a period of three to five years. The strategies state the overarching objectives of the cooperation and goals for various areas of cooperation or sectors, such as democratic governance and human rights, the environment and climate, health, trade or education. When a strategy is developed, it is important to set the ambition level according to what is considered feasible to achieve during the strategy period and, at the start of the strategy period, to have a concrete plan for following up results.

Each year, Sida prepares a country report that gives an overall performance report and an assessment of the year's operations. Alongside other performance reports and assessments, the country reports form the basis of an overall analysis of results made at the end of each strategy period. Other studies, assessments and analyses that could also be of relevance are also used in this process.

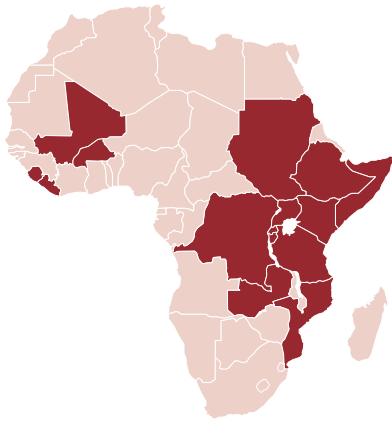
The results analysis contains three parts, the first of which is an overall assessment of the relevance of the cooperation, the effects achieved and the lessons that can be learned. In addition, results within the various areas of cooperation are assessed. The third part focuses on conclusions and recommendations ahead of the next strategy period.

A single strategy period is seldom sufficient to demonstrate long-term effects. Consequently, it is important that results analyses focus on both short and long-term effects.

The Government's decision to strengthen results-based management in development cooperation has led to the strategies determined from 2007 and onwards having a clearer results structure, greater requirements on performance reporting and a clearer ambition level regarding expected effects at various levels. The outcome of the strengthened results-based management will be seen in the results analyses presented in the next few years.

Humanitarian aid differs from long-term development cooperation. Contributions are based on basic humanitarian principles on impartiality, neutrality

and independence and are intended to save lives and alleviate suffering. Humanitarian aid is reported both as a principal sector and as a aid modality in this Communication. Humanitarian aid is needs-based and governed by a special humanitarian strategy. Consequently, humanitarian aid is not included in the strategies governing Sweden's cooperation with individual countries. In the geographical sections, humanitarian aid is included in total bilateral aid through Sida. In the country sections, support is reported within the framework of each cooperation strategy and any humanitarian aid is reported separately.



4.1 SUB-SAHARAN AFRICA

In sub-Saharan Africa, the proportion of the population living on less than USD 1 per day decreased from 46 to 41 per cent between 1999 and 2004. This trend is reflected in partner countries where Sweden conducts long-term development cooperation. In Tanzania, poverty decreased by 2 per cent between 2000 and 2007 and in Mozambique by 15 per cent between 1996 and 2003. The trend is unevenly distributed between the countries in the region, although certain advances have been achieved in the social sectors in several countries. In Burkina Faso, primary school enrolment rose from 42 to 62 per cent between 2000 and 2006, and in Zambia, child mortality fell from 95 to 70 children per 1 000 born between 2001/02 and 2007. HIV and AIDS continue to represent an obstacle to development in the region, although their prevalence has stabilised among adults in some of Sweden's partner countries (such as Mozambique and Zambia) and even fallen among some age groups.

Regarding gender equality, positive tendencies include more women being employed outside agriculture, increased schooling among girls in southern Africa (including in Mozambique) and an increase in the proportion of women parliamentarians (in countries including Rwanda and Tanzania). At the same time, maternal mortality remains very high in the region, reaching 1 per cent in certain countries. Furthermore, fewer girls attend school in conflict-torn countries (including the Democratic Republic of Congo) and female-dominated professions are generally to be found in the low-paid informal sector. Violence against women and girls is an expression of the lack of gender equality. This means that continued efforts are essential if women's rights are to be respected and that political decision makers must actively involve women in development work. In summary, sub-Saharan Africa remains the region that will have the greatest difficulty achieving the UN Millennium Development Goals.

In 2008, economic growth continued in most countries in the region, although the distribution was uneven and the continent will be unable to avoid the consequences of the global economic decline that commenced in the autumn of 2008. The economic slump can be expected to worsen the already high inflation in combination with a high degree of dependency on imports, which has already resulted in price rises for basic goods. In Kenya, for example, prices for certain foods rose by 25 per cent between June 2007 and June 2008.

With regard to democratic development, certain progress can be discerned, although the picture of the democracy building process is often contradictory and major challenges remain. In 2008, elections were held in countries

including Ethiopia (local elections), Mozambique, Rwanda, Zambia and Zimbabwe. Electoral fraud occurred in all countries to a varying extent and in Kenya (elections in December 2007) and Zimbabwe, elections were marred by violence. In summary, recent years show that countries with negative democratic development outnumber those with a positive trend in sub-Saharan Africa. However, among partner countries where Sweden conducts long-term development cooperation, most show a cautiously positive trend (for example, Mozambique and Zambia) or an unchanged degree of democracy (Tanzania).

Although there is a clear trend towards increased peace and security in Africa, several countries in the region, including the Democratic Republic of Congo, Somalia and Sudan, continue to be characterised by deep and prolonged domestic conflicts, as well as serious humanitarian crises with high levels of gender-based violence directed primarily at women and girls. These conflicts have a highly negative impact on opportunities to combat poverty.

Regional cooperation within the African Union and sub-regional organisations has increased in importance, particularly regarding peace and security. In 2008, the African Union maintained peacekeeping forces in countries and areas including Darfur, Sudan and Somalia. In other policy areas, common platforms for cooperation and integration are being established that contribute to the emergence of an African agenda on common key issues such as the environment and climate and common natural resources.

EU cooperation with Africa is also being strengthened and, for example, economic partnership agreements have been set up between the EU and African regions. The purpose is to boost growth through increased regional trade and trade with the EU.

4.1.1 Facts and figures

In 2008, approximately SEK 6.5bn of bilateral aid through Sida was used for contributions in sub-Saharan Africa. Sweden conducts development cooperation with 15 countries in sub-Saharan Africa. Of these, Sweden conducts long-term development cooperation with nine countries (Burkina Faso, Ethiopia, Kenya, Mali, Mozambique, Rwanda, Tanzania, Uganda and Zambia). In addition, development cooperation is conducted with six countries in a conflict or post-conflict situation (Burundi, the Democratic Republic of Congo, Liberia, Sierra Leone, Somalia and Sudan). Efforts to promote democracy and human rights are also conducted in the region. Beyond these, there are three countries with which Sweden conducts selective cooperation (Botswana, Namibia and South Africa) and four countries where Swedish development cooperation is being phased out (Angola, Côte d'Ivoire, Malawi and Nigeria).

Beyond bilateral aid through Sida, funds to promote efforts in the region are channelled through the Ministry for Foreign Affairs. This mainly involves contributions to the EDF, the African Development Bank (AfDB) and the World Bank.

DIAGRAM 4.1
Development cooperation through Sida by principal sector, 2008, sub-Saharan Africa

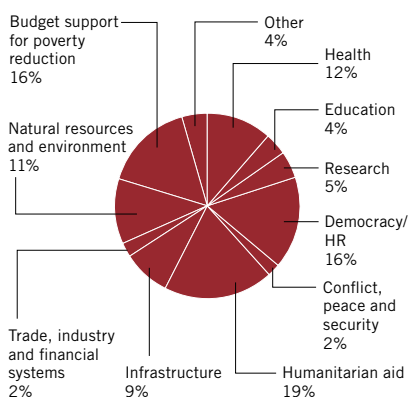


DIAGRAM 4.2
Development cooperation through Sida by aid modality, 2008, sub-Saharan Africa

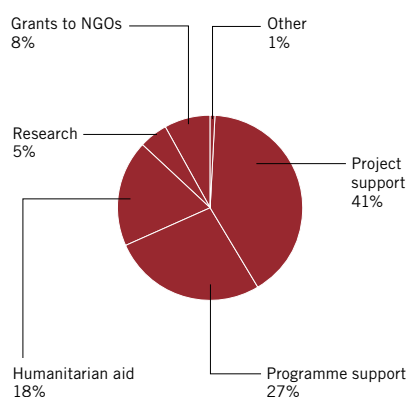


DIAGRAM 4.3
Development cooperation through Sida by aid channel, 2008, sub-Saharan Africa

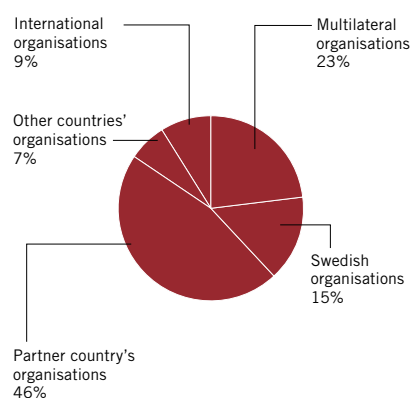


TABLE 4.1
Development cooperation through Sida, 2006–2008, sub-Saharan Africa
SEK 000s

	2006	2007	2008
Prioritised partner countries	4 273 394	4 285 652	4 651 006
Tanzania	816 372	737 483	821 198
Moçambique	672 139	719 062	798 570
Uganda	463 113	395 531	427 464
Kenya	377 440	311 285	419 689
Sudan	327 693	394 916	397 900
Zambia	355 371	373 313	353 036
Democratic Republic of Congo	259 661	224 524	341 620
Ethiopia	303 793	310 686	313 138
Mali	188 404	181 208	194 970
Somalia	88 282	173 097	160 746
Burkina Faso	107 712	146 368	153 583
Liberia	98 765	112 585	118 605
Rwanda	126 853	153 252	94 674
Burundi	60 985	43 859	42 103
Sierra Leone	26 809	8 484	13 710
Other countries	774 836	710 499	659 115
Regional efforts	1 186 212	1 223 921	1 185 346
Total	6 234 442	6 220 072	6 495 467

In 2008, development cooperation with Côte d'Ivoire and Nigeria was phased out and processes are underway to phase out cooperation in Angola and Malawi. As part of the transition from traditional aid to actor-driven cooperation in Botswana, Namibia and South Africa, meetings were held with relevant stakeholders in Sweden and the partner countries in 2008. The areas judged in these meetings to offer good potential for actor-driven cooperation include climate and the environment, transport and traffic safety, and trade. These are areas where Sweden can offer comparative advantages and where potential cooperation partners exist in the countries concerned.

As a complement to financial aid, dialogue represents an increasingly important form of cooperation in the region. In 2008, dialogue focused mainly on increased democracy and respect for human rights, as well as the importance of rigorous anti-corruption efforts. In countries in conflict or post-conflict situations, however, opportunities for dialogue are impeded by the uncertain power situation.

In 2008, humanitarian aid was the largest sector in the region. In the Democratic Republic of Congo, Ethiopia, Sudan, Uganda and Zimbabwe, humanitarian aid represented a considerable proportion of total Swedish aid. Although humanitarian aid has represented a considerable proportion of total aid in countries in conflict or post-conflict situations, a strengthened focus on these countries has also resulted in increased aid directed towards long-term efforts to combat poverty. The unpredictable situation, combined with low absorption capacity means that it takes longer to achieve clear development results in countries in conflict or post-conflict situations. The challenges

involved in following up and evaluating aid results are also greater, partly due to weak institutional systems and limited statistics.

Sweden's experiences show that the need for aid has been particularly great during periods of transition from a conflict situation to a more stable phase of reconstruction — a situation that has characterised, and continues to characterise, Liberia for example. Sida's experience of rebuilding phases in post-conflict countries is that good results can be achieved by strengthening democratic institutions and local structures. In countries with more acute conflict situations, flexibility and speed have proven essential.

Contributions intended to enhance democracy and respect for human rights represent the second-largest sector. Important components in strengthening the process of democracy building encompass efforts to build up capacity among institutions, a functioning justice system and an active civil society, including independent media, and electoral assistance. One experience gleaned from cooperation in building up capacity in this area is that this takes time and must be based on reasonable targets in relation to current institutional capacity and experience.

The budget support proportion of total support has increased between 2006 and 2008. In six countries with which Sweden conducts long-term development cooperation, support is provided, by means of general budget support, to partner countries' poverty reduction strategies (Burkina Faso, Mali, Mozambique, Rwanda, Tanzania and Zambia). In these countries, the proportion of general budget support amounts to an average of 50 per cent of total support. Budget support has resulted in a larger share of these countries' resources being registered in their national budgets and accounts, which also helps increase insight and transparency. In Mozambique, for example, approximately 70 per cent of the national budget is used for prioritised sectors in poverty reduction, of which more than half are social sectors.

However, project support remains the dominant aid modality and its share of total support has stayed relatively constant between 2006 and 2008. One reason for the high proportion of project support is that programme-based support requires greater capacity in partner countries and that this type of support is impeded by conflict situations and political instability in partner countries.

A large part of aid to Africa is channelled through partner countries' own organisations. By channelling aid through these organisations, national ownership and capacity are strengthened as is the effectiveness of national systems. Cooperation with multilateral and international organisations has increased somewhat in recent years. This is in part due to increased humanitarian aid and an increased focus on institutions for regional coordination, through, for example, the African Union, the East African Community and the Economic Community of West African States. In countries in conflict and post-conflict situations, the predominant part of support is channelled through multilateral organisations with a presence in those countries. In Zimbabwe — where, besides considerable humanitarian aid, Sweden supports contributions to advance democracy and human rights, democracy and human rights — the conditions for development cooperation with the government do not exist. This results in all support being channelled through multilateral organisations, as well as international and local NGOs.

All countries with which Sweden conducts long-term development cooperation are major recipients of international aid. To enhance coordination between donors and increase the division of labour between donors, Sweden has participated in joint strategy processes in several countries, including Kenya, Tanzania, Uganda and Zambia. With the same purpose, Sweden supports the UN reform process for improved coordination in the pilot countries of Mozambique, Rwanda and Tanzania.

Approximately 45 per cent of Swedfund's portfolio consists of equity investments and loans to companies in sub-Saharan Africa. At the close of 2008, the company had commitments in a total of 28 companies, of which 20 were direct investments, in a total of 11 countries, and eight fund investments. Among the direct investments worth mentioning are the Addis Cardiac Hospital in Ethiopia, which was established in 2006 (share: 36.2 per cent, cost: approximately SEK 7.6m). This is Ethiopia's first hospital for cardiac and vascular disorders. During the period from May 2007 to October 2008, the hospital treated approximately 4 600 patients and performed some 17 000 general examinations and approximately 220 special interventions. The investment has entailed the transfer of expertise with visiting medical personnel from Sweden imparting specialist knowledge on cardiac and vascular disorders, training personnel and carrying out operations. Furthermore, the risk of skilled individuals leaving the country ("brain drain") is counteracted by employment opportunities being offered to qualified healthcare professionals. Among Swedfund's lending operations it can be mentioned that in 2007 the company entered a five-year financing agreement for SEK 8m with micro-finance institute Small Enterprise Foundation of South Africa. The institute provides micro-loans to small and very small companies in two of the country's poorest provinces. Most of the institute's clients earn less than USD 2 per day. In June 2008, the institute's borrowers included approximately 50 300 women and the total amount lent was about SEK 70m. Among Swedfund's fund investments can be mentioned that it has, since 2007, been investing in the Africap fund (share: 6.9 per cent, cost: approximately SEK 11.9m). The fund offers venture capital to companies in the micro-finance sector in some ten African countries. Swedfund's total invested commitment in sub-Saharan Africa amounted to SEK 919m at the end of 2008.

As a member of and donor to the AfDB, Sweden contributes to development in Africa. In 2008, Sweden contributed SEK 560m to the African Development Fund, which provides loans to the poorest countries on concessional terms. Sweden's traditional share in the fund is approximately 2.6 per cent and in the AfDB about 1.6 per cent. Sweden's share of the total donor contributions to the African Development Fund for 2008 to 2010 is 4.6 per cent, that is, SEK 1.7bn of the total SEK 36bn. This makes Sweden the tenth largest donor. The AfDB has good prospects of strengthening its role as one of the most important players in African development, in particular through ongoing work to strengthen the bank's efficiency and decentralisation. Sweden has been one of the strongest voices in supporting the reform of the AfDB, although the process of change is taking time and disbursement rates remain low. Furthermore, Sweden has worked for increased focus regarding the type of contributions that may be financed through the African Development Fund, although it has supported the bank's increasing commitment to support access to clean energy and climate change adaptation and

mitigation. The AfDB's strengthened commitment in fragile states is also welcome. In its dialogue with the bank, Sweden continuously emphasises the role of women as economic players, which has helped attract greater attention to these issues.

Sweden also contributes to development in Africa as a member of, and donor to, the World Bank. The World Bank lends considerable amounts to Africa's poorest countries on concessional terms, and also provides grants. In 2007 and 2008 this lending amounted to USD 5.8bn and USD 5.7bn respectively, making the World Bank the largest single donor in Africa.

Sweden also contributes to Africa's development through joint EU aid. The European Commission's aid to Africa is primarily channelled through the EDF. For the period 2008–2013, the EDF amounts to EUR 23bn. Sweden's share is 2.9 per cent. The African countries also receive aid from the European Commission's general aid. The principal sectors have been infrastructure, the social sectors, agriculture and good governance.

4.1.2 Results from a selection of partner countries

Reported below are results from previous strategy periods regarding the Democratic Republic of Congo, Ethiopia, Liberia, Rwanda, South Africa and Zambia.

The Democratic Republic of Congo

During the period 2004–2008, Swedish support to the Democratic Republic of Congo focused on peaceful development, security and reconciliation, democratic reform, respect for human rights, as well as economic growth and socio-economic development focusing on the education sector. During the strategy period, Swedish aid totalled SEK 1.1bn, of which humanitarian aid amounted to approximately SEK 800m.

The strategy period has been characterised by great uncertainty with postponed elections, political violence and violent outbreaks in the eastern part of the country with continued sexual violence against women and girls. Target fulfilment and results have been affected negatively, with contributions being delayed by insufficient political will and the fragility, complexity and violent inclinations of the environment. Opportunities for direct dialogue with the government have been few. Swedish support has been channelled through the UN system and international NGOs. Due to the conflict in the east, humanitarian aid increased more than originally envisaged.

In the area of peaceful development and democratic reform, Sweden supported the implementation of national elections in 2006 and contributed to an open and well coordinated election process with a participation level of 80 per cent. International election observers considered the elections free and fair. Sweden has also supported the UN radio station Okapi, the only mass media channel covering the entire country. The station's broadcasts helped listeners understand the elections process, thereby influencing their decision to vote.

Sweden has contributed to a regional programme with the objective of breaking the cycle of conflict in the Great Lakes region through the demobilisation and reintegration of former combatants. The programme has demobilised approximately 102 000 adult soldiers and has been able to reunite 23 000 child soldiers with their families in the Democratic Republic of Congo.

Through the UK Save the Children Fund and UNICEF, Sweden has contributed to increasing access to primary education in three of the country's provinces. The number of pupils beginning primary school has risen by 20 per cent in these provinces, quality has been raised and the teaching environment has been improved considerably.

Cooperation between the Democratic Republic of Congo, Sweden and South Africa was initiated in 2005. The purpose of the cooperation was that South Africa would help the Democratic Republic of Congo build up an employment register in public administration. This support has resulted in the installation of a system for registering civil servants, 50 000 civil servants being registered and temporary identification documents being issued. However, an evaluation of the contribution shows a low degree of effectiveness in implementation, as well as deficient coordination in public administration, affecting the long-term benefit of the support negatively.

Sweden is one of the largest donors of humanitarian aid to the Democratic Republic of Congo with an average contribution of 11 per cent to the local UN-led humanitarian funds in 2006 and 2007 and approximately 5 per cent of all humanitarian operations in the country. In total, humanitarian contributions in the country have reached 20 million Congolese and contributed to improved conditions in refugee camps, providing access to food, water, sanitation, education, health and protection as a result. Particular consideration has been paid to the needs of children and women. Contributions to food security and nutrition have reached 380 000 children. An evaluation of the local UN-led humanitarian fund in the Democratic Republic of Congo shows that it has led to improved coordination, faster response to humanitarian needs, better distribution between the provinces and a systematic follow-up of indicators of needs and results.

The democracy building process begun in the Democratic Republic of Congo, to which Swedish support for the election process and Radio Okapi have contributed, is central to peaceful development in the country. Efforts to demobilise and reintegrate soldiers have also contributed to this. However, long-term results of support for peaceful development, democratic reform and economic development remain difficult to evaluate, primarily due to Sweden's relatively brief presence in the Democratic Republic of Congo and the instability that has characterised the country in the form of political unrest and escalating conflicts. Nonetheless, it is the Government's conclusion that continued efforts to contribute to peaceful development and democracy building in the Democratic Republic of Congo are necessary and that this should be the point of departure for Swedish cooperation. Against the background of widespread sexual violence against women and girls, this area is to be given particular priority.

Ethiopia

During the period 2003–2008, Sweden's cooperation with Ethiopia focused on the areas of democratic governance and respect for human rights, social development and economic growth. During the strategy period, Swedish aid totalled SEK 1.9bn, of which humanitarian aid amounted to approximately SEK 262m.

Between 2005 and 2008, the number of contributions was halved from 102 to about 50. In 2003 and 2004, Sweden gave general budget support to Ethiopia totalling SEK 100m. The negative democratic trend since the 2005 elections

entailed the discontinuation of budget support. Subsequently, increased emphasis has been placed on cooperation through multilateral channels, civil society, the private sector and the local, decentralised administration. The humanitarian situation in Ethiopia is serious, partly as a consequence of drought and unrest in the Somali region (Ogaden). However, humanitarian assistance is impeded by difficulties in gaining access to parts of the country.

Sweden contributed SEK 10m to a programme for electoral support. The purpose of the programme was to strengthen the capacity of the Ethiopian electoral authority and to educate the population through civil society. The programme has contributed to a further seven million voters being registered and to four million more voters participating in the 2005 elections compared with those of 2000.

In the area of social development, Sweden and other donors have supported teacher training, which, among other things, has contributed to the proportion of qualified teachers in upper basic education rising by 30 percentage points since 2003. Sweden has made an annual donation of SEK 15m to UNICEF's programme to increase the proportion of girls attending school. The programme has benefited more than 80 000 girls. The proportion of girls starting primary school is 79 per cent, compared with 93 per cent for boys. However, there is considerable variation within Ethiopia and in the region of Afar, for example, only 14.5 per cent of girls attend school. Sweden's health aid is donated via organisations in civil society and focuses mainly on child and maternal health care.

In the area of economic growth, Sweden has, for some time, conducted cooperation with the Amhara region. Sweden has provided support for the development of a land registry system for both men and women. The system has resulted in approximately 3.5 million farming rights certificates being issued, thereby strengthening farmers' rights and economic opportunities. In Sida's assessment the system of non-earmarked support to local administration has supported the decentralisation process in an efficient manner. Sweden has also contributed to an association of small businesses in Amhara (the Amhara Women's Entrepreneurship Association), which has, in turn, resulted in more than 3 000 women receiving training and assistance with their business activities. The association has also been the driving force behind the establishment of a national network for women's enterprise.

Together with other donors, Sweden has supported a contribution intended to build up municipal assets and prevent increased poverty among households in regions with a low level of food security. The programme has reached some 7.3 million inhabitants through direct grants to vulnerable groups and contributions in soil conservation, road building and the building of schools and health clinics. The organisation of these contributions has formed a bridge between traditional humanitarian aid and more long-term development cooperation.

Development in Ethiopia is complex and difficult to manage, with persistent poverty, insufficient resources and a considerable democratic deficit. In recent years, the democratic trend has been negative in nearly all regards. At the same time, the national poverty strategy has been implemented with a certain degree of effectiveness and positive results have been achieved in the social sectors. There have been difficulties in implementing support for human rights and democracy. Nonetheless, individual projects and programmes have been success-

ful. Projects to improve women's and girls' social rights have achieved positive results, although such projects have been of limited scope. It is the Government's assessment that the complex situation in Ethiopia will prevail for some time. Continued large-scale contributions to strengthen democracy and its principles are needed, while the impediments to progress in these areas are judged to have increased. Against this background, the Government has decided to hold off on adopting a new strategy for cooperation with Ethiopia, and has, instead, decided to extend the cooperation strategy from 2003 to include 2009. During this extension, the proportion of support for, among other things, contributions on democracy and human rights shall increase.

Liberia

During the period 2004–2008, Swedish cooperation with Liberia was focused on humanitarian contributions, conflict prevention measures and reconstruction efforts within the framework of the regional strategy for West Africa. During the strategy period, Swedish aid totalled SEK 500m, of which humanitarian aid amounted to approximately SEK 260m. This support was channelled through UN organisations, international and Swedish civil society organisations and the Red Cross. Among other things, contributions have focused on the reintegration of former combatants, the reconstruction of healthcare, educational and agricultural contributions, as well as food security contributions. Sweden's humanitarian aid has also formed part of the process making it possible for 240 000 internally displaced persons to return to their home communities.

Sweden has been the largest donor to the Liberian decentralisation process, which has reached all 15 of the country's regions and more than one million people. This support has contributed to increased participation in decision making. A concrete example is the local development plans prepared in all regions through broad participation. These have then formed the basis for the national strategy on poverty reduction. Despite relatively high administrative costs, the contributions are considered cost effective and well adjusted to the specific post-conflict situation in which Liberia finds itself.

Sweden has provided SEK 7m in support to the Liberian Truth Commission. This support has helped in concluding the nationwide process of interviews and witness documentation and the compilation of the final report that is to guide the country towards reconciliation and the further consolidation of peace.

Through cooperation with the UK Save the Children fund, Sweden has contributed to approximately 55 000 girls and boys gaining access to quality education. This support has also contributed to teacher training, school renovations and has also supplied schools with equipment and materials.

Over the period, cooperation has encountered many difficulties due to Liberia's post-conflict situation. Weak social structures have made aid efforts resource intensive. Weak capacity in both the public and private sectors has necessitated extensive focus on capacity development, improved donor coordination and reduced transaction costs.

Rwanda

Sweden's cooperation with Rwanda has been guided by the strategy for Swedish support to the African Great Lakes region for the period November 2004 to

December 2008. During the period 2004–2008, Swedish aid totalled approximately SEK 608m, of which humanitarian aid amounted to approximately SEK 20m. Half of Swedish aid to Rwanda has consisted of budget support.

Since 2000, Sweden has contributed to the implementation of Rwanda's poverty reduction strategies through general budget support. In 2007 and 2008, support amounted to SEK 80m annually and was coordinated with six other donors, including the European Commission and the World Bank. Budget support has been complemented by support for capacity build-up in, for example, Rwanda's national audit office. The strategies for poverty reduction have entailed improved social services, primarily regarding education and healthcare. Through the introduction of free primary education, the proportion of children attending school rose from 74 per cent in 2000 to 86 per cent in 2005 and the proportion of children completing the six-year primary education rose from 22 to 42 per cent. Over the same period, mortality among infants, children under five and mothers decreased by approximately 20 per cent. The proportion of people living in poverty decreased by 3.5 percentage points between 2000 and 2006.

Rwanda experienced strong economic growth between 2002 and 2007. However, population growth meant that the absolute number of poor people rose from 4.8 to 5 million over the period. Rwanda is well on its way to achieving the Millennium Development Goals regarding universal primary education, gender equality with regard to political representation, decreased child mortality, decreased prevalence of HIV and AIDS and other diseases, and ensuring environmentally sustainable development. However, according to Rwanda's reporting on progress towards the Millennium Development Goals in 2007, it is unlikely that the goals regarding poverty reduction and decreased maternal mortality will be achieved.

In December 2008, Sida decided to postpone its decision regarding the payment of budget support for 2008 to Rwanda. This was a consequence of an expert report from the UN indicating possible Rwandan involvement in the ongoing conflict in the eastern Democratic Republic of Congo.

In the area of democratic governance and human rights, Swedish support has contributed to increased effectiveness and capacity in the Rwandan national audit office and police service. Legal protection for Rwanda's citizens has been strengthened through increased police capacity to handle gender-related violence and improved criminal investigations. Opportunities for citizens and parliament to hold the government accountable have been strengthened through the increased scope and quality of audits and improved review of the government's activities. At the same time, there are considerable shortcomings with regard to democracy and respect for human rights with limitations on freedom of speech and scope for diverse political opinions in social debate.

In the area of economic growth and socioeconomic development, Swedish research support to Rwanda's national university has resulted in improvement in the national system for capacity build-up, with, for example, the establishment of the first postgraduate educational programmes.

A limiting factor in cooperation with Rwanda has been the shortage of capacity in the Rwandan public sector, often combined with overly ambitious targets. Consequently, Sweden conducts contributions focusing in particular on building up and strengthening capacity in both governmental and non-

governmental cooperation organisations while also emphasising the need for, and importance of, realistic targets in its dialogue with the Rwandan government. Rwanda's conflict-intensive geopolitical position entails further challenges for long-term development cooperation. For this reason, a conflict prevention perspective is necessary in development cooperation.

South Africa

Sweden's cooperation with South Africa for the period 2004–2008 focused partly on reorganising development cooperation as a broader collaboration based on mutuality, shared responsibility and joint financing. Over the period, Sida has provided catalytic support to players in Sweden and South Africa to build up institutional partnerships that will continue to be developed even when aid financing has ceased. The reorganisation of traditional aid as actor-driven cooperation has taken place in close cooperation and dialogue with South Africa. This has helped firmly establish and nourish, at an early stage, the results achieved by programmes and projects supported by Sida in the regular operations of those involved.

During the strategy period, Swedish aid totalled SEK 728m, of which humanitarian aid amounted to approximately SEK 4m. Support was mainly distributed between the sectors of health, democratic governance and human rights.

In the area of democracy and human rights, Swedish support to the National Swedish Police Board and the South African police has contributed to the development of a new police organisation based on democratic principles, where contributions on gender equality, female leadership, crime victims and human rights have been in focus. This cooperation between the police authorities has also been characterised by joint ownership and local participation with Swedish aid succeeding in reaching provinces throughout the country through, among other things, the posting of female chief constables.

Actor-driven cooperation has been initiated between Sweden and South Africa with the purpose of promoting increased peace and security in Africa. An example of this is the cooperation between the African Centre for the Constructive Resolution of Disputes in Durban and Uppsala University. This partnership has resulted in international courses in Uppsala, as well as joint research projects in the area.

Sida has provided extensive support — about SEK 40m per year since 2007 — to combat the South African HIV and AIDS epidemic. Gender equality and the responsibility of men in combating HIV and AIDS are priority areas within the framework of Swedish support. The support has helped increase access to anti-retroviral drugs and healthcare for those who are infected.

Support in the area of HIV and AIDS has also encountered problems. The extent of the pandemic and the lack of adequate leadership have led to major problems of coordination within the country but also within the donor community. Consequently, alongside other EU member states, Sweden has worked to establish a forum for debate between donors, the government and civil society.

Zambia

Swedish cooperation with Zambia during the period 2003–2008 focused on six sectors. Support was mainly distributed between the sectors of natural

resources and the environment, health, democratic governance and human rights. During the period 2003–2008, Swedish aid totalled SEK 1.7bn, of which humanitarian aid amounted to approximately SEK 65m. Swedish budget support to Zambia increased from SEK 49m in 2006 to SEK 103m in 2008.

Since 2005, Sweden has contributed to Zambia's strategies for poverty reduction through general budget support. Sweden's budget support has been tied to reforms in public financial management and development in the social and production sectors. Over the strategy period, Sweden has been able, through the budget support dialogue, to emphasise the importance of an agricultural policy that promotes increased productivity and the reduction of poverty, as well as reforms in the area of energy, raising their status on the agenda. However, the effects of changed policies in these two areas will probably not be seen until the next strategy period. The implementation of strategies for poverty reduction has been satisfactory in several areas and poverty has declined from 73 per cent in 1998 to 64 per cent in 2006. The prevalence of HIV and AIDS has stabilised at about 16 per cent and AIDS medicines are now available free of charge. Inflation has fallen from 30 per cent to 10 per cent over the past five years and economic growth was strong throughout the strategy period, at about 5 per cent per year. The proportion of children in primary education rose from 76 to 96 per cent between 2003 and 2005. Infrastructure has been extended with, for example, nearly 20 000 kilometres of roads being repaired and maintained in 2006.

Swedish support in the agricultural sector reached 44 000 agricultural households, equivalent to 5 per cent of all Zambian farmers. A recent analysis of the Swedish contributions showed a good return and that the programme's goals of increasing income and improving food security had largely been achieved. More than 55 per cent of participating households secured their access to food, while household income doubled on average. The analysis also shows a high likelihood of a continued high returns.

Through general budget support and sector support for health, Sweden has helped Zambia achieve the target of 60 per cent of its health budget going to the districts. The range of healthcare services has grown with, for example, the number of HIV-positive people being treated with anti-retroviral drugs rising from 2 000 to about 150 000 between 2003 and 2007. However, personnel resources in the health sector are meagre, in terms of both number and capacity. Maternal mortality remains at a high level.

Swedish support for the general elections in 2006 contributed to transparency ahead of the elections and trust in the elections process. The number of registered voters rose from 2.6 to 3.9 million and voter turnout rose from 1.8 to 2.8 million compared with the 2001 elections. Through general budget support and the targeted support for Zambia's reforms of its system of public financial management, Sweden contributed to the strengthening of the budget process, to audit reports being presented to parliament on time and audit findings being remedied to a greater extent. However, reforms have taken longer than envisaged.

4.1.3 Assessment

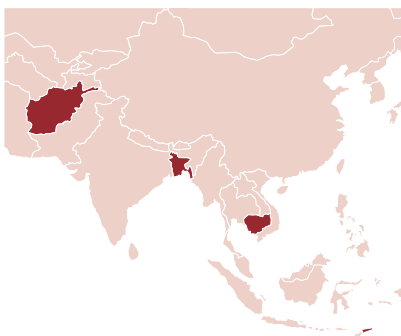
Despite certain progress in a number of areas, including the social sectors, most sub-Saharan countries remain among the world's poorest. Although poverty as

a whole has decreased, extreme poverty remains widespread. Ongoing conflicts and natural disasters impacting the region hit poor women, men, girls and boys particularly hard, which represents an increasing threat to development, peace and security in the region.

It has been possible to draw a number of lessons from operations. A blend of aid modalities and channels, complemented by targeted contributions for skills development, has proven effective in the partner countries. An increased concentration of contributions and partners, a balance between various cooperation channels and a larger proportion of programme-based support is desirable to achieve even greater effectiveness. Throughout, capacity shortages in partner countries represent an obstacle to effective aid. Consequently, improved coordination between donors and increased contributions to build up capacity are decisive for increased effectiveness. However, one lesson drawn is that the building up of capacity is time consuming and should always be based on existing institutional capacity and experience.

In some of Sweden's partner countries, aid faces particular challenges with regard to democratic governance, particularly in terms of the rule of law, respect for human rights, gender equality and pluralism. These countries include several that are in conflict or post-conflict situations but also countries with which Sweden conducts long-term development cooperation. Experience shows that close coordination between aid and the political dialogue is necessary in such environments. In countries in acute conflict situations, flexibility and speed are necessary as is the willingness to accept a greater risk of not achieving the expected results.

To enhance the effectiveness of programme-based aid, Sida's experience is that support should be supplemented by selective capacity developing contributions in public administration, particularly to strengthen financial governance and counteract the risk of corruption. To strengthen independent review functions and promote pluralism, complementary support should be provided to civil societies and parliaments.



4.2 ASIA

Rapid economic growth in China and India, with their more than 2.3 billion inhabitants, has led to decreasing poverty, which affects opportunities to achieve the Millennium Development Goals globally. The trend has also been positive in many other countries in the region, although major problems remain. Half of the world's undernourished children live in Bangladesh, India and Pakistan, despite the fact that only 29 per cent of the world's children under five are to be found there. Of the 19 million children who are born underweight in developing countries each year, 40 per cent are to be found in South Asia. Systematic discrimination of women is one of the underlying factors. Unlike other regions, life expectancy in South Asia is lower for women than for men and girls are more likely to be undernourished than boys.

Despite some progress in reducing poverty, large groups of people in Asia still live under, or only just above, the poverty level. These groups are particularly

vulnerable to climate change, rising food prices, financial crises and other external shocks. The effects of climate change will be a particularly large challenge for the region. Melting glaciers, for example, could affect the food supply for two billion people in Asia.

Increased food prices have had a severe impact on poor people in the region. In Asia, it is calculated that 1.2 billion people spend an average of 60 per cent of their income on food. Between mid-2007 and the spring of 2008 the price of rice doubled in Bangladesh and Cambodia. Such price hikes are due to both temporary factors such as weather conditions and longer-term factors, such as decreased water supply and lower agricultural productivity.

The global financial crisis risks decreasing these countries' export income and the amounts they receive through aid and remittances. Money sent home by migrants has been extremely important to many countries in the region. In Bangladesh, for example, remittances are calculated to have contributed to the reduction of poverty by more than 15 per cent in recent years.

Conflicts in Afghanistan and Sri Lanka worsened in 2008. At the end of 2007, the number of refugees from Afghanistan numbered nearly 3.1 million, which is equivalent to 27 per cent of the world's refugees under the protection of the United Nations High Commissioner for Refugees. The government of Afghanistan has identified the lack of security as its greatest problem and has added a new goal to the eight Global Millennium Development Goals in recognition of the critical role of peace and security in achieving the other goals.

Democratic development in the region varies greatly. Certain countries have been democracies for many years while others are completely undemocratic. The trend in recent years has not been towards greater democracy. Infractions of human rights occur in many areas as a consequence of conflicts, the weak position of women and minorities and other factors. Few positive changes can be discerned. Poverty is the cause of many infractions of human rights and contributes to specific problems, such as the exploitation of children and human trafficking.

4.2.1 Facts and figures

In 2008, approximately SEK 2.4bn of bilateral aid through Sida was used for contributions in Asia.

TABLE 4.2
Development cooperation through Sida, 2006–2008, Asia
SEK 000s

	2006	2007	2008
Prioritised partner countries	755 059	626 615	849 646
Afghanistan	334 519	383 124	454 102
Bangladesh	282 455	83 677	254 316
Cambodia	126 564	121 078	107 632
East Timor	11 520	38 737	33 596
Other countries	1 438 734	1 269 486	1 246 310
Regional efforts	364 939	346 583	334 031
Total aid	2 558 732	2 242 684	2 429 987

DIAGRAM 4.4
Development cooperation through Sida
by principal sector, 2008, Asia

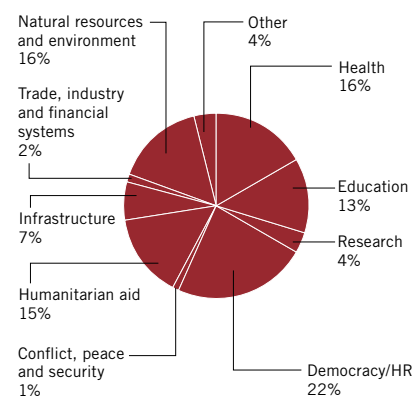


DIAGRAM 4.5
Development cooperation through Sida
by aid modality, 2008, Asia

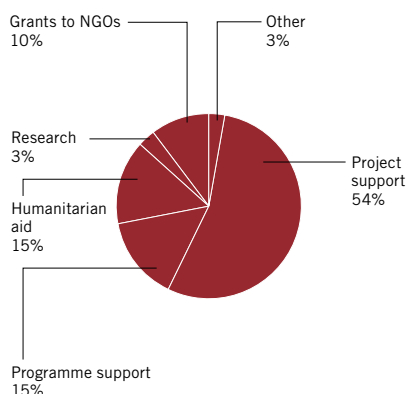
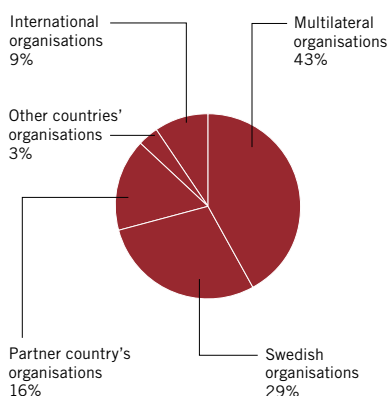


DIAGRAM 4.6
Development cooperation through Sida
by aid channel, 2008, Asia



Sweden conducts development cooperation with four countries in Asia. Of these, Sweden conducts long-term development cooperation with two countries (Bangladesh and Cambodia). In addition, development cooperation is conducted with two countries in a conflict or post-conflict situation (Afghanistan and Timor-Leste). Contributions to promote democracy and human rights are also conducted in the region. In addition, there are eight countries where Sweden is phasing out its development cooperation (the Philippines, Kyrgyzstan, Laos, Mongolia, Pakistan, Sri Lanka, Tajikistan and Thailand) and four countries where Sweden conducts selective cooperation focusing on actor-driven cooperation (India, Indonesia, China and Vietnam). Sweden also conducts regional development cooperation in South and Southeast Asia, focusing on cross-border contributions.

Beyond bilateral aid through Sida, funds to promote contributions within the region are channelled through the Ministry for Foreign Affairs. This mainly involves contributions to the Asian Development Bank (AsDB).

Democratic governance and human rights are the largest sector in the region. Costs for 2008 indicate a certain decrease in absolute figures, which can be explained by the fact that most of the eight countries where Sweden is phasing out its cooperation receive aid in this area. Support for the health sector has increased during the latest three-year period, in part as a consequence of extensive programmes in Burma/Myanmar and Bangladesh. Natural resources and the environment is the third-largest sector in the region. The cooperation strategies developed in 2008 entail an even clearer focus on the environment and climate. To meet the extensive humanitarian needs having arisen following natural disasters and conflicts, for example, humanitarian aid has increased in recent years.

Project support is the dominant aid modality in the region. Programme support comprises only 15 per cent of costs. One of the reasons for this is that some cooperation focuses on actor-driven cooperation, which, by definition, entails project support. No budget support is yet provided to countries in the region, although there is an opening for this aid modality regarding cooperation with Cambodia.

To better understand how the programmes affect the poor, in 2007, Sida introduced detailed studies at the village level in Bangladesh where Sweden supports the sector programmes for health and education. These studies complement the usual follow-ups and evaluations by documenting poor people's experiences of the operations. The studies have indicated several shortcomings requiring rectification; for example, that hidden costs for education exclude the very poorest and that complaint procedures and review functions in civil society do not function efficiently.

Bilateral development cooperation with the region is undergoing a major change. When it comes to the increased focus on partner-driven cooperation, a lesson learned in India, where this process has already begun, is that cooperation of this kind is time consuming.

Multilateral organisations are the largest implementation channel in Asia, primarily to increase the coordination of support. In terms of size, these are followed by Swedish organisations and the partner countries' own organisations.

When it comes to efforts to enhance donor coordination, in 2008, Sida

provided support for the UN's reform process for improved coordination in pilot country Vietnam. In Bangladesh, Sweden is actively advancing the process towards a common donor country strategy. Sweden is also participating in donor coordination in Afghanistan, Burma/Myanmar and Cambodia.

Slightly more than 31 per cent of Swedfund's portfolio consists of equity investments and loans in Asia. At the close of 2008, the company had commitments in a total of 17 companies, of which 13 were direct investments, in a total of nine countries, and four fund investments. As an example of a direct investment, the Bhutan Dairy in Bhutan can be mentioned, which Swedfund entered in 2002 (share: 31 per cent, cost: approximately SEK 17.6m). The dairy produces long-life milk that needs no refrigeration, which facilitates the distribution of milk products to parts of the country that are difficult to access. This investment is one of the first commercial industrial investments in Bhutan financed primarily with international capital. Among Swedfund's lending operations it can be mentioned that in 2007 the company approved a loan to power producer Engro in Pakistan (cost: approximately SEK 117m). Among other things, this loan has contributed to the establishment of a new power plant. Among Swedfund's fund investments can be mentioned, for example, Green Investment Asia, which the company entered in 2007 (share: 30.8 per cent, cost: approximately SEK 88m). The fund invests in companies helping improve the environmental sector in Asia, such as companies in the wind power and recycling sectors. Swedfund's total investments in Asia amounted to SEK 637m at the end of 2008.

As a member of and donor to the AsDB, Sweden contributes to development in Asia. At the AsDB, Sweden particularly emphasises the bank's overarching mandate for combating poverty. Sweden also advocates the AsDB's contributions not being spread over too many areas. This had an impact on the long-term strategic framework adopted in 2008 that is to guide the AsDB's operations until 2020. As a consequence of Sweden's actions, the framework will also facilitate the integration of measures against HIV and AIDS into the AsDB's projects and programmes. This is of particular importance since the bank to a large extent finances infrastructure investments to strengthen regional integration. For the period 2009–2012, Sweden is contributing approximately SEK 400m to the Asian Development Fund. In the negotiations for this replenishment, Sweden helped secure a strengthened focus on poverty and measures to increase the bank's internal effectiveness through improved results-based management. In 2008, Sweden also contributed to making the bank's evaluation function more effective and independent.

Sweden also contributes to aid operations in 18 Asian countries via the European Commission. The European Commission's total aid volume for Asia for the period 2007–2013 amounts to EUR 5.2bn. Education, health, good governance and the environment are principal strategic priorities. An increasing proportion of the European Commission's aid consists of programme support.

4.2.2 Results from a selection of partner countries

Given below are the results of earlier strategy periods for Afghanistan and Sri Lanka.

Afghanistan

During the period 2006–2009, cooperation with Afghanistan focused on strengthening the country's capacity to reduce poverty, develop democracy, the rule of law and respect for human rights, including strengthening women's status in society, contributing to the development of civil society and helping strengthen external and internal security. Support has mainly been provided to the education sector, the democratic governance and human rights sector and in the form of humanitarian aid. Most support has been channelled through multilateral and Swedish organisations.

During the period 2006–2008, Swedish aid totalled SEK 1.2bn, of which humanitarian aid amounted to approximately SEK 132m.

The Afghanistan Reconstruction Trust Fund (ARTF) was established in 2002 and is the largest source of joint financing for Afghanistan's operating budget and for prioritised investments in the government's reconstruction programme. The fund is administrated by the World Bank and financed by 29 donors. Sweden's support has totalled SEK 345m over the past three years and Sweden has contributed 3.4 per cent of the total budget since 2002. Because the Afghanistan Reconstruction Trust Fund channels resources directly to the government budget, public financial management has been affected positively since transparency and the overarching responsibility for resources have increased. In addition, the Reconstruction Trust Fund has led to improved social services by providing salaries for health and education personnel. According to an evaluation, support has also increased the government's legitimacy and credibility.

Of Sida's total support to the Afghanistan Reconstruction Fund, SEK 95m was invested in Afghanistan's National Solidarity Programme (NSP) between 2006 and 2008. The dual objectives of this programme are to build up local democracy and to assist in reconstruction and development in rural areas. To date, 20 500 village committees have been elected and nearly 20 200 project plans have been developed. More than 37 500 proposals for sub-projects have been submitted. More than 96 per cent of these have been approved and half of them have been implemented. These projects cover several sectors, with water management and sanitation being the largest.

Between 2006 and 2008, Sida continued to provide extensive support to education through the Swedish Committee for Afghanistan, UNICEF and the organisation Bangladesh Rural Advancement Committee, in addition to the support for teachers' salaries through ARTF/NSP. Of a total budget of USD 37m, Sida has contributed slightly less than SEK 179m to the UNICEF Basic Education and Gender Equality Programme run jointly with the Ministry of Education. Prior to 2001, less than one million children attended school and almost no girls received ordinary schooling. Today, about six million children are enrolled in basic education (grades 1–12), of whom almost 35 per cent are girls. The programme focuses on creating educational opportunities for children in remote areas where there are no schools. Simple village schools now exist in 28 provinces out of 34 and almost 150 000 children are enrolled, of whom about half are girls.

Another objective of the UNICEF and Ministry of Education programme is to increase reading and writing skills among adult women. By mid-2008, more

than 7 000 centres had been established and slightly more than 194 000 women had participated in a nine-month course.

The serious security situation in Afghanistan entails high costs for aid operations. For example, 30–40 per cent of UNICEF's education budget is spent on security-related costs. In addition to high costs, the worsened security situation makes it more difficult for aid to reach its destination and to be followed up. The high risk of corruption requires constant monitoring.

Independent results-based analysis confirms that the gender equality and rights perspectives included in the formulation of the programmes have not achieved full impact in implementation. The evaluation of the Afghanistan Reconstruction Fund shows positive results, but indicates that donors' increasing earmarking of contributions undermines the basic principle of a fund of this kind and that this risks undermining the priorities of the Afghan government. The increasingly serious security situation makes it difficult to monitor results and assess their sustainability. Although Sweden is a minor donor in Afghanistan, it has the potential to achieve a greater impact on, for example, issues of gender equality through a more active dialogue with the government of Afghanistan and other donors.

Sri Lanka

During the period 2003–2008, the focus of cooperation with Sri Lanka has been on conflict resolution and reduced poverty through support for economic growth, democratic social development and research. Humanitarian aid has also been provided as a consequence of the tsunami in 2004 and the country's deepening conflict.

During the period 2003–2008, Swedish aid totalled SEK 1bn, of which humanitarian aid amounted to approximately SEK 120m. Cooperation has been divided between nine sectors, with natural resources and the environment and democratic governance and human rights being the largest. The number of programmes fell from 21 to 14 in 2008, following a determined concentration on a smaller number of larger-scale contributions.

Results-based analysis shows that about two thirds of Swedish aid has produced primarily positive development results, while slightly less than a third must be considered less successful. The analysis mentions competent and responsible management in the implementation of a contribution as the single most important factor behind positive results. The conflict between the government and the separatist LTTE (Tamil Tigers) that has been escalating since 2006 is the foremost reason for about half of the negative results. In many instances, Sida has limited negative consequences by means of active follow-up and by undertaking necessary measures, such as terminating support for certain programmes.

In 2002, Sri Lanka secured a concessional credit for SEK 45m for a second school programme in the plantation areas inhabited by one of the country's most disadvantaged Tamil populations. This has resulted in the construction and maintenance of 52 schools according to plan. Costs are in line with normal Sri Lankan prices.

Sri Lanka is the democracy that ranks lowest on the Reporters Without Borders' Press Freedom Index and several journalists have been killed since

2005. Sweden, Norway and Denmark have provided support for the Sri Lanka Press Institute since 2004 to promote free media in the country. Sweden's contribution amounted to SEK 8m of the total support of SEK 25m. An evaluation of operations during the period 2004–2007 shows that support has resulted in the training and certification of 164 journalists, of whom 79 per cent are employed by local media companies, 119 press complaints were addressed through self-regulation, attempted censorship has been blocked through active lobbying and journalists whose lives have been threatened have been protected and evacuated.

In the area of democracy and human rights, Sweden has, via the European Commission, contributed to the International Independent Group of Eminent Persons, which had the task of supporting efforts to investigate a number of notable infractions of human rights. However, the group discontinued its work ahead of schedule with reference to the government's unwillingness to cooperate.

Through support to the Swedish National Police Board and the Sri Lankan police, Sweden has helped improve criminal investigation in the country, including crime scene investigation. Support has also focused on strengthening the protection of human rights and improving the police's attitude towards the general public. Efforts have, however, been made more difficult by the political unrest and inadequate security in the country.

By means of a concessional credit, nearly 25 000 households and companies in the conflict-torn northern and eastern provinces have gained functioning fixed-line telephones. This contribution has been cost efficient, with an acceptable customer satisfaction rate of 64 per cent.

In 2002, the Southern Swedish Chamber of Commerce commenced support to enhance the capacity of the Sri Lankan chambers of commerce. A mid-term review in 2005 showed the programme to be ineffective, with overly optimistic targets and an unrealistic timeframe given the recipients' weak starting point. Sida discontinued its support for the programme, which totalled SEK 16m, early.

In the preceding strategy period, Sida began paying a support grant of SEK 6.1m to complement the credit of SEK 31.8m provided by the Nordic Development Fund for traffic safety in Sri Lanka. It transpired that the programme had unclear priorities and lacked local ownership. Implementation consultant SweRoad produced 67 traffic safety reports that were not put to use in the intended way, but that did influence the Asian Development Bank to approve financing of a four-lane highway for reasons of improved road safety. Sida discontinued its support in 2005 when 60 per cent of the budget had been used.

Swedish development cooperation with Sri Lanka is to be phased out in 2010. At this stage, it is important to secure the sustainability of the contributions made, particularly within the area of human rights.

4.2.3 Assessment

An impressive reduction in poverty has taken place in Asia, although a large proportion of the world's poor still live there. For this reason, continued focus on combating poverty is important. Apart from conflicts, Asia is also impacted by natural disasters, which are expected to grow in number and severity due to climate change. To reduce the vulnerability of poor women, men, girls and

boys, climate adaptation contributions combined with continued extensive humanitarian aid will grow increasingly important.

In many partner countries, public administration lacks administrative and professional capacity, requiring increased focus on building up capacity and harmonising support. In the Government's assessment the proportion of programme support to the region should be able to increase moving ahead. Where conditions exist, budget support may also be a possibility. It is the Government's assessment that these aid modalities ought to be combined with support to civil society and support to ensure that social services reach poor women, men, girls and boys. It appears that harmonising support is not only successful in countries with long-term cooperation and countries in conflict situation but also in countries with a democratic deficit.

The rights and status of women need strengthening in several countries in the region and this is consequently a key objective of many contributions. However, the results-based analyses that have been made indicate shortcomings in implementation. For this reason, Sweden must devote far greater energy to the participation and rights of women in follow-up and dialogue.

Concrete results have been achieved through development cooperation, although the longer-term effects depend on a number of factors. Local ownership and the adaptation of contributions to the local situation are self-evident conditions for success, as is a realistic timeframe and strengthened coordination between donors. Sweden must follow contributions closely, take a flexible approach to change and discontinue aid when it does not work. This requires on-site presence, which is why Sweden has increased its field personnel in, for example, Afghanistan.

Cooperation in Asia faces several challenges moving ahead. Operations must be adaptable to the effects of external shocks, such as climate change. In several of Sweden's partner countries, democracy is fragile, the human rights situation problematic and corruption widespread. All of this imposes rigorous demands on dialogue and follow-up.

4.3 MIDDLE EAST AND NORTH AFRICA

The Middle East and North Africa are marked by major variations between and within countries. The region is characterised by conflicts that are difficult to resolve and inadequate democracy and respect for human rights. Of the more than 15 million refugees in the world, the largest group, more than 7.3 million, is found in the Middle East. In Lebanon and Jordan, refugees represent 10 per cent or more of the population. The serious situation in Iraq has contributed to an increase in the total number of refugees and internally displaced persons in the world. Syria and Jordan, in particular, have received large numbers of Iraqis.

In 2007, economic growth in the Middle East and North Africa was 5.7 per cent. This is an increase compared with previous years although the rate of growth is lower than in Asia or sub-Saharan Africa. The region has the world's lowest proportion of people in employment relative to the working-age population. The reason is that fewer than 25 per cent of women enter the labour market. Population growth has decreased and is now 2 per cent, which is

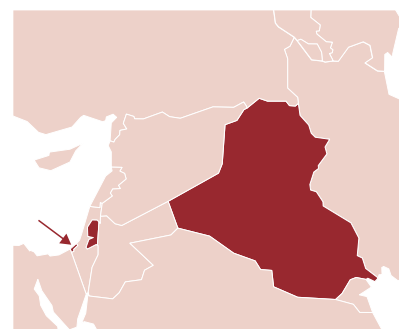


DIAGRAM 4.7
Development cooperation through Sida by principal sector, 2008, Middle East and North Africa

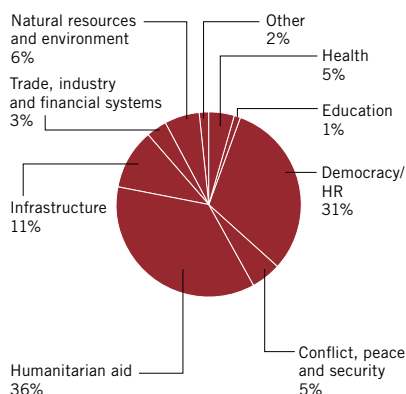


DIAGRAM 4.8
Development cooperation through Sida by aid modality, 2008, Middle East and North Africa

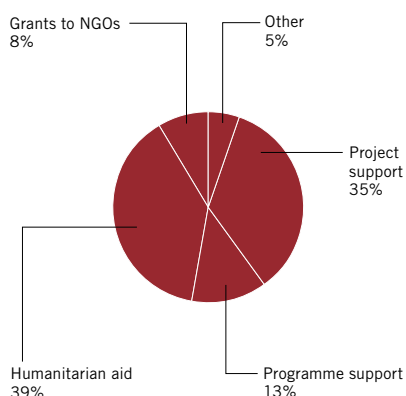
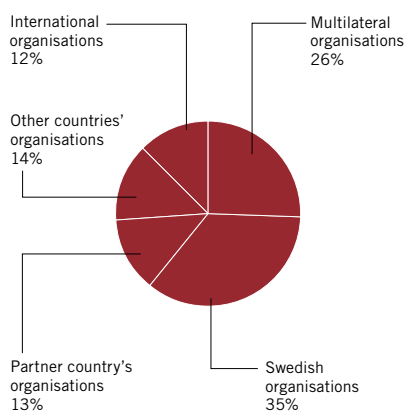


DIAGRAM 4.9
Development cooperation through Sida by aid channel, 2008, Middle East and North Africa



nonetheless higher than in South Asia, for example. The demographic trend, with a continued large proportion of young people, will put pressure on the economic and social infrastructure for many years to come. As a whole, it is expected that the region will meet the Millennium Development Goals. However, it is uncertain whether the West Bank and Gaza, with which Sweden conducts development cooperation, will reach these goals.

In the Arab countries, the proportion of poor people is relatively low, but growing. With its oil resources and educated population, Iraq was previously one of the most developed countries in the Middle East. As a consequence of war, sanctions, violence and misgovernment, the country's development is now among the lowest in the region. It was previously expected that the West Bank and Gaza would achieve all of the Millennium Development Goals except the first. The current crisis, particularly in Gaza, resulting from occupation and closed borders, is expected to contribute to a dramatic deterioration, particularly in terms of the food situation, health and education.

4.3.1 Facts and figures

In 2008, approximately SEK 800m of bilateral aid through Sida was used for contributions in the Middle East and North Africa.

TABLE 4.3
Development cooperation through Sida, 2006–2008, Middle East and North Africa

SEK 000s	2006	2007	2008
Prioritised partner countries	444 853	465 437	598 503
West Bank and Gaza	361 810	350 513	454 640
Iraq	83 043	114 924	143 863
Other countries	99 280	88 500	47 361
Regional efforts	85 834	144 348	142 9263
Total aid	629 967	698 284	788 790

In the Middle East and North Africa, Sweden conducts development cooperation with one country and one occupied area in a conflict or post-conflict situation (Iraq, the West Bank and Gaza). In addition, development cooperation is conducted within the framework of a regional cooperation strategy covering 18 countries and two occupied territories, the Palestinian areas and West Sahara. Beyond these, a reconstruction programme is in progress in Lebanon following the war in the summer of 2006.

Beyond bilateral aid through Sida, funds to promote contributions within the region are channelled through the Ministry for Foreign Affairs. This mainly involves support to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the Temporary International Presence in Hebron, the European Union Police Mission for the Palestinian Territories and the European Union Border Assistance Mission for the Rafah Crossing Point.

Humanitarian aid is the largest sector in the region as a consequence of the situations in Iraq and the West Bank and Gaza. Several of the long-term

development cooperation contributions must also be considered against the background of the serious humanitarian situation. Effective from 1 July 2008, a new strategy applies for the West Bank and Gaza. The specific objectives of the strategy are to advance peace building and the peace process, and to promote democratic state-building. This involves, for example, contributions to advance Palestinian capacity for negotiation and strengthening the processes of peace and reconciliation. Aid shall be focused on fewer areas and on larger projects to a greater extent than previously. Donor coordination is to be improved and Swedish contributions shall continue to complement the aid provided by the European Commission to a large extent. The Palestinians' own plans for reform and development shall guide Swedish aid. Sweden also contributes to efforts to strengthen capacity for social construction and infrastructure development to ensure better access to basic social services. These contributions help bring about economic growth and increased employment.

The barriers in the West Bank, the closed borders to Gaza and conflicts remain the greatest obstacles to implementing aid contributions. During the conflict in Gaza at the end of 2008 and beginning of 2009, several facilities were destroyed that had been partly financed with Swedish funds.

The concentration of sectors in the West Bank and Gaza has proven problematic since the changeable situation requires continual adaptation. However, the objective is for the concentration of sectors to continue. Project support is the dominant aid modality. In 2008, SEK 145m was provided to the Palestinian Administration in the form of direct support with quality control conducted by the European Commission. Support has been provided at the central and municipal levels and to civil society, enabling necessary flexibility.

Sweden's approach with regard to democracy and human rights has been to select two types of cooperation partners: UN organisations established in the region, such as UNICEF, and Swedish NGOs with partners in different countries in the region. Support has been provided to develop the capacity of these organisations and to create meaningful partnerships on concrete issues. Cooperation has primarily focused on human rights issues, women, children and young people.

Sweden is one of the largest donors of humanitarian aid to the West Bank and Gaza. Humanitarian aid amounted to SEK 413m in 2008, of which SEK 317 was provided to the UNRWA. Sweden also contributed SEK 6m to the EU's police support mission in the Palestinian territories, SEK 300 000 to the EU's border assistance mission in Rafah, and SEK 15.5m to the international observer force in Hebron.

Slightly more than 2 per cent of Swedfund's portfolio consists of equity investments and loans in the Middle East and North Africa. At the close of 2008, the company had commitments in two companies, both of which were direct investments. One example is Swedfund's investment since 2000 in the Egyptian company Gamma Knife Center, a clinic offering advanced cancer treatment using a gamma knife from the Swedish company Elekta (share: 24.3 per cent, cost: approximately SEK 6.8m, loan: SEK 2.3m). The Gamma Knife Center was the first clinic of its kind in Egypt and has, to date, treated some 2 000 patients, of whom about 10 per cent have been non-Egyptians. For some time, the clinic has been operated by an entirely Egyptian staff. About ten

Egyptian physicians have undergone specialist training at the Gamma Knife Center, of whom half have gained PhDs or are working on their PhD theses. In addition to its previous commitments, Swedfund recently decided to invest in a hospital in northern Iraq (share: 30 per cent, cost: approximately SEK 7m, loan: approximately SEK 25.9m). The hospital is expected to contribute to demonstration effects regarding professional and modern healthcare. The transfer of expertise with regard to the new equipment will be achieved through a Swedish team of physicians. The investment is the result of Swedfund's focus on immigrant entrepreneurs and businesspeople. This is based on Iraqis with many years of medical experience from Sweden and Iraq. Swedfund's total investments in the Middle East and North Africa amounted to SEK 35m at the end of 2008.

Sweden is also contributing to development in the Middle East and North Africa through Community aid. The European Commission's cooperation with countries in the Middle East and North Africa is mainly conducted within the framework of the neighbourhood instrument. Financing for 2007–2013 amounts to approximately EUR 12bn. Two thirds, approximately EUR 8bn, goes to the southern neighbourhood. The largest portion of this, 73 per cent, supports the implementation of national plans for economic and democratic reform. Beyond this, there are cross-border neighbourhood programmes in areas including border surveillance, the environment and energy and facilities to support democracy and investment. With the neighbourhood instrument, aid to neighbourhood countries has shifted largely from project to programme support. Opportunities to receive financing for investments have also increased.

There are several examples of coordinated support in Iraq and the West Bank and Gaza, such as support through the UN and the World Bank's reconstruction fund for Iraq and the operating support for salaries to the Palestinian Administration. Few other donors provide regional support to the Middle East and North Africa and consequently, harmonisation is uncommon within the framework of the regional strategy.

4.3.2 Results from a partner country

Given below are the results of an earlier strategy period for Iraq.

Iraq

The focus of Swedish cooperation with Iraq between 2004 and 2009 has been to advance peaceful development towards a democratic state under the rule of law where human rights are respected, to support economic recovery focused on growth benefiting poor groups and to lay the foundations for broad cooperation between Sweden and Iraq. Democratic governance and human rights and infrastructure have been the dominant sectors during the strategy period. In addition, there has been considerable humanitarian support.

During the period 2004–2008, Swedish aid totalled approximately SEK 568m, of which humanitarian aid amounted to approximately SEK 230m. Costs have varied from year to year depending on the security situation and what has been possible to implement. A large proportion of Swedish aid is channelled through the UN and the World Bank.

Two assessments of experiences and results have been conducted regarding

development cooperation in Iraq, one for the period 2004–2006 and one for the period 1 January 2007–31 August 2008. Both indicate limited results in relation to targets. In part, a broad portfolio of contributions has impeded efficient implementation of development cooperation and, in part, the considerable weakening of the security situation, with violence reaching a climax in 2006 and 2007, meant that many targets proved unrealistic. Security risks have required a large amount of work having to be managed remotely with few opportunities for active commitment, follow-up and evaluation. In addition, Iraqi ownership of development has generally been weak, as has coordination between Iraqi ministries and authorities. The political environment is turbulent and, in many instances, the administration still lacks sufficiently qualified personnel. Inadequate contacts between the government in Bagdad, local authorities and the government in the Kurdistan region in Iraq have obstructed cooperation. The civil society is weak and confidence in the UN system is low in Iraq since the days of UN sanctions and the Oil for Food programme. The attack against the UN offices in Bagdad in 2003 has left its mark and UN personnel have limited opportunities to move freely about the country. Consequently, contributions are often conducted remotely with the help of local employees and local NGOs. In many cases, these difficulties have resulted in contributions being delayed.

The organisation Danish Demining Group conducts minesweeping in the Basra area. In 2008, Sweden's support to this contribution amounted to SEK 15m. The total cost of the project was SEK 57.6m. Support was also provided by the Danish aid organisation Danida and the UNDP. The project's objective is to facilitate reconstruction in southern Iraq and to establish a national structure for handling mines. Examples of results during the period January–August 2008 include approximately 11 210 square metres having been transferred and more than 41 000 residual explosives from the war having been cleared. Nearly 8 000 people have participated in training on the risks posed by mines.

Between 2007 and 2008, Sweden supported, through the UNDP, an electricity project that is to provide electricity to four hospitals around the country. Sida's support totalled SEK 37m. The purpose of the project is primarily humanitarian, but also to contribute to a plan for the distribution of electricity in Iraq. Independent consultant reports from two hospitals affirm that these now have a functioning electricity supply thanks to the Swedish contribution. At one hospital, supplementary electrical work remains and, at another, installation has been impossible for security reasons.

Since 2005, Sweden has cooperated with the Iraqi Ministry of Electricity on capacity support and the digitisation of electricity distribution in the country. In total, about SEK 20m has been provided in support. Although the project is urgent from the perspective of Iraq's needs, the assessment of results indicates high expenses and major delays due to the security situation. In addition, inadequate ownership jeopardises the sustainability of the project.

Between 2004 and 2005, the Iraqi Central Bank received SEK 20m in Swedish support to build up capacity. This support was channelled via the International Monetary Fund (IMF). The total budget for the project amounted to USD 10m. For security reasons, the IMF has been forced to locate all activities outside Iraq, delaying projects and making them more expensive. An evaluation from

2008 indicates favourable results, although this evaluation was conducted outside the country and was based solely on IMF data, telephone interviews with IMF personnel and to a very small extent on those concerned within Iraq. Consequently, it is highly uncertain what results were actually achieved and their sustainability.

The above examples demonstrate the difficulty of achieving and assessing results in a complicated environment such as Iraq. Nonetheless, it is Sida's assessment that it has been easier to achieve results for contributions with a humanitarian focus, such as in the cases with electricity generators for hospitals or minesweeping. Given the current security status, it has also been easier for organisations in civil society to act than for example, the UN. Capacity development needs are extensive but have been difficult to meet in a favourable manner. However, since the security status has changed for the better of late, new ways of carrying contributions through can be considered.

A stable and democratic trend in Iraq is of great importance to its neighbouring countries, to Europe and to Sweden. For this reason, Sweden has decided to continue its development cooperation with Iraq and work on a new cooperation strategy has commenced. Conditions exist to allow the new strategy to be implemented more favourably than previously. Dialogue with Iraqi counterparts and the follow-up of results will be facilitated by Sweden's renewed representation in Iraq with the re-establishment of the Bagdad embassy in 2009. Although the security situation remains serious and may change suddenly, it has gradually improved in recent years. Furthermore, the new strategy will be based on the lessons drawn from the previous strategy period.

Since 2003, the European Commission has contributed more than EUR 900m in aid to Iraq, including humanitarian aid. The security situation and the complicated environment have presented the same challenges for the European Commission as for other donors in terms of presence, for example. Most support has been channelled through the International Reconstruction Fund Facility for Iraq, although moves have been made to increase bilateral contributions in areas including the rule of law. These contributions build on experiences gained within the framework of the EU's integrated rule of law mission in Iraq, which trains Iraqi civil servants in this area. In 2008, through the International Reconstruction Fund Facility for Iraq, the European Commission financed, among other things, the UN programme for electoral support and the World Bank's contributions to improve public financial management in Iraq. Humanitarian aid has been extensive and has assisted contributions in areas such as health and education for Iraqi refugees in Syria and Jordan.

4.3.3 Assessment

The region is pervaded by conflicts. Further stabilisation of the situation in Iraq would improve conditions to achieve sustainable results from development cooperation. It is the Government's assessment that the same approach as that employed in the West Bank and Gaza (that is, working centrally, locally and with civil society) creates the best opportunities for support and necessary flexibility. A security situation that permits on-site follow-up and review would allow a more process-focused approach. The implementation of aid to the

West Bank and Gaza continues to be impeded by road blocks, closed borders and conflicts. At least initially, humanitarian aid and support for contributions in the transition phase between humanitarian aid and long-term development cooperation will continue to be needed both in Iraq and the West Bank and Gaza. Continued support for contributions that help peace efforts and Palestinian state-building, including the justice sector, is central. Work on focusing and concentrating Swedish contributions is to continue.

4.4 LATIN AMERICA AND THE CARIBBEAN

Latin America is the most inequitable continent in the world. The wealthiest fifth of the population receives 57 per cent of the region's total income while the poorest fifth lives on less than 3 per cent. According to the Economic Commission for Latin America and the Caribbean, poverty in the region declined by 9 per cent between 2002 and 2007, with substantial improvements among Sweden's partner countries. Other sources give a less positive and more disparate picture. In Bolivia and Honduras, poverty decreased by 3 percentage points between 2005 and 2007. In Guatemala, poverty decreased by 5 percentage points between 2001 and 2006, while poverty in Colombia and Nicaragua remains largely unchanged. In 2008, the international financial crisis and increased food prices contributed to poverty increasing somewhat in the region in absolute figures.

Despite considerable challenges facing Latin America and the Caribbean in halving poverty by 2015, there is cause for cautious optimism regarding the region's opportunities to meet the Millennium Development Goals. Progress has been made in primary education and water supply. Improvement can also be noted in the area of gender equality, regarding, for example, women's share of paid labour outside the agricultural sector. The UN's report on the Millennium Development Goals from 2008 shows women's share to have increased from 36 to 42 per cent over the past decade. Child and maternal mortality entail a greater challenge. Despite progress, levels remain high.

Discrepancies within countries are extensive, primarily between population groups, between women and men and between regions in Bolivia, Guatemala and Nicaragua. Poverty and discrimination are most tangible among the rural population, indigenous peoples and women.

Between 2003 and 2008, Latin America had an average economic growth of more than 3 per cent per capita. Growth is expected to have declined from 5.6 per cent in 2007 to 4.6 per cent in 2008, primarily as a consequence of the financial crisis, changed relative prices, decreased demand for Latin American products and lower remittances. However, the region is judged to be better equipped than previously to resist external shocks due to, among other things, sounder government finances and decreased dependence on foreign capital.

Democratic development in Latin America continues although several challenges to durable stability remain, such as corruption, criminality and a weak judicial system. Bolivia, Guatemala and Honduras have improved their positions on Transparency International's corruption index since 2006, while Colombia's and Nicaragua's positions have worsened. The rule of law in the



region decreased between 2003 and 2007 alongside a worsened security situation and political turbulence in certain countries, such as Guatemala and Honduras. At the same time, the population's opportunities for influence and to demand accountability have increased in many of Sweden's partner countries, such as Colombia, through increased electoral participation and the establishment of ombudsman organisations.

Sweden's partner countries are characterised by a high degree of internal antagonism. In Colombia, an internal armed conflict is in progress, resulting in a severe humanitarian crisis. In Guatemala, the security situation has worsened and the prevalence of murder and general criminality has increased. In Bolivia, political divisions have been accentuated by the preparation of a new constitution. These conflicts have involved several issues, including the limitation of large-scale land ownership, coordination between traditional and formal administration of justice and increased local autonomy.

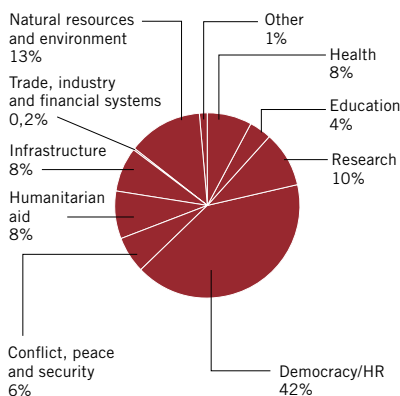
4.4.1 Facts and figures

In 2008, approximately SEK 1.4bn of bilateral aid through Sida was used for contributions in Latin America and the Caribbean.

TABLE 4.4
Development cooperation through Sida, 2006–2008, Latin America and the Caribbean
SEK 000s

	2006	2007	2008
Prioritised partner countries	494 353	493 954	535 291
Bolivia	130 717	163 173	181 257
Guatemala	231 738	200 764	180 182
Colombia	131 898	130 017	173 852
Other countries	573 806	568 281	562 324
Regional efforts	307 643	340 002	280 770
Total aid	1 375 802	1 402 237	1 378 386

DIAGRAM 4.10
Development cooperation through Sida by principal sector, 2008, Latin America and the Caribbean



Sweden conducts development cooperation with three countries in Latin America. Of these, Sweden conducts long-term development cooperation with one country (Bolivia). In addition, development cooperation is conducted with two countries in a conflict or post-conflict situation (Colombia and Guatemala). Contributions to promote democracy and human rights are also conducted in the region. Furthermore, there are six countries where Swedish development cooperation is being phased out (Chile, El Salvador, Haiti, Honduras, Nicaragua and Peru).

Beyond bilateral aid through Sida, funds to promote contributions within the region are channelled through the Ministry for Foreign Affairs. This mainly involves contributions to the Inter-American Development Bank (IDB).

The political dimension has a major influence on development cooperation in the region. In Colombia and Guatemala, development cooperation contributions are coordinated with political advocacy efforts, such as peace promotion and conflict management. In Bolivia, Sweden strives to reinforce dialogue to

emphasise the need for consensus solutions in reducing conflict and reaching agreement on development and the reduction of poverty. Experience shows that dialogue has a greater effect if those involved, the forums and forms of the dialogue and the expected results are clearly identified as part of the planning process and that dialogue requires substantial time and resources.

Experience shows that the process of phasing out development cooperation is just as labour intensive as other processes. Sweden strives to phase out operations in a responsible, well planned manner adjusted to the situation of the country concerned and based on extensive local participation. Dialogue in connection with the phasing-out of operations focuses on the sustainability of the results of contributions and increased importance is afforded to systematically documenting experiences from the cooperation.

About 40 per cent of bilateral development cooperation in the region involves supporting democratic governance and human rights. Beyond this, support is provided to a further nine sectors. The ambition to concentrate development cooperation to fewer sectors and fewer but larger contributions is not yet fully reflected in cooperation. The difficulty in concentrating cooperation to fewer sectors depends on several factors, including the political instability in Sweden's partner countries and their governments' insufficient capacity for planning and implementation, but also on other donors' unwillingness to take risks.

Project support continues to be the dominant aid modality, while the proportion of programme support has decreased since 2006. In 2008, programme support accounted for only 10 per cent of cooperation. One explanation for the regression is that programme support as an aid modality requires strong political leadership in the partner country, which has not been the case in, for example, Bolivia, Honduras and Nicaragua. A lesson that can be drawn from the process is that programme-based approaches require greater flexibility in their allocation of resources and more risk analysis and risk management than project support to handle the complexity entailed in cooperating with many players in a changeable context and with considerable financing. In 2008, no general budget support was paid in Latin America.

Civil society plays an important role in general education and grass-roots participation and contributes to democratic development in Latin America and the Caribbean. Swedish support to organisations in partner countries is often provided through Swedish civil society organisations. Sweden seeks a balance between cooperation channels, above all between civil society organisations and the government. Inadequate capacity on the part of government players impedes opportunities to channel resources through the government. Consequently, there is a need to strengthen national capacity for implementation and follow-up in the partner countries. By cooperating with various types of players, Sweden is able to enhance the effectiveness of its development cooperation and contribute to strengthening the trust between governments and civil society in partner countries. Support is also channelled through multilateral organisations to gain access to technical expertise, facilitate administration and avoid corruption, among other reasons.

Approximately 4 per cent of Swedfund's portfolio consists of equity investments and loans to companies in Latin America and the Caribbean. At the

DIAGRAM 4.11
Development cooperation through Sida by aid modality, 2008, Latin America and the Caribbean

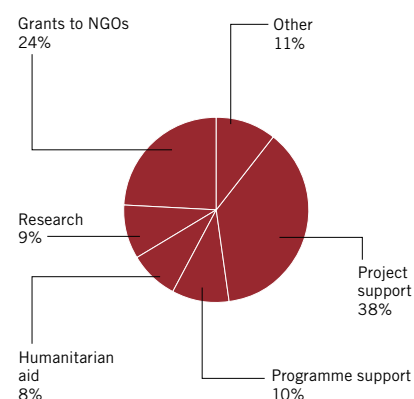
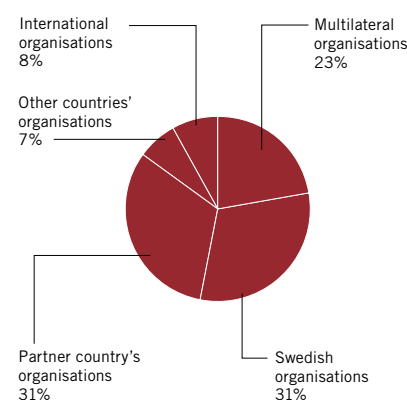


DIAGRAM 4.12
Development cooperation through Sida by aid channel, 2008, Latin America and the Caribbean



close of 2008, the company had commitments in a total of six companies, of which three were direct investments, in a total of seven countries, and three fund investments. Loans included, for example, a five-year loan of SEK 58m approved by Swedfund in 2003 to mobile telephony company Enitel in Nicaragua, whose operations have contributed to a rapid development of mobile telephony in that country. Between 1999 and 2008, Swedfund also contributed, for example, equity capital and loans to the Latin America Challenge Investment Fund (share: 3 per cent, cost: approximately SEK 0.8m, loan: SEK 4.1m). This fund granted loans to microfinance institutes in Bolivia, the Dominican Republic, Nicaragua and Peru, among others, to strengthen their capital structure. The most important development effect was that, by means of loans from the fund, nearly 20 microfinance institutes in six countries obtained the financial resources to increase their lending to small businesses and private individuals. Over the 2008 year of operations, the fund administered loans totalling USD 12.5m to 11 microfinance institutes in four countries. In turn, these institutes were responsible for a total of 800 000 microloans. The fund's requirement for well structured monthly reports also helped develop the microfinance institutes' loan administration. Swedfund's total investments in Latin America and the Caribbean amounted to SEK 78m at the end of 2008.

As a member of and donor to the IDB, Sweden contributes to development in the region. Sweden's share in the IDB amounts to 0.32 per cent. Within the IDB, Sweden prioritises strengthening the bank's poverty reduction and rights perspectives. Initiatives taken by the IDB include one to promote social and economic development in Latin America. Sweden would also like to see the IDB become better at implementing coordination and harmonisation in the partner countries, an area in which the bank has shown shortcomings. To counter this criticism, the IDB is now implementing a change in its approach. However, it remains to be seen whether these reforms lead to concrete improvements at the national level.

Sweden also contributes via the European Commission to aid operations in 17 countries and to three sub-regional programmes and one regional programme in Latin America. The European Commission's total aid volume for the period 2007–2013 amounts to EUR 2 690m. Support is given primarily to social cohesion and regional integration, democratic governance and the strengthening of public institutions, higher education and sustainable development.

Throughout, Sweden has maintained a high profile regarding efforts to implement the commitments of the Paris Declaration on harmonisation and adaptation and, in several of the countries, it has held a leading role in coordination between donors and governments. One example is Sweden's undertaking to lead the donor group for budget support in Nicaragua and Honduras, which has resulted in coordination between different donors and coordination of the dialogue between donors and the government of each partner country.

4.4.2 Results from a selection of partner countries

Given below are the results of earlier strategy periods for Bolivia, Colombia and Guatemala.

Bolivia

In Bolivia, the focus during the period 2003–2008 was to contribute to Bolivia's successful implementation of an independent policy to reduce poverty in the country. During the strategy period, Swedish aid totalled SEK 1bn, of which humanitarian aid amounted to approximately SEK 9m. Budget support was provided in 2003 and 2004 but was subsequently discontinued due to the lack of a poverty reduction policy. Cooperation has been extensive, spanning 11 sectors and as many as 65 contributions per year. The need for continued concentration of the portfolio is considerable and is to be prioritised during the 2009–2013 strategy period.

Approximately SEK 310m of Sweden's aid during the period went to democratic governance and human rights. The objective of cooperation is open and accessible democratic institutions, broadened political participation, increased political influence and increased respect for human rights. Sweden has contributed to, among other things, efforts to reduce corruption in public administration through institutional support strengthening coordination between four government institutions playing central roles in counteracting corruption. In addition, Sweden has contributed to increased electoral participation by supporting contributions on voter registration and support to the national electoral court. In 2008, Bolivia's position on Transparency International's corruption index improved for the fourth consecutive year. In a referendum in August 2008, 59 per cent of the adult population voted and more than 83 per cent of those entered on the electoral roll, compared with 60 per cent of those entered on the electoral roll in 2004. Efforts on democratic governance have both benefited from, and been complicated by, the political dynamic in the country. Relations with government administration have been made difficult by political unrest in the country and frequent changes of ministers, while previously marginalised groups have strengthened their political positions through close relations with the current government.

Sweden has contributed to Bolivia's educational reform through sector support. Between 2005 and 2008, Sweden's support to this sector amounted to approximately SEK 120m of a total SEK 3 200m, that is, 3.7 per cent. The objective of the support is for more poor children to complete primary and secondary school and for them to be able to practise and develop their bilingualism. This support has contributed to the proportion of the population lacking education declining by about 1 percentage point and the proportion of people in rural areas progressing from basic education rising from 12 to 17 per cent.

The objective for Sweden's research support during the period was to strengthen Bolivia's research capacity. Sweden is the only donor to support a cohesive programme in this area. Research cooperation has resulted in increased domestic research capacity in biotechnology, food technology, health and the social sciences and Bolivia is well on the way to achieving an adequate number of highly educated research groups and a well functioning infrastructure in these areas. Between 2001 and 2006, 31 individuals completed PhD degrees, compared with an approximate target of 50.

The objective of support in infrastructure, industry and urban development was growth primarily benefiting the poor and improved basic welfare for the poor. The assessment of results carried out for the sector indicated general

results such as the creation of job opportunities, increased access to water and sanitation in rural areas and strengthened conditions for enterprise. The conditions for private sector support have changed since the government's development plan emphasises greater participation in the economy and plays down the private sector's importance for industrial development. For this reason, part of the cooperation will be phased out and part will transfer to the natural resources sector with a clearer focus on poverty. For example, support will be provided for the productive utilisation of forestry resources.

The achievement of results has been affected by continuous changes among those in leadership functions within ministries and other cooperation partners. This lack of continuity means that the development and implementation of contributions are characterised by interruptions and processes can be drawn out. Social and political conflicts on current issues deflect attention from the long-term development agenda. Sweden's experiences indicate the importance of a conflict-sensitive approach, flexibility when facing political change and the need to strengthen the focus on results.

Colombia

The focus of cooperation with Colombia during the period 2003–2008 was a firmly established peace process allowing the causes of conflict to be tackled and sustainable peace to be achieved. Cooperation has consisted of contributions in nine sectors, among which democratic governance and human rights, peace and conflict, and humanitarian contributions account for 94 per cent of the total cost. During the strategy period, Swedish aid totalled SEK 720m, of which humanitarian aid amounted to approximately SEK 160m.

In the largest area of cooperation, human rights and democracy, the objective was to achieve greater respect for human rights and international humanitarian law, to strengthen the rule of law and to promote good governance and a democratic culture. The assessment of results shows, among other things, that development cooperation has lacked focus and has been spread over a large number of sectors and partners. An example of a contribution in this area is the support provided to an independent study on connections between paramilitary organisations and political decision makers, *Parapolítica*, which has attracted attention in the political debate in Colombia, having helped reveal interactions between a large number of politicians and illegal paramilitary operations. The study represents a key contribution to the public debate on the paramilitary organisations and the need for electoral and political reforms.

In the area of peace and security, cooperation has served to strengthen the desire for a negotiated solution and to broaden the circle of players in the peace process. Swedish support to the Organisation of American States and its observation mission has contributed to increased knowledge on the paramilitary demobilisation process and to establishing the legitimacy of the observation mission for the government. In addition, Sweden's support to a forum for political dialogue and donor coordination, the G24 process and its secretariat, increased the attention of donors to the peace issue and gave Colombian civil society a strategic position in the national dialogue on peace and development.

Sweden's support for humanitarian contributions via UN bodies, the International Committee of the Red Cross and Swedish NGOs has brought assist-

ance and protection for internally displaced persons. Through advocacy activities, Sweden's partner has contributed to the living conditions and rights of internally displaced persons attracting attention on the national agenda.

Sweden has consistently emphasised the importance of women's participation in the peace process. Support to build up capacity and coordinate national women's organisations has provided good results. Among other things, the organisations agreed on a common agenda to influence legislation on gender-related violence, which was subsequently passed by parliament.

One conclusion from cooperation with Colombia is that the portfolio of contributions needs to be focused and that clearer criteria for the selection of partners must be applied. This may, in turn, lead to improved target focus and results-based management.

Guatemala

The focus of cooperation with Guatemala during the period 2001–2008 was to contribute to greater economic and social equality, as well as democratic social development. The point of departure for Swedish development cooperation with Guatemala is the peace agreements from 1996. The agreements were formulated according to national consensus with the intention of combating structural inequality by building a new, just, democratic and inclusive Guatemala. During the strategy period, Swedish aid totalled SEK 1.2bn, of which humanitarian aid amounted to approximately SEK 48m. The number of contributions decreased from 28 to an estimated 20 between 2006 and 2008.

About half of Sweden's aid to Guatemala during the period, SEK 600m, was used in the sector of democratic governance and human rights. Prioritised within this sector were strengthened rule of law and democracy, decreased discrimination against women and indigenous peoples and the strengthening of the rights and participation of these groups. This entails, among other things, promoting decentralisation through, for example, participation in local development councils and the establishment of ombudsman institutions at the central level for indigenous peoples. The objective of the sector was to secure grass-roots influence over public decision-making processes, thereby strengthening people's opportunities to assert their rights. In this area, Sweden has contributed to the modernisation of the electoral system and to increasing electoral participation from 55 per cent in 2003 to 60 per cent in 2007. Among women and indigenous peoples in rural areas the increase was pronounced with a participation of 75.80 per cent in 2007. In addition, Sweden has contributed to the strengthening of legislation on human rights. A new adoption law has been passed and the application of legislation on the integrated protection of children and young people has been strengthened with new models for the prevention of youth violence. Sweden has also contributed to the strengthening of key institutions, such as a secretariat on gender equality connected to the presidency.

One objective during the strategy period was to achieve fairly distributed growth. Through microcredits, 40 000 indigenous women living in extreme poverty in rural areas have been able to make income-generating investments and improve their homes. The national statistics system has been strengthened, thereby providing better opportunities to direct national contributions for economic and social development. Sweden's efforts in the health sector have

contributed to maternal mortality in two geographic areas decreasing from 266 to 256 per 100 000 births and to infant mortality decreasing from 24 to 19 per 1 000 births between 2000 and 2006.

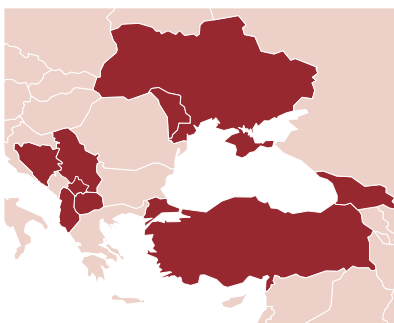
Cooperation with Guatemala has been impeded by weak national ownership. The national mechanisms for follow-up and evaluation have been inadequate. An evaluation of the results of Sweden's cooperation also states that efforts should be made to increase the use of programme-based approaches and results-oriented approaches.

4.4.3 Assessment

Extensive inequality in the region makes it more difficult to stimulate political will to implement structural reforms. The limitations this entails in combating poverty are exacerbated by the lack of human security dominating trends in several countries.

Important lessons have been learned from the past strategy period. While concrete results can be seen at the sector level in each country, it is harder to observe long-term results at a more general level. More concentrated cooperation is necessary to achieve results for those who live in poverty. For this reason, Swedish development cooperation is being focused within countries and sectors, as well as internally within sectors. The concentration process is necessary but takes time to implement if operations are to be phased out responsibly. This also requires new approaches and ways of thinking, such as the increased utilisation of programme-based approaches, which take time to establish.

Experience demonstrates the need to strengthen national ownership to achieve sustainable results. More time needs to be devoted to dialogue, particularly with national partners to attain mutual understanding and a mutual agenda, but also with other donors such as the European Commission and UN bodies to strengthen the implementation of the Paris Declaration. The changeable situation in Latin America requires continual analysis of external conditions and flexibility to be able to respond to new conditions and national needs more rapidly.



4.5 EASTERN EUROPE

High growth and increasing income have reduced poverty in the region by half since 1998/1999. In 2008, economic growth in Russia was 8 per cent and growth in the region as a whole was about 6 per cent, despite the emerging financial crisis. The worsening slowdown of the economies in the region towards the end of 2008 presaged a downturn towards declining or decreased growth and increasing unemployment. Access to credit worsened most rapidly in Ukraine and Belarus, leading to requests for support from the International Monetary Fund and subsequent facilities being provided, in the case of Ukraine for as much as USD 16.4bn.

Over the same period, moves towards closer relations with the EU have acted as a driving force for democracy for countries in Eastern Europe, with the exception of Russia and, to some extent, Belarus. Reform progress in south-

eastern Europe varied in 2008. Nonetheless, steps were taken towards membership in the EU and NATO. Serbia and Bosnia and Herzegovina signed stabilisation and association agreements with the EU. NATO invited Albania and Croatia to commence membership negotiations and Turkey's negotiations with the EU continued, albeit at a slow pace. The start of negotiations with Macedonia was delayed by violence during parliamentary elections. Montenegro submitted its application for EU membership before the end of the year. The most important event of the year was Kosovo's declaration of independence.

In 2008, relations with the EU also deepened politically and economically among countries covered by the European Neighbourhood Policy but that lack a membership perspective. The Eastern Partnership, which was launched on 7 May 2009, is intended to strengthen and deepen the EU's relations with six neighbours to the east: Armenia, Azerbaijan, Georgia, Moldova, Ukraine and Belarus. The partnership will contribute to greater integration with the EU for these countries. The EU and Ukraine are currently negotiating an association agreement, including a free trade agreement that will, in the longer term, grant access to the EU's internal market. The EU has opened the door for a similar development for Moldova and other countries covered by the Eastern Partnership. Georgia's future was clouded by the armed conflict with Russia.

The trend for democratic governance and human rights was relatively positive according to the EU's annual progress reports. As an example, in 2008, most neighbourhood countries had established national plans of action against human trafficking. In south-eastern Europe, not only had legislation been improved, in several cases implementation had also improved. Despite this, Albania and Bosnia and Herzegovina continue to be source and transit countries for human trafficking and violence against women represents a serious problem in the region. The trend in Russia and Belarus was also a cause for concern. In Russia, assaults took place in the northern Caucasus, limitations were introduced impacting the freedom of expression and the press and there were inadequacies in the protection of minorities. In Belarus, the situation remained serious for independent media and civil society. Two reports commissioned by Sida showed corruption to be a common obstacle to closer ties between the EU and Kosovo and Macedonia. These reports then formed the basis for discussions with these countries on anti-corruption measures.

DIAGRAM 4.13
Development cooperation through Sida by principal sector, 2008, Eastern Europe

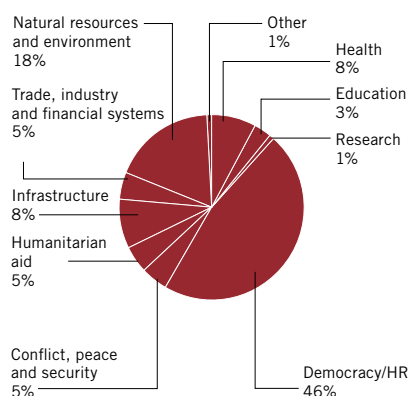


DIAGRAM 4.14
Development cooperation through Sida by aid modality, 2008, Eastern Europe

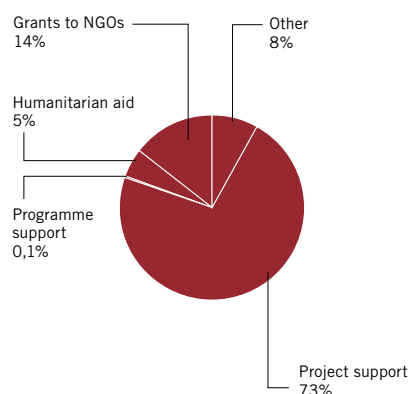
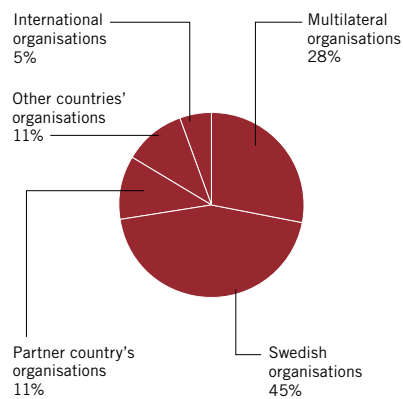


DIAGRAM 4.15
Development cooperation through Sida by aid channel, 2008, Eastern Europe



4.5.1 Facts and figures

In 2008, approximately SEK 1.2bn of bilateral aid through Sida was used for contributions in Eastern Europe.

TABLE 4.5
Development cooperation through Sida, 2006–2008, Eastern Europe
SEK 000s

	2006	2007	2008
Prioritised partner countries	1 029 603	940 092	885 677
Bosnia-Herzegovina	283 475	241 262	178 281
Georgia	67 996	70 850	132 658
Serbia	167 743	125 728	116 102
Ukraine	114 506	110 634	110 804
Kosovo	98 800	68 481	85 228
Moldova	84 277	109 433	82 172
Albania	93 894	84 429	74 917
Macedonia	94 966	96 588	73 317
Turkey	23 947	32 688	32 198
Other countries	440 791	390 325	241 769
Regional efforts	76 237	68 157	37 743
Total aid	1 546 632	1 398 575	1 165 189

Reform cooperation with Eastern Europe is based on EU integration and the reforms such convergence requires are the best way in which to sustainably reduce poverty in the region. Convergence and commitments towards the EU guide these countries' development and reform policies and are thus central to development cooperation. Sweden conducts reform cooperation with nine countries in the region (Albania, Bosnia and Herzegovina, Georgia, Kosovo, Macedonia, Moldova, Serbia, Turkey and Ukraine). In addition, contributions are conducted that promote democracy and human rights in the region. In four countries, Sweden is phasing out development cooperation (Armenia, Azerbaijan, Montenegro and Russia). Since this phasing-out is generally quite advanced compared with other regions, the volume of development cooperation with these countries has more than halved in recent years.

Support to Russia and Croatia was concluded in 2008 and plans were drawn up to conclude development cooperation with Armenia, Azerbaijan and Montenegro.

Beyond bilateral aid through Sida, funds to promote contributions within the region are channelled through the Ministry for Foreign Affairs. This primarily involves support to regional funds within the European Bank for Reconstruction and Development, such as the Western Balkans Fund and the Early Transition Countries Fund, as well as the Neighbourhood Investment Facility, which is a facility within the European Neighbourhood Policy.

EU integration imposes considerable demands for reforms aimed at strengthening democracy and human rights and at modernising central and local administration. Consequently, democratic governance and human rights

is the largest sector in Sweden's support to the region. In absolute figures, infrastructure support has more than halved since 2006. Support to trade, industry and financial systems increased somewhat between 2007 and 2008. The scope of this support has, however, been limited. Support to health and education is also limited, which can partly be explained by the fact that these sectors lie outside the EU's requirement for common regulations.

Project support is the dominant aid modality in the region. Programme support has not been relevant for the governments of the recipient countries nor for major donors such as the European Commission, the World Bank or the UN. One reason for this is that, despite its importance for EU convergence, this aid generally represents only a limited part of the partner countries' government budgets. However, the European Commission introduced sector programme support in the neighbourhood countries in 2007 and Sweden's cooperation strategy for Ukraine represents an initial example of project support with a programme-based approach becoming more common in bilateral aid.

In 2008, the Swedish resource base continued to be the most important aid channel in reform cooperation with Eastern Europe. Nearly half of aid contributions were implemented by Swedish organisations. Cooperation partners seek expertise and experience that Swedish authorities and consultants are able to offer in the building up of capacity and institutions. The relatively extensive use of multilateral organisations, nearly one third of aid to the region, represents an approach whereby large-scale sector-like contributions can be carried out in cooperation with other donors.

In the period, coordination between donors took some small steps forward. In Bosnia and Herzegovina, donors coordinated their efforts to channel support to larger programmes. In Moldova, harmonisation continued regarding the national plan, in Georgia, harmonisation efforts involved reconstruction and, in Ukraine, the foundation was laid for donor coordination through programming coordinated with the European Commission.

Slightly more than 19 per cent of Swedfund's portfolio consists of equity investments and loans to companies in Eastern Europe. At the close of 2008, the company had commitments in 21 companies, of which 18 were direct investments, in a total of 11 countries, and three fund investments. An example of a direct investment worth mentioning is the Belarus Bank for Small Business (share: 9 per cent, cost: approximately SEK 6m). Among loans, it can be mentioned that Swedfund approved a loan of SEK 6.9m in 2003 to the Loostdorf dairy in Ukraine, which has since been repaid. The loan helped finance modern equipment with the purpose of improving the hygiene, safety and effectiveness of operations. Swedfund's total investments in Eastern Europe amounted to SEK 394m at the end of 2008.

Sweden also supports EU convergence processes through the European Commission's European Neighbourhood Partnership Instrument and its Instrument for Pre-Accession Assistance. For 2007–2013, the financing of the Neighbourhood Instrument amounts to EUR 12bn, of which a third goes to the Eastern Neighbourhood. The financing of the Instrument for Pre-Accession Assistance for the same period amounts to EUR 11.5bn.

4.5.2 Results from a selection of partner countries

The sections below report on the results of earlier strategy periods for Albania, Kosovo, Serbia and Ukraine.

Albania

The focus of development cooperation with Albania during the period 2004–2008 was to support just and sustainable reforms contributing to the country's EU convergence. During the strategy period, Swedish aid totalled SEK 370m, of which humanitarian aid amounted to approximately SEK 175 000. At the close of the period, some 40 contributions were being conducted in the areas of democratic governance and respect for human rights, gender equality, sustainable use of natural resources and the environment, economic growth, social development and security. Democratic governance and human rights was the largest sector during the period, followed by natural resources and health.

The transition index of the European Bank for Reconstruction and Development quantifies how far Eastern European countries have progressed in their transition to a market economy. Albania's result was 3.04 out of 4.33, which compares well with the region. Albania is a young market economy that is developing quickly. Sweden's support to the administration reform process has helped improve the availability of statistics, primarily in areas relevant to EU convergence, while methodology has also improved. The cost of this contribution amounted to SEK 13m. Administration at the country level has become more efficient. At a cost of SEK 18m, processes for local participation have been developed, encouraged and introduced as a model for how civil society can contribute to a reform process.

In the area of good governance, the Swedish results were positive also regarding the establishment of cooperation between Swedish and Albanian authorities on the labour market and taxation. Payments of taxes and social security contributions increased markedly as methods improved, although tax revenues still represent less than a third of the country's GDP, which is low for the region. A parallel drive on training and recruitment decreased personnel turnover, which has previously been a major problem. The costs for this contribution totalled SEK 17m.

A cooperative effort with the Albanian Ministry of Finance had the objective of reinforcing public financial management. To date, the results of this SEK 10m investment have been favourable, despite delays, with the Ministry's effectiveness increasing regarding the budget process and medium-term planning and with regard to the Ministry's cooperation with other Ministries. This has, in turn, contributed to greater effectiveness in the implementation of Albania's strategies for development and EU integration.

In the area of the environment, SEK 18m was used to help Albania tackle its waste problems. Developing a national model of waste management in line with EU requirements will take more time but at the local level in Korca, the project resulted in the remodelling of three waste depots and systems for the handling of hazardous waste and the registration and invoicing of waste costs.

Within the framework of the European Commission's Pre-Accession Assistance, programmes and projects involving policy reforms, the establish-

ment of institutions, civil society and regional development have been carried out. Evaluations of such support underscore the importance of local ownership, long-term planning for future development cooperation and the importance of Community aid being linked to Albania's strategic plans.

In the results-based analysis made at Sida's behest, it is affirmed that cooperation has been broad and spread over many sectors, in certain cases involving several mutually unconnected small-scale projects, which has reduced the effectiveness of implementation. Also underscored by the analysis is the fact that targets for a contribution may sometimes have been based on the capacity of the implementing organisation rather than needs. Some contributions have been impeded by high personnel turnover and weak ownership in the recipient country. Consequently, a lesson for the future is the importance of concentrating sectors and contributions for increased effectiveness. Another lesson is that continuous follow-up on ownership and institutional capacity is needed to ensure long-term sustainable results. The fact that results take time is demonstrated by the fact that the positive effects of anti-corruption efforts in Albania between 2002 and 2006 were not observable until a survey conducted by Transparency International in 2008.

Kosovo

Development cooperation with Kosovo during the period 2005–2008 had the objective of contributing to stability by strengthening Kosovo's integration with Europe. Sweden's role as an enduring partner to Kosovo was important during the period of UN administration and the establishment of independent rule. During the strategy period, Swedish aid totalled SEK 332m, of which humanitarian aid amounted to approximately SEK 3m. SEK 167m went to democratic governance and human rights.

In public administration, cooperation between the Swedish and Kosovan statistics authorities contributed to economic statistics for the calculation of Kosovo's national finances, and to gender-specific statistics in several areas. A national land survey and property register was established to facilitate economic and agricultural reforms.

In civil society, Sida's gender equality support via organisations including "Kvinna till Kvinna" of Sweden was of great importance for the emergence of the women's movement. Today, parts of this movement are working actively on ethnic integration.

Swedish support to increase donor coordination in the educational sector has provided good results, including the development of a national educational strategy. Following Kosovo's independence in February 2008, Sida worked with local players to develop support for the Serbian minority. Noticeable among the results are improved schools, training for Serbian women's organisations and the restoration of Serbian cultural heritage buildings.

In Kosovo, programmes within the Instrument for Pre-Accession Assistance have sought to increase administrative capacity at all levels, establish functioning rule of law and good governance and improve socioeconomic conditions for society in general. In evaluations, the importance of donor coordination and increased local ownership is emphasised.

Most projects had an extended timeframe, encouraging local ownership.

However, difficulties on the recipient's side, including finding qualified personnel and poor absorption capacity, decreased the effects of Sida's support. In other respects, the declaration of Kosovo's independence in 2008 has improved opportunities for the country to be a strong partner in development cooperation.

Serbia

The focus of Sweden's development cooperation with Serbia and Montenegro during the period 2004–2008 was to support just and sustainable reforms contributing to the country's EU convergence and integration into European cooperation structures. During the strategy period, Swedish aid totalled SEK 695m, of which humanitarian aid amounted to approximately SEK 8m. Swedish support focused on democratic governance and human rights, gender equality, economic growth and the sustainable use of natural resources and care for the environment.

More than a third of costs pertained to democratic governance and human rights and consisted of support to reform areas including the justice system, police and labour market, which are central from the point of view of EU convergence. The results, which are considered positive and sustainable in an evaluation conducted at Sida's behest, include the establishment of a training centre and training of judges. Support for a more modern personnel policy within the administration was confirmed as relevant and potentially sustainable. Within the framework of anti-corruption efforts a strategy and plan of action for combating corruption have been developed. Implementation began cautiously during the period.

Several contributions on human rights helped promote the EU's agenda against social exclusion through the adoption of legislation on gender equality and against discrimination. Implementation has begun well, primarily with regard to the rights of the Roma people, where concrete efforts have commenced locally to, for example, break the double discrimination suffered by Roma women and to increase their representation in the administration. Besides education and advice for partner organisations for more effective lobbying for legislation on gender equality, much of the work carried out by "Kvinna till Kvinna" involved long-term strengthening of the groups' organisational capacity.

The second-largest sector was natural resources and the environment. In an evaluation carried out at Sida's behest, the contributions were considered of clear relevance, although the sustainability of results, once handed over for management by the recipient, was not always as self-evident. One contribution in the area of district heating, with business plans being developed for the modernisation of municipal heating companies' operations, provides an example where results potentially entail a higher standard of living for broad groups in society but where the results will not be tangible until the plans have actually been implemented.

In the area of economic growth, the purpose of Swedish support was to improve the business climate and increase competitiveness. The relevance of the contributions is evident from the transition index of the European Bank for Reconstruction and Development which quantifies how far Eastern European

countries have progressed in their transition to a market economy. The result for Serbia was 2.85 out of 4.33. The results include a simplified registration procedure for new companies and an analysis and assessment of laws pertaining to business operations, which is expected to reduce costs. Through these contributions, which cost SEK 30m, registration now takes only a few days and costs a fraction of an average annual salary.

The programmes within the Instrument for Pre-Accession Assistance in Serbia have mainly focused on bringing about reforms in public administration, establishing well functioning rule of law and good governance in the police and justice systems, as well as improving national economic competitiveness. A number of initiatives to strengthen civil society have also been initiated. Evaluations stress the importance of increased local ownership, the continued development of administrative capacity, improved coordination between programmes within the Instrument for Pre-Accession Assistance and Serbia's long-term development strategy, as well as increased coordination between central and local government bodies.

Sweden's contributions have complemented other donors' support and coordination with the EU has been standard. A number of contributions have involved co-financing, including the fight against HIV and AIDS. Although harmonisation for greater aid effectiveness has been difficult to implement, attempts have continued, including with the new EU member states.

The programme has lacked concentration and well defined sectors and targets. Sweden has helped establish conditions for the implementation of reforms although actual implementation has not been possible in several instances. Many projects demonstrate sustainable results thanks to strong local ownership, although the effects are smaller at the sector level. Consequently, a lesson to be drawn is the importance of emphasising the sector perspective even where aid continues to be project based.

Ukraine

Development cooperation with Ukraine during the period 2005–2008 focused primarily on democratic governance and human rights, as well as economic reform. The remaining support was divided between the areas of social protection, the environment, common security and education and research. During the strategy period, Swedish support totalled SEK 402m. A third of costs concerned democratic governance and nearly an equal amount economic transformation.

Bilateral capacity building dominated during the strategy period. To increase the effect of small-scale contributions, Sida sought cooperation with multilateral organisations for approximately one third of its support. The lack of cohesive reforms due to political turbulence split support and impeded administration. The results were mixed. However, contacts with Ukraine were broadened over the period, with training and capacity building contributions reaching 10 000–15 000 people. Contributions brought assistance to approximately 5 000 victims of human trafficking, HIV and AIDS. Indirectly, many more were reached through various communication contributions or projects implemented by multilateral organisations.

In the area of democracy and good governance, Sweden contributed to the

introduction of probation as an alternative to imprisonment. In addition, Sweden contributed to the development of the dialogue between social partners and to the improvement of internal communications within the government offices through training measures and the production of a handbook. Swedish contributions on gender equality contributed to institutional development through the establishment of focal points for gender equality in the central administration and of regional advisors in 18 of Ukraine's 25 counties. The contribution cost SEK 10m and built on experiences from a previous contribution of SEK 4m that attracted a great deal of media attention for its pioneering work with fatherhood schools and with female participation in politics. The fight against human trafficking has not yet been won, but institutional know-how has been built up through cooperation with other donors over several years. Authorities have been trained, educational materials have been produced and cooperation with civil society has been developed. The church has also participated in the cooperation, as have organisations from Ukraine's neighbouring countries. Support is to be phased out in 2009 and has, to date, amounted to SEK 16m.

The European Bank for Reconstruction and Development's transition index for Ukraine indicates 3.07 out of 4.33, suggesting considerable progress in the country's transition to a market economy. Membership in the World Trade Organisation in May 2008 opened up new opportunities but also imposed new demands. Sweden's contribution to economic transition over the past strategy period, at a cost of approximately SEK 80m, included innovation, economic research and education. Contributions served to help build up institutions with leading-edge expertise. Innovation was introduced as an academic discipline at university level in Kiev and Lviv by Mälardalen University. To entice young researchers to return home following studies abroad, a Swedish contribution made it possible to establish an institute of economic research linked to the master's programme in economics that has received Swedish support for several years. Two programmes trained business owners and corporate managers, one with the purpose of establishing local management institutes, both involving exchange with Swedish companies as a central course component.

Community aid in Ukraine prioritised institutional reforms at the central and local levels. Within democratic governance, an independent and professional justice system was prioritised. Economic reforms and the private sector received support through, for example, projects for small and medium-sized companies. Within the framework of the Neighbourhood Instrument, work commenced on reforming the energy sector, with twinning as one of the channels employed. Community aid reached all Ukrainian regions, in areas including local infrastructure, municipal services and improved local administration. Cooperation also included support to the health sector and to civil society to build up capacity and strengthen its role in its interaction with the authorities.

The analysis of results carried out at Sida's behest stated that better results could have been achieved through greater concentration and better defined sectors. Flexibility and close cooperation between Swedish implementers and Ukrainian recipients made results possible in an environment of continued political turbulence. On the other hand, the link to sectors was weak. Small-scale contributions have often been insufficient and, when a sector link has

been sought through a multilateral implementer or cooperation with other donors, the environment has, in several instances, proven too complicated for the contribution to have an effect. Against this background, a considerable sector concentration has been undertaken in the new cooperation strategy for Ukraine for 2009–2013. The strategy comprises only two sectors and is characterised by a programme approach.

4.5.3 Assessment

What distinguishes reform support in Eastern Europe is that processes are relatively slow, politically sensitive and dependent on local ownership and the players' willingness to change. Due to inadequate administrative capacity and insufficient institutional and other reforms, it has not always been possible to reach the set cooperation targets. In addition, work on aid effectiveness has only just begun in Eastern Europe. Since programme approaches have not been generally applied, coordination and use of recipient countries' systems have been limited. Despite projects having been much in demand and central ownership in many cases having been strong in the selection of contributions, projects have not gained links to sectors that could have enhanced aid effectiveness.

Sweden's credibility among partners has often been strong thanks to the long-term perspective of its support. Partners have appreciated the competence of a Swedish resource base whose experiences have contributed to the building up of institutions and capacity firmly based in reality. Similarly the Swedish gender equality profile has been appreciated and perceived as clear.

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Results by thematic area

This chapter reports on the results of development cooperation by thematic area. The Government has chosen to prioritise three thematic areas during the electoral term: democracy and human rights, environment and climate, and gender equality and the role of women in development. These priorities have been chosen to accentuate a clear raising of the ambition level and are based on the assessment that there is a need and scope for contributions in these areas. A thematic priority is an issue or complex of problems of particular importance for Swedish development cooperation and where Sweden offers added value and is considered to be able to influence development in the right direction. The priorities entail the strengthening of policies and methods development in these areas. The priorities are to be reflected in the planning and implementation of Sweden's combined development cooperation contributions and shall form a point of departure in the dialogue with partner countries.

In addition to these three thematic areas, results are reported for the areas of economic growth, security and development, social development and protection, and research cooperation.

The sections Democracy and human rights, Environment and climate, Gender equality and the role of women in development, and Security and development are based on the classification of policy areas (see Section 1.2). For the section Economic growth, data has been collected from the principal sectors infrastructure, trade, industry, financial systems and natural resources (excluding the environment). For the section Social development and protection, data has been collected from the principal sectors health and education. For the section Research cooperation, data has been collected from the principal sector of the same name. As mentioned in the introduction a certain degree of overlap arises in the reporting of costs in the thematic sections (see Section 1.2). Consequently, the report provides only a rough indication of the extent of operations within each thematic area.

The examples accounted for were carried out between 2000 and 2008. They have been selected with the purpose of providing as comprehensive a view of Swedish development cooperation as possible. The ambition has been to provide examples from different regions, country categories, sectors, aid modalities and channels. The reporting of both positive and negative results has been a significant facet in providing a realistic picture of operations. However, the selection is not representative in a statistical sense. The development

cooperation contributions through Sida exemplified in the thematic sections amounted to 8 per cent of Sida's total costs in 2008.



5.1 DEMOCRACY AND HUMAN RIGHTS

In the last 30 years there has been a considerable reduction in the number of authoritarian states and, at the same time, new democracies have emerged. For the first time in history, the majority of governments worldwide are constitutionally representative and democratic. Having said that, developments are not equally positive everywhere and in recent years there have been worrying indications that democracy and political freedom are, instead, declining. The majority of Sweden's bilateral partners in development cooperation comprise states with governments formally elected by the people. However, in many of these countries there are weaknesses regarding the respect for human rights, political participation and accountability.

Several of Sweden's partner countries fail to respect international conventions on human rights. This applies particularly to countries in conflict situations, as shown by the Democracy Index used for international comparisons. At the same time, in recent years several of Sweden's partner countries have signed or ratified core human rights conventions, such as the International Covenant on Civil and Political Rights. At global level, new human rights instruments and institutions have come into being, such as the UN Convention on the Rights of Persons with Disabilities, and the International Criminal Court. This means that pressure is increasing on all countries to follow the conventions.

The connection between democracy building and poverty reduction is complex. There is no direct, empirical support for a causal connection between democracy and economic growth. Rule of law and equality before the law; rules governing the market economy, including property rights and freedom of contract; freedom of the press and freedom of expression; as well as a relatively even distribution of productive resources – all these create conditions favouring economic growth. The poverty reducing strategies of Sweden's partner countries nowadays always include measures to strengthen democratic governance. However, the strategies vary a great deal between countries on questions of democratic participation and the will to include measures that increase respect for human rights.

5.1.1 Facts and figures

In 2008 Sida used around SEK 5.2bn of bilateral aid for contributions mainly intended to promote democracy and human rights. Thirty-four per cent was used for regional and global contributions, 17 per cent went to countries where Sweden conducts long-term development cooperation, and 25 per cent went to countries in conflict or post-conflict situations. Afghanistan was the country that received most direct aid. Around SEK 8bn was used for contributions with the subsidiary objective of promoting democracy and human rights.

In addition to bilateral aid via Sida, measures to promote democracy and human rights are channelled through the Ministry for Foreign Affairs. This is

done primarily through support to UN bodies and the development banks.

Development cooperation under the heading democracy and human rights involves a great many actors and complex processes for change, such as the introduction of multi-party systems, reform of state administration and the judicial system, and increased self-governance at a local level. The work is often politically sensitive which means that a flexible use of different methods, channels and means of support are necessary.

To clarify and focus Sweden's support for democracy and human rights, the Government in 2008 published a communication entitled "Freedom from Oppression – a Government Communication on Swedish Democracy Support" (Skr. 2008/09:11). As part of policy development, the Government confirmed in this publication the aims concerning 1) civil and political rights, 2) democratic and judicial institutions and procedures, and 3) actors in the democracy building process. Reflecting this focus, the Government took the initiative of announcing in the 2009 Budget Bill a special investment in democracy building and freedom of expression.

The Government's standpoints in the Communication were followed up during 2009 with a specific policy which in turn guides the future direction of geographic and non-geographic strategies. The policy should also pave the way for a clearer focus of the principal sector democratic governance and human rights, which has hitherto been all too vaguely defined.

Support for democracy and human rights means integrating a rights perspective in other sectors (for example, agriculture, health and education). This is brought about by promoting the principles of participation, non-discrimination, openness and transparency in, for example, a health programme. The example from Kenya below shows that results can be achieved if a rights perspective is integrated in a coherent and systematic way.

The greater part of Sida's support for democracy and human rights is provided in the form of project support, with only a relatively small amount in outright programme support. The reason for this is that contributions to support democracy and human rights often dominate in countries where conflict and political instability limit the possibilities for long-term programme support. Admittedly, programme-like aid modalities where donors coordinate their support behind broad programmes rather than financing narrower projects are common. However, the lesson is that where conditions are right, forms of programme support are more effective than traditional project support. One example is un-earmarked aid for civil society organisations (core funding support). Core funding support gives partner organisations the possibility of building up an effective organisation in a way that is not possible with project support.

Nearly half of Sida's support for democracy and human rights goes to non-governmental organisations in partner countries. A large part of this aid is channelled via Swedish civil society organisations. The remainder is increasingly channelled through umbrella organisations, funds and various forms of donor-coordinated financing. In 2006–2009 Sida provided such support to the ten largest partner countries, excluding Afghanistan and Sudan. This form of support predominates overwhelmingly in aid to civil society organisations in certain partner countries (Kenya, Mozambique and Zambia).

The principal aim of this type of aid is to promote the growth of a pluralistic

DIAGRAM 5.1
Development cooperation through Sida by category of country, 2008, Democracy and human rights

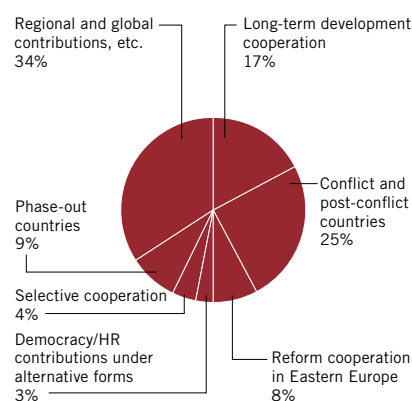
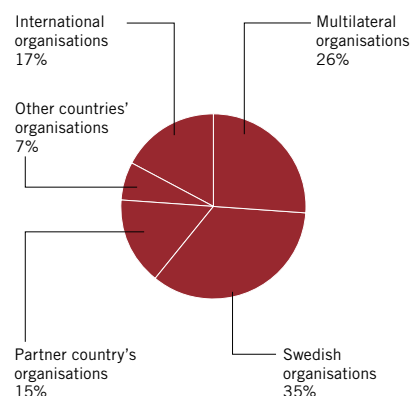


DIAGRAM 5.2
Development cooperation through Sida by aid channel, 2008, Democracy and human rights



and robust civil society that can produce opinion-formers and human rights defenders, and act as a channel for political participation. Civil society organisations often channel public complaints, demands and requests to the authorities. In recent years, more and more organisations have begun to work with the rights of lesbian, gay, bisexual and transgendered (LGBT) persons. Substantial regional support was granted in 2008 to organisations that work with the rights of lesbian, gay, bisexual and transgendered persons in South Asia (Bangladesh, India, Nepal, Pakistan and Sri Lanka). Skills development in this area is provided by Sida's international Lesbian, Gay, Bisexual and Transgendered Persons (LGBT) and Human Rights training programme, which in 2008 was held for the second year running with 26 participants from Bangladesh, Georgia, India, Kyrgyzstan, Nepal, Pakistan, Russia, Sri Lanka, Turkey and Ukraine. The large amount of interest in the course will mean a doubling of the number of participants in years to come.

Experience shows that good results in the form of greater knowledge and changes of attitude in civil society are not always able to influence hierarchical and undemocratic structures at a political or institutional level in partner countries (see the example of Diakonia's measures in Latin America, detailed below). A combination of institutional support to state actors and support to civil society can therefore be expected to give better results at a national level.

Institutional cooperation between Swedish authorities or organisations and their equivalents in partner countries are an important form of cooperation, particularly in public administration (see examples from Bolivia and Vietnam, detailed below). During 2006–2008 in the ten largest partner countries such contributions were put into effect in Mozambique (internal audit of accounts by the Swedish National Financial Management Authority), Nicaragua (police reform by the National Swedish Police Board) and Vietnam (parliamentary reform by the Swedish Riksdag, and statistical reform by Statistics Sweden). An evaluation of Swedish support in compiling statistics shows that institutional cooperation gives good results in developing capacity and raising the technical competence of the partner country.

Around a fourth of Sida's democracy and human rights aid is channelled via multilateral organisations. Support from the Ministry for Foreign Affairs is also channelled via multilateral organisations. Channelling aid via the UN is beneficial in terms of coordination and often the best solution politically. In countries affected by conflict and authoritarian states, politically sensitive measures such as support for elections, for parliament, for political parties (broad programmes) and for civil rights are often made via UNDP, which has the necessary politically neutral legitimacy (see also Chapter 9). Mostly for the same reasons, UN organisations are used as channels for Swedish aid to civil rights organisations in several partner countries, for example in Kenya where it is channelled via the UN Development Fund for Women (UNIFEM), UNICEF and UNDP.

Sweden's support to a selection of strategically important multinational and international organisations, primarily the UN's Office of the High Commissioner for Human Rights (OHCHR), have played an important role in maintaining, developing and carrying through a global norm system for democracy and human rights. The same organisations serve as important Swedish dialogue

partners in influencing international work for democracy and human rights. Sida's experience is that support for these organisations has been effective, especially for the rapid spread of information and models for working with, for example, monitoring of and education in human rights down to a national level.

The multilateral development banks also work with the promotion of democracy via support for good governance and anti-corruption work. The work is primarily achieved by building institutions such as a functioning judicial system and effective authorities. Sweden has, for example, helped the African Development Bank select good governance as one of its areas of focus. The multilateral development banks' mandate to work directly with human rights is more limited. However, Sweden, with the other Nordic countries, has worked for the establishment of a World Bank multi-donor trust fund for human rights. The fund, which was established in 2008, aims to enhance the bank's capacity to work with a rights perspective and to make its analytical and operational work on poverty reduction more effective.

The EU has a specific instrument for promotion and support of democracy and human rights worldwide, the European Instrument for Democracy and Human Rights (EIDHR). Support is channelled primarily through the co-financing of projects via civil society organisations, but the EU also works in forming opinion against torture and for the abolishment of the death penalty. The EU also supports electoral processes and in 2008 sent election observers to Angola, Bangladesh, Ecuador, Ghana, Guinea-Bissau, Cambodia and Rwanda.

5.1.2 Results of selected projects and programmes

Results from a selection of measures in Swedish bilateral and multilateral development cooperation in the field of democracy and human rights are shown below.

The Office of the High Commissioner for Human Rights (OHCHR)

Since 1993 Sweden has provided support to the OHCHR. The aim is to enhance the OHCHR as a central actor with a mandate to promote respect for human rights both nationally and globally. Sida's costs for 2008 amounted to SEK 52.5m of the OHCHR's total costs of around SEK 1bn. In recent years, via education, dialogue and institutional cooperation, the OHCHR has contributed to:

- the introduction of laws aimed at promoting human rights in Colombia, Sierra Leone and Sri Lanka,
- the establishment of ombudsmen for human rights in Sudan and Sierra Leone,
- the heightening of the capacity of UN teams to integrate human rights into national programmes, along with national reports on the application of conventions on human rights,
- the raising of consciousness and knowledge of human rights among police, the judiciary, prison personnel and the military in over 30 countries.

In the Government's estimation the OHCHR is a strategic and meaningful actor in the field of human rights, both in normative and practical terms. Despite complicated relationships at national level the OHCHR's work has led to important progress in promotion of human rights.

Support for democracy in Latin America

Sweden has worked a long time to promote a democratic development in Latin America, among other things through cooperation with Diakonia. In 2008 Sida's support for Diakonia's programme in Latin America amounted to SEK 92.9m. The programme, which consists of democracy building projects in several countries, has as its overall goal the promotion of democratic participation and capacity development at local level through, among other things, dialogue and advocacy. The programme has resulted in:

- increased knowledge of participants concerning their rights and how these can be exercised and protected, particularly those of women who have not previously been organised or had contact with the authorities
- more social contacts and networks that in turn lead to new possibilities for political organisation.

According to an evaluation, the programme has achieved the majority of its stated goals. Despite improvements in knowledge and exercise of rights, many leaders said that in their experience they continued to have little influence on local authorities because of hierarchical power structures and corruption. According to Sida the evaluation illustrates the difficulties and lack of sustainability in developing capacity among individuals and organisations without changing decision-making processes and public institutions at central and local level. The conclusion backs up Sida's general experience of such measures.

Free and fair elections in Bangladesh

In conjunction with the planned 2007 election in Bangladesh there were strikes and riots in which at least 40 people were killed. This led to a postponement of the election and the appointment of a transitional government. UNDP has helped the government in Bangladesh to improve its electoral system and make fair elections possible. UNDP's total budget for electoral support came to USD 78.8m. Sweden contributed around USD 1m and the EU Commission USD 18.8m. The Bangladeshi state contributed USD 29.4m and the army helped in opening up access to the most remote parts of the country. The aid has resulted in:

- a new electoral register, see-through ballot boxes and the installation of new information technology
- national election campaigns encouraging people to vote and telling them how voting works
- changed borders for 130 electoral districts to make them more equal in voting power.

On 29 December 2008, 87 per cent of the population with a right to vote participated in the election. Eighty million electors had been registered with the help of UNDP and more than 200 000 national and 500 international observers monitored the election. The election received praise from EU observers.

Anti-corruption programme in Bolivia

Sweden supports an anti-corruption programme in Bolivia (Programa Integral Anticorrupción). The programme is an example of donor coordinated aid aiming for long-term structural changes to reduce corruption. Since 2005 Sida's support for the programme has increased to SEK 10.8m, which comprises

around a third of the total budget. The programme's overall aim is to enhance the institutional capacity of the four participating authorities. The expected result is that corruption in public administration will be reduced. The programme has resulted in:

- more trials and convictions for corruption
- the programme's aims being reflected in Bolivia's long-term development plan. Clear political support for the programme has improved institutional conditions for anti-corruption work in Bolivia.

The measure met with initial problems due to constant turnover in the leadership of all four participating authorities. Since 2007 this has become less of a problem, which has created conditions favouring better coordination and results. Despite initial delays and internal problems, important progress has been made in a difficult area. The assessment is that the programme has gained increased political support in Bolivia.

Integration of rights perspectives in development cooperation in Kenya

Sweden is working for the integration of a rights perspective in development work in Kenya (Mainstreaming In Action, MAINIAC). MAINIAC is Sweden's most ambitious attempt thus far at systematically integrating a rights perspective in all sectors of a national programme and in this way promoting democracy and human rights across the board. The contribution focuses on capacity development within Sida, both internally and in the field, and in relation to cooperation partners. An evaluation carried out by SADEV in 2008 showed that integration of a rights perspective, particularly the principles of participation and non-discrimination, had a major influence on how programmes in different sectors were developed:

- within the sectors Water and Urban development, marginalised groups have become more involved in the planning of programmes
- in the Agricultural sector stakeholder groups have been set up as a result of education in the rights perspective, which has led to groups hitherto discriminated against, such as women, being given support by agricultural advisers.

The conclusion of the evaluation is that work in integrating a rights perspective has had a positive effect on all sectors in which Sweden is active, but that the degree of integration varies. According to Sida, MAINIAC can serve as a model for work on the rights perspective in other partner countries.

The enhancement of judicial rights in Pakistan

Trust in and knowledge of the legal system is weak in Pakistan. Partly this is a result of lack of effectiveness and an uneven treatment of different ethnic groups. In 2001 Pakistan started the Access to Justice Programme, the aim of which was to build up the trust of vulnerable groups in the judicial system and ensure their access to it. The programme was financed by the Asian Development Bank with loans and grants totalling around USD 350m for 2001–2007. Sweden has contributed to the programme via its role in the Asian Development Bank. The programme has resulted in:

- increased access to the judicial system for vulnerable groups

- the average time for a hearing in a district court being cut from 13.3 to 8.6 months (2006)
- the number of cases per judge being reduced from 834 to 753 (2005)
- a strengthening of skills and capacity within the judicial system
- the proportion of women employed in the judicial system increasing from 5.3 per cent in 2001 to 9.8 per cent in 2007.

Through educational measures taken in the judicial system and advice given to decision-makers in the national and provincial parliaments, conditions have been created for judicial reforms that provide greater legal security in society. For example laws have been passed in Punjab on consumer protection and the individual's right to judicial service.

Statistical development in Vietnam

Statistics Sweden and the General Statistics Office of Vietnam (GSO) cooperated to strengthen GSO as an organisation and to develop statistical information so it is produced in a timely manner, is of good quality and is cost effective. This contribution is an example of institutional cooperation between a Swedish authority and its counterpart in a partner country. Sweden's cost in the period 1995-2005 amounted to SEK 67m. The programme has resulted in:

- rapid production of economic statistics of good quality by GSO
- GSO using international classifications in accordance with UN norms. A company register has been developed and a computerised system established to produce and disseminate data
- GSO is an organisation that governs its own development, has the ability to analyse problems and find solutions and adapt experience from other statistical authorities to Vietnamese reality.

An evaluation shows that most of the programme's goals have been achieved. Sida's assessment of the programme coincides with that of the evaluation. GSO is now both judicially and in practice a modern statistical authority in line with the UN's principles for public statistics. The programme has contributed to enhancing conditions for both economic growth and good social governance.

5.1.3 Assessment

Experience and evaluation of direct support for democracy and human rights over a ten-year period shows clear positive results at both project and programme level.

Swedish aid has to be seen in relation to the partner country's requirements, its own efforts and many other internal and external political and economic factors. Because Swedish aid most often comprises only a small part of the total aid in the area, consideration must also be given to other donors.

However, one important conclusion that may be drawn is that Swedish aid has contributed to the promotion of democracy and human rights. This is shown through a sound fulfilment of goals at the contribution level, particularly in support of freedom of expression, support for the judicial system and for civil society, and in the integration, to an increasing degree, of both a rights and poor people's perspective in all aid. Experience shows that long-term development of public institutions through institutional cooperation between Swedish

authorities or organisations and their counterparts in partner countries gives good results. Comprehensive support for capacity development of the civil society has contributed to changes in attitude and awareness. The above example of Diakonia's contributions in Latin America shows this. Positive results have also been achieved through support to organisations and actors who work to strengthen the global system of norms and rules for human rights.

To achieve effective results it is necessary that support for democracy and human rights succeeds in influencing political power-sharing in a country, which means certain people giving up power while others gain more. This makes support for democracy and human rights perhaps the most difficult of all aid sectors. One difficulty in putting support into effect is finding the right key players and institutions among the large number of actors in the sector. Another difficulty is to achieve the right balance between the need for lesser, short-term contributions and the need for long-term and larger-scale contributions.

Support for democracy and human rights needs to be made still more effective. Because progress for democracy and human rights is limited and sometimes goes into reverse in several of Sweden's partner countries, despite contributions to a large degree having given positive results, analysis must continue as to how Sweden can increase the effectiveness of its total support for democracy and human rights. This concerns assessments of the effects of specific contributions as well as making sure that the type and form of contribution, or combination of contributions, are those most likely to achieve a certain result.

5.2 ENVIRONMENT AND CLIMATE

Climate change will hit low income countries and the poorest sections of the population hardest. The question of adaptation to climate change is therefore central to Sweden's environmental and climate aid. In many of Sweden's partner countries the consequences of climate change are already being felt, with severe consequences in respect of food supply and health. Environmental and climatic conditions differ between partner countries, which makes it difficult to compare environmental and climate-related results. However, the general prognosis for achieving the UN's seventh Millennium Goal on ensuring environmental sustainability is dismal. Six of Sweden's partner countries belong to the ten countries with most deforestation in the world (the Democratic Republic of Congo, Indonesia, Sudan, Tanzania, Zambia and Zimbabwe). In Afghanistan, Burkina Faso, the Democratic Republic of Congo and Mozambique more than 90 per cent of the population lacks access to electricity. The aim of halving the number of people lacking access to sanitary comforts will, in all likelihood, not be achieved in any of Sweden's partner countries. The aim of halving the percentage of people without access to safe drinking water is expected to be reached globally but not in most of Sweden's partner countries, above all in Africa and South Asia.

In low income countries every person is, relatively speaking, more dependent on the country's natural resources than on other capital. Sustainable management of the environment and natural resources is a precondition for poverty reduction in these countries. Unfortunately, studies show the opposite



is the case. The worst results for sustainable management of the environment and natural resources are from countries in southern Africa and South Asia. However, in several of the countries where Sweden is pursuing long-term development cooperation, greater emphasis is being placed on environment and climate issues in national plans and strategies for the reduction of poverty. How this is reflected in the annual allocation of funds to different environmental and climate-related ends is not clear. Political will is not being translated clearly enough into practical action. Thus there is every reason to intensify efforts in political dialogue and policy work.

5.2.1 Facts and figures

In 2008 around SEK 1.8bn of the bilateral aid distributed by Sida was used for measures with the main aim of promoting the environment and sustainable development. Fifty-four per cent was used for regional and global measures, 18 per cent went to countries where Sweden pursues long-term development cooperation and 5 per cent to countries affected by conflict. Uganda was the country that received most direct aid. Additionally, around SEK 7.4bn was used for measures the subsidiary objective of which was promotion of the environment and sustainable development.

In addition to bilateral aid, Sida channels means to promote environment and climate via the Ministry for Foreign Affairs. This is used primarily in support for UN organisations, the development banks and the Global Environment Facility, GEF.

The aim of Swedish environment and climate aid is to contribute to an environmentally sustainable development, and in so doing create conditions in which poor people can improve their standard of living. To achieve this, Sida works with the mainstreaming of environment and climate issues, dialogue and direct investment. Environment and climate mainstreaming means that these issues are to be observed in all Sida's activities, processes and contributions.

Environmental and climate problems are different in terms of their local, regional or global spread. They call for different types of contributions. The three largest channels for environmental and climate aid through Sida in 2008 were Swedish organisations, multilateral organisations and organisations in partner countries. Channelling support through the partner country's organisations gives the advantage of strong ownership, local support and increased relevance. However, channelling aid via Swedish organisations with cutting edge competence in particular sectors has been shown to be effective. Sweden's resource base is strengthened while at the same time Swedish expertise can contribute in dialogue with partner countries and international partners. Multilateral organisations such as the UN Environment Programme (UNEP) have an important standard-setting role in dealing with global development issues.

In addition to financial support, part of environmental and climate aid goes into work with dialogue, particularly within the framework of sector and budget support. Experience shows that working with dialogue on complex issues such as the environment and climate takes time, knowledge and resources. Sida therefore concentrates on developing support and tools in order to make dialogue more effective.

DIAGRAM 5.3
Development cooperation work through Sida by category of country, 2008, Environment and climate

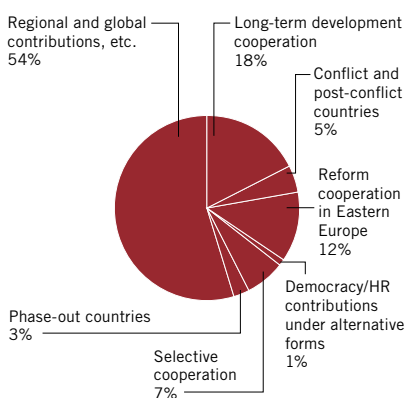
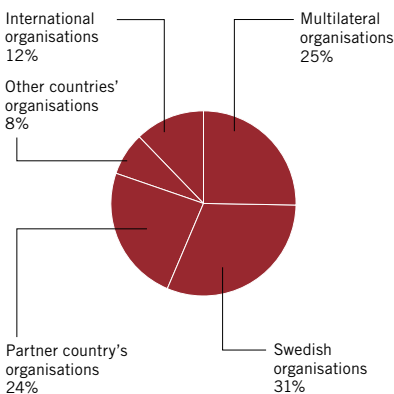


DIAGRAM 5.4
Development cooperation work through Sida by aid channel, 2008, Environment and climate



A large amount of environmental and climate aid today is in the form of project support (68 per cent). The amount of programme aid is 8 per cent. Sector programme aid is seldom used to deal with environmental problems. In addition to project and programme support, slightly more than one tenth of environmental and climate aid took the form of humanitarian aid.

On Sida's initiative, the Swedish Agency for Economic and Regional Growth is working in cooperation with the Swentec project DemoMiljö, which gives authorities, local governments, institutions and companies the possibility of trying out new techniques for sustainable urban development and renewable energy. Support is aimed at partner countries in Africa, Asia, Latin America and Eastern and Central Europe. It gives partner countries the possibility of testing modern environmental technology solutions and companies the possibility of demonstrating their expertise and products. Sectors that may receive aid are air, water and sanitation, waste disposal, energy efficiency, renewable energy, soil pollution, noise and urban transport.

A discussion on the international environmental architecture is taking place in the UN. Sweden is working for reforms aimed at reducing fragmentation, increasing consensus and strengthening the link between international environmental conventions and development cooperation. Work in the UN Commission on Sustainable Development aims to contribute to the realisation of the Millennium Development Goals and putting into effect the 2002 Johannesburg Declaration on Sustainable Development. The UN Commission on Sustainable Development has started work on a global ten-year framework of programmes for sustainable consumption and production.

When taking up environmental and climate issues internationally, Sweden makes use of lessons learned from dealing with other cross-sector issues, such as HIV/AIDS. Sweden opposes the creation of new funds unless a clear added value is demonstrated. Instead Sweden wants existing mechanisms to function more efficiently. For example, the Government has been one of the strongest voices in favour of reforming the GEF, to give it a clearer role so it can better deliver the desired results. GEF, which is a financial mechanism for six environmental conventions, finances measures in developing countries to achieve the goals established in the conventions. Sweden is the seventh largest donor and in the period 2006–2010 will contribute SEK 850m to GEF.

The international financial institutions have an important role to play in environmentally sustainable development. At meetings of the executive boards of the development banks, Sweden repeatedly takes issue on the environmental and climatic consequences of proposed projects and programmes. On several occasions Sweden has refrained from approving projects or programmes because they fail to take the environment into account and to emphasise the importance of sustainable development. In the African and Asian development banks this has contributed to the integration of environmental and climate perspectives into their activities, including access to clean energy.

Sweden has contributed to the drawing up of the World Bank's new Strategic Framework for Development and Climate Change, adopted in the autumn of 2008. Similarly, Sweden has sought to bring about a clearer mainstreaming of environmental and climate change aspects in projects financed by the World Bank's International Development Association (IDA) which grants loans and

provides grants to low-income countries. The Government finds support via IDA an effective means of supporting the adaptation to climate change of developing countries.

Sweden has also taken part in discussions on the establishment of Climate Investment Funds administered by the World Bank. These funds finance investments carried out by a number of actors, including the other multilateral development banks. The Government is of the opinion that the Clean Technology Fund established under the Climate Investment Funds to focus on emission reductions, energy efficiency and transfer of technology fulfils an important, hitherto missing function.

5.2.2 Results of selected projects and programmes

Shown below are results from a selection of contributions that are part of Swedish bilateral and multilateral development cooperation work in the field of environment and climate.

Increased negotiation capacity for developing countries

Sweden contributes to the European Capacity Building Initiative, the aim of which is the strengthening of G77, the developing countries' negotiation group in international negotiations under the UN Convention on Climate Change. Swedish support for the project in the period 2005–2008 was SEK 8.1m, almost a third of the programme's total financing. According to an evaluation the programme has contributed to:

- developing countries to a larger degree speaking with one voice in climate negotiations and an increased understanding between EU negotiators and their counterparts from the developing countries
- climate change being given a higher priority in many countries
- the developing countries having improved their opportunities to achieve the objective of strengthening the perspective of vulnerable countries and groups in climate negotiations.

An increased capacity of partner countries to make their voices heard in international climate change negotiations helps developing countries to adapt and take preventive measures to deal with climate change. An overall evaluation judges the programme to be effective. However, the evaluation states that the programme would be still more effective if greater effort were made to integrate its three subsidiary areas.

Regional support to Africa to help it achieve the Millennium Development Goal for water and sanitation

Sweden supports the World Bank's Water and Sanitation Programme (WSP) in Africa. This strengthens the capacity of regional organisations to support national efforts aimed at giving poor people access to water and sanitation. Sida's contribution has increased to SEK 45.8m of the total costs of SEK 173m for the period 2006–2008. One aim of the programme is to help selected partner countries (Burkina Faso, Kenya, Tanzania and Uganda) develop national strategic plans for reaching the Millennium Development Goals on water. Another is to increase the focus on environmentally sustainable sanitation. The programme has resulted in:

- collection of information on how far the region has come towards achieving the Millennium Development Goal for sanitation. This has been presented at strategically important meetings, leading to a greater consciousness among African leaders of the importance of investing in sanitation
- increased dialogue and cooperation between the African Council of Ministers for Water, AfDB, the World Bank and various UN organisations. Several joint initiatives have been taken under WSP leadership (for example, the February 2008 Durban Ministerial Conference on Sanitation)
- around 30 African countries uniting at the Durban conference on an action plan to set up national authorities responsible for sanitation and for sanitation to receive its own budget line in the national budget
- the development of a national and regional system of planning, resource management and accountability for water
- a breakthrough for ecological sanitation in large-scale projects in Ethiopia, Rwanda and Uganda.

Through its support for the programme, the Government has supported several African countries in taking greater responsibility for providing basic sanitation for poor people, a prerequisite for their improved health.

More effective energy use in Asia

Sweden supports the Asia Sustainable and Alternative Energy Programme, which promotes increased use of alternative and renewable sources of energy, access to energy in general and more effective energy usage via catalyst projects in Bangladesh, India, Indonesia, China and Vietnam. Sida's share in funding the programme was SEK 15m in 2007–2009. The total budget for the programme in this period was USD 9m. The programme has generated follow-up investments amounting to hundreds of millions of dollars from GEF, the World Bank and local financing. Up to 2008 the programme has given direct results as outlined below. In addition it has led to investments that in turn have generated still more results, which are shown in parentheses:

- access to commercial energy services for 1.1 million households (2.5 million households)
- an increase of generating capacity of 1 455 MW (10 900 MW)
- energy savings of more than 6 Twh
- a reduction of annual carbon dioxide emissions of around 2.2 million tonnes (515 million tonnes).

The Government's estimation is that there is, in the long run, great potential and interest for the development of renewable energy in Asia. However, the mid-term perspective is that this will have a marginal effect on total energy production because renewable energy at present does not have a very large production share, neither does it dominate planning of additional generating capacity. The estimation is based on an analysis of the region's present energy mix, in which renewable energy comprises less than 5 per cent of the total and where the goal in different national plans indicates a 10 per cent share in 15–20 years if generating capacity is doubled. Coal, gas and oil will continue therefore to be the region's primary energy sources.

Ecological sustainability around Lake Victoria

Lake Victoria Catchment Environmental Education, a programme to encourage ecological sustainability around Lake Victoria, was put into effect in 2004–2007 via World Wildlife Fund support to local organisations. Sida provided financing of the programme with SEK 5.2m from 2005–2006. The aim of the programme was to secure ecological sustainability in the area around Lake Victoria. A short-term aim was to change attitudes to and customs concerning natural resources among people in villages situated in the drainage basin of the lake in Kenya, Tanzania and Uganda. An indicator was the frequency of illnesses caused by the physical environment. The programme has resulted in:

- the number of cases of typhus per month sinking from 200 to five in one community. The total disappearance of water-borne disease in another.
- a decrease in deforestation caused by the cutting of firewood, reduced soil erosion, and increased biological diversity in wetlands, including the return of the crowned crane – an endangered species – to two areas of marshland.
- the integration of environmental questions in everyday education, and several environmental projects by schools. More than 95 per cent of teachers and teaching assistants were instructed in environmental integration. Thanks to the programme pupils in the schools concerned have changed their attitudes to environmental issues and have passed on their knowledge to their families.
- agriculture being changed (organic cultivation and diversification of crops), improved soil fertility, increased access to nutritious foods and higher incomes.
- schools being able to offer pupils and teachers nutritious food, and receiving extra income through selling products surplus to requirements.

The programme has shown progress in terms of biological diversity and ecological sustainability but also an increase in people's direct incomes and a diversification of income strategies. One reason why the programme achieved such good results in so short a time was that it was drawn up from a proper problem analysis and had clear goals.

Establishment of an environmental authority in Vietnam

Sida's costs for Strengthening Environmental Management and Land Administration, a bilateral programme for environmental management in Vietnam, in the period June 2004–December 2008, amounted to SEK 174.6m. The programme's aim is to establish an environmental administration which can contribute to economic and environmentally sustainable development and the fight against poverty and also meet the population's demand for services in an egalitarian and effective way. The programme has resulted in:

- more modern environmental legislation being introduced
- rules for environmental protection being formulated by villagers themselves
- local administrative competence being strengthened.

A fundamental precondition for sustainable environmental development in partner countries is modern environmental legislation and more effective environmental administration. Sweden's contribution to a more effective

environmental administration in Vietnam can therefore have long-term effects on growth and poverty reduction. Less successful has been the aim of fulfilling on an egalitarian basis the population's needs and demands for services. The reason is that the programme has focused more on developing the competence of civil servants than on bolstering the civil society's ability to demand that the authority be brought to account if it fails to fulfil its undertakings. The programme needs to be scrutinised and the follow-up system strengthened to better evaluate to what degree the needs of vulnerable groups are catered for by the local administration.

5.2.3 Assessment

Through development cooperation in the environmental and climate area, Sweden has helped strengthen the ability of partner countries to take greater responsibility. Partner countries' ability to make their voices heard in climate negotiations has increased and in Africa national and regional systems for the water sector have been developed. Swedish aid has also contributed to concrete improvements at local level. For example, energy contributions in Asia have also led to increased access to energy services and to energy savings.

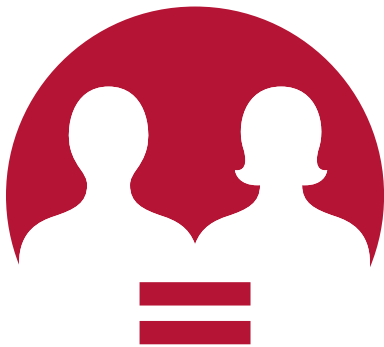
Environmentally sustainable development is a precondition for achieving good development results. Experience shows that national ownership is central for success in dealing with the environment and climate and that contributions will have the greatest effect if they are made in conjunction with national reforms. Institution and capacity building is important for long-term and durable results. Contributions do not need to be large and costly to yield long-term results for environmentally sustainable development. High quality work to influence international environmental and climate efforts, together with dialogue and support at national and local level, will be decisive in several sectors, for example in adapting to climate change.

Environmental and climate integration in cooperation strategies and in the national poverty reduction plans of partner countries have been improved. The Government intends to continue this work and stresses the need for integrating the climate issue more clearly into the national plans and strategies of partner countries and in Swedish development cooperation. Climate change adaptation and risk reduction in particular should be mainstreamed in Swedish aid. The International Commission for Climate Change and Development, set up on the initiative of the Government, planned to present in May 2009 its conclusions as to how this work should go.

The whole picture clearly shows the importance of using different channels and forms of support for quality results. Cooperation at regional level between a number of donors and multilateral aid is successful for larger water and energy programmes, while smaller projects can show very good results at village level. It also becomes apparent that environmental and climate issues are closely related to other areas. Regional water programmes can result in improved integration in sectors such as trade and reduce the risk of conflicts. Energy is a sector in which environmental, climate, health and development benefits are particularly apparent, in both the short and long term. The identification of connections between different prioritised sectors is therefore fundamental in

achieving good development results. One challenge will be to reduce the amount of fragmentation in environmental and climate aid. This is a result of the relatively large proportion of project aid.

Swedish environmental and climate-related development work is of good quality. The Government's prioritising of the environment and climate has given results. Sweden has strengthened its bilateral and multilateral development cooperation for the environment and climate. Sweden contributes globally and in bilateral cooperation in drawing attention to the importance of environmental and climate issues for local, regional, national and global sustainable development.



5.3 GENDER EQUALITY AND THE ROLE OF WOMEN IN DEVELOPMENT

The promotion of gender equality and the human rights of women and girls is increasingly a central issue in global politics, policies and international negotiations. However, actual development in these areas has been erratic in recent years. While some progress has been made, nearly everyone is agreed that there are significant weaknesses in the implementation and impact of policies and strategies for gender equality and women's empowerment, both globally and in developing countries.

Several of the UN's Millennium Development Goals (MDGs) affect gender equality and focus on improving conditions for women and girls. Moreover, increased gender equality and strengthening rights and conditions for women and girls are prerequisites for achieving all of the Millennium Development Goals. Trends show mixed results among Sweden's partner countries in achieving these goals. School attendance by girls has increased in southern Africa and western Asia. In Mozambique, the number of girls in school has increased by more than 30 per cent since the beginning of the 1990s. In West and Central Africa, the tendency is the opposite. In the Democratic Republic of Congo the number of girls enrolled in school is falling. Currently more than 2.5 million girls do not attend school.

Some progress has been made with regard to women as economic actors. Economic participation by women has increased to 40 per cent of all paid work outside the agricultural sector, compared with 35 per cent in 1990. However, working conditions for women have not improved. Today there are more job opportunities for women but because these are often poorly paid and insecure, their actual economic empowerment is limited. Moreover, a large number of women and girls work in the informal sector, which adds to their marginalisation in relation to national, mainstream economic development. In Kenya, it is estimated that more than 80 per cent of women work in the informal sector, a figure that does not include agriculture.

According to the 2008 UN report on the Millennium Development Goals, women and girls still perform most of the unpaid work. They are subjected to extensive sex discrimination, violence and sexual harassment, including in schools and at the workplace.

On a global level, maternal mortality was reduced by less than 1 per cent

between 2000 and 2005. In Sweden's partner countries in sub-Saharan Africa, where there are most deaths related to pregnancy and childbirth, the figures remain to a large degree unchanged since 2000.

The political participation of women has increased generally but there are considerable regional differences. In 2008 the proportion of women members of parliament worldwide increased to 18 per cent. In sub-Saharan Africa and in South East Asia the number of women MPs increased from around 9 per cent in 2000 to nearly 17 per cent in 2008. One of the principal reasons for the increase is the gender quota system operating in several countries. In Mozambique, Tanzania and Uganda women hold around 30 per cent of parliamentary seats. However, the increased representation of women in parliament is not reflected at government level. In Tanzania, for example, only 15 per cent of ministers are women.

Historical practices and traditional customs and attitudes make the work on, and discussion of, women's human rights difficult, particularly as concerns violence against women and girls, and sexual and reproductive rights. Violence against women is increasing in Guatemala, Nicaragua and elsewhere in Central America. During 2008, 722 women were murdered, the majority as a result of extreme violence. Impunity in cases of violence against women is as high as 98 per cent in the region. Long-term work with educational measures directed at the police and legal services, including the courts, and public opinion is needed. Work to influence people's attitudes and behaviour is also essential.

Research shows that there is a connection between gender equality, economic growth and democratic development in societies. The fact that gender equality is not just a question concerning women but one that also concerns men is an insight gaining ground in international work for gender equality, including in the justice sector and in national policy development reforms. Sweden's cooperation partners have to a greater degree begun to include a clear commitment to gender equality and women's empowerment in their strategies to reduce poverty.

5.3.1 Facts and figures

In 2008, around SEK 1.5bn of bilateral aid was used by Sida for contributions whose primary aim was to promote gender equality. Thirty-nine per cent was used for regional and global contributions, 35 per cent went to countries where Sweden pursues long-term development work and 9 per cent to countries in conflict and in post-conflict situations. Bangladesh was the country that received most direct aid. A further SEK 11.5bn was used for contributions with the subsidiary goal of promoting gender equality.

In addition to bilateral aid, Sida channels funds to promote gender equality through the Ministry for Foreign Affairs. This is done primarily through support to UN organisations, the development banks and other international financial institutions (IFIs).

Work to promote gender equality and the role of women in development is carried out through gender mainstreaming, political dialogue and direct contributions in targeted actions.

Gender mainstreaming involves the systematic integration of a gender equality perspective. This means that the situation, conditions, needs and

DIAGRAM 5.5
Development work through Sida by category of country, 2008, Gender Equality and the role of women in development

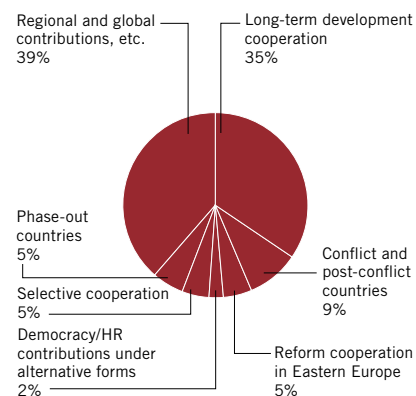
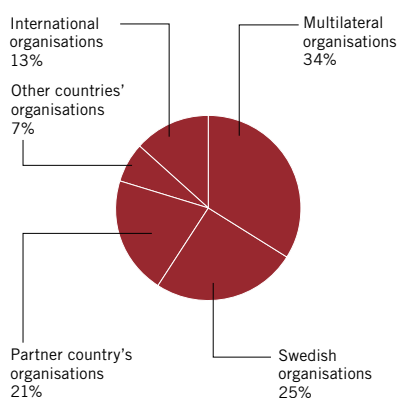


DIAGRAM 5.6
Development work through Sida by aid channel, 2008, Gender Equality and the role of women in development



interests of women, men, girls and boys are systematically integrated and actively applied in all development cooperation policies and programmes. All contributions, programmes and projects shall be analysed from a gender equality perspective before they are started. Clear goals and expected outcomes and results guaranteeing application and evaluation of gender equality shall be identified in order to demonstrate how living conditions have changed for women, men, girls and boys. Experience shows that there are difficulties in integrating gender equality perspectives and goals in other sectors or areas of aid operations. Only a small portion of Sida's investments clearly identify women or both women and men as designated target groups, or give due consideration to gender equality. For those that do, it is generally a question of smaller, relatively short-term contributions. In four of Sweden's ten largest partner countries – Afghanistan, the Democratic Republic of Congo, Mozambique and Uganda – support to gender equality and women's empowerment through gender mainstreaming increased in volume during 2006–2008. In three of the ten largest partner countries – Kenya, Sudan and Tanzania – direct investment in targeted actions has been reduced and gender mainstreaming increased.

An important lesson learned is that investments through gender mainstreaming often fail to work as the sole method of promoting gender equality and increasing the participation and role of women in societal development. Therefore, strategies that address the challenge of gender discrimination and inequality in several different ways have been developed. In these, political dialogue is backed up with targeted measures and direct aid to civil society organisations.

Strengthening partners' capacity in dialogue skills and creating room for dialogue are central to Sweden's work for gender equality. Methodological support has been developed on how to plan and carry out dialogue on specific and sometimes difficult or controversial gender equality issues. The number of dialogue questions related to gender equality and women's empowerment raised by ambassadors and senior officials in Sweden's partner countries is growing. Combining political and policy dialogue with information in the media and educational campaigns has been an effective way of creating greater impact.

Approximately one-fifth of Sida's aid to the promotion of gender equality is channelled through organisations in Sweden's partner countries. In these countries, the work to promote gender equality is driven mainly by civil society organisations. Sweden's role is partly to support the civil society in the work by formulating what are, for the country concerned, the most relevant questions and pursuing these in dialogue with the legislative and executive power, and partly to act as an entry point to political and decision-making contexts to which organisations in civil society do not have access.

Nearly half of Sida's gender equality aid is channelled through Swedish and multilateral organisations. Of the multilateral organisations, UNIFEM stands out as an example of an organisation working on a broad front with gender equality and women's empowerment issues. Support from Sida is above all focused on strengthening the political participation and influence of women, increasing their involvement in peace-building processes, and combating sexual and gender-based violence. Humanitarian aid generally also includes measures and actions to combat sexual and gender-based violence.

Contributions aimed directly at women as a target group have shown themselves to be particularly effective in areas such as increasing their political participation, and sexual and reproductive health and rights, including such issues as access to safe abortion, sexuality education and the situation and human rights of lesbian, gay, bisexual and transgender persons. Experience shows that direct aid in combination with dialogue with the civil society can be effective (see below the example of gender-related violence in Zimbabwe). Direct aid to targeted measures has also had a positive impact on increased political participation of women (see below the example of Burkina Faso). Sweden has also financed training of women-only landmine-removal groups in Lebanon, as well as women search and rescue groups in Pakistan and Tajikistan.

Sweden's work on the governing boards of various UN organisations has contributed to a reinforcement of the effectiveness of these organisations and their ability to follow up activities in the area of gender equality. Examples are UNDP, UNFPA and UNIFEM, where it has previously been difficult to see how contributions in the field lead to gender equality in the long term. A contributory factor is the fact that there is seldom a simple chain of cause and effect when it comes to gender equality work. As a result of Sweden's work on these boards, the organisations have taken decisive steps to improve their reporting of the link between resources used and results achieved.

Sweden also works to promote gender equality in the international financial institutions (IFIs). During 2008, in dialogue with these institutions, Sweden emphasised women's economic empowerment and the important role of women as economic actors. Sweden has, for example, in its replenishment of the International Fund for Agricultural Development (IFAD) worked for existing policies to be translated into action and for work to promote gender equality to be evaluated. In negotiations on replenishment of the Asian Development Fund, Sweden contributed to the introduction of goals and indicators for gender mainstreaming and gender equality perspectives in projects and programmes. In the African Development Bank, Sweden contributed to measures being taken to recruit women and improve internal gender equality within the bank. However, progress is slow and many obstacles remain before gender mainstreaming can be taken for granted.

5.3.2 Results of selected projects and programmes

Shown below are a selection of contributions in Swedish bilateral and multi-lateral development cooperation in the field of gender equality and women's development.

Support for women in the South Caucasus

Since 2003, Sweden has, as sole donor, given aid to the organisation Kvinna till Kvinna in the South Caucasus. In 2007 this support totalled SEK 10m. The aim of the programme is to increase knowledge among women concerning their human rights, to reduce violence against women, contribute to women's physical and psychological well-being, and to increase the number of women involved in peace processes and in decision-making and in building democracy. The programme has resulted in:

- 5 655 women being given instruction in human rights, the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and UN Security Council Resolution 1325 on women, peace and security.
- 2 327 women being given legal assistance and nearly 500 women being granted the help of a lawyer in cases of violence and sexual abuse.
- 4 103 women taking part in peace-building activities.

In Sida's assessment, the work of Kvinna till Kvinna has created grounds for partner organisations to give support to vulnerable women, to strengthen women's rights, and create interest and involvement in gender equality issues in the region.

The National Democratic Institute in Burkina Faso

Since 2005, Sweden has supported the National Democratic Institute in Burkina Faso. Support from Sida, as sole donor, amounted to SEK 12.3m in 2005–2008. The aim of the programme is to develop the capacity of women to take part in elections at local and national level, to increase knowledge of political processes for women active in political parties, and to strengthen civil society organisations in their work to increase women's political participation and influence. The programme has contributed to :

- 556 women being nominated by their parties as election candidates.

Of these 17 were elected to parliament, an increase of 30 per cent.

The results show that more women are now taking part in politics in Burkina Faso. However, this in itself does not mean that gender equality issues will automatically be given greater priority on the national political agenda. In order to promote genuine gender equality, continued support should therefore include capacity-building measures to train both male and female politicians on gender equality issues and how best to work with them in order to bring about change.

Women's rights in Haiti

UNIFEM supports women's rights in Haiti with the aim of achieving gender equality within national institutions and increasing the power and influence of women. During 2005–2007 UNIFEM established partnerships with local organisations working to promote women's rights, influence and power in society. As a part of this work, UNIFEM organised information and training courses on political and judicial processes for women's organisations in rural areas. UNIFEM's total budget for the project was USD 181 000. During the same period, Sweden's support amounted to approximately USD 95 000.

Among other things, the project has resulted in:

- increased respect for women's and men's human rights in national institutions in Haiti.
- increased access to legal assistance and support for women subjected to violence during the conflict.

Following the fall of the Haitian government in 2004, violence, crime and political, economic and social instability escalated. UNIFEM's project contributed to increased awareness of the importance of ensuring women's influence and of safeguarding women's rights in reconciliation processes following unrest.

National Women's Institute in Honduras

The National Women's Institute in Honduras, Instituto Nacional de la Mujer (INAM), became a government authority in 1998. Since then, Sweden has contributed support for its work. The aim of the institute's activities is to build up and strengthen the state's work for gender equality in accordance with the National Gender Equality Plan. Sida's total support for the period 2004–2008 was SEK 25.8m. The project has resulted among other things in:

- a gender equality division being established in the Supreme Court
- the creation of local networks for reporting crimes against women
- gender equality being integrated into school curricula and an increase in the number of girls and women studying.

An evaluation carried out by Sida in 2008 shows good results in the form of gender equality being mainstreamed into such areas as violence against women and non-formal education. Sida's assessment is that Swedish support has contributed to strengthening and making visible what was initially a very weak institution. The evaluation also draws attention to the need to bolster the institution's normative and strategic role, something to be taken into account in future support for similar organisations.

Reproductive health in Kenya

UNFPA works to reduce cases of female genital mutilation/cutting (FGM/C), and to increase girls' knowledge about sexual and reproductive health in Kenya. The Tasaru Ntomonok Initiative and UNFPA have provided educational courses and training in communities where female genital mutilation/cutting persists. UNFPA's total budget for the project in 2007–2008 was USD 50m. Sweden has contributed to the project via its core budget support for UNFPA. The project has resulted in:

- alternative rituals to female genital mutilation/cutting being developed by including older women who carry out the procedure
- girls have been offered (as an alternative ritual) the opportunity to take part in ceremonies where they talk instead about the importance of sexual and reproductive health.

In societies where alternative rituals have not been accepted, the project has offered counselling support and living accommodation to girls who have defied their families and opposed the procedure. Fathers and young men have also been given the possibility of taking an active role in the work of changing attitudes. Alternative rituals to female genital mutilation/cutting are now carried out in several places in Kenya where this harmful traditional practice was previously a common occurrence.

Agricultural programme in Zambia

From 2003 to 2008 Sweden contributed to the implementation of the Zambian government's programme for agricultural support. Sida's aid totalled SEK 276.7m for 2003–2008. Sweden was the sole donor from 2003–2006. The project was co-financed with Norway from 2006–2008. Sida was then responsible for 73 per cent of the aid. The overall aim of the programme is to contribute to a reduction of poverty and to improve living conditions for 44 000 households. The aim of the programme's gender equality policy is equal access by women as

well as men to and control over resources and benefits, and equal participation in decision-making at household, group and societal level. Among other things, the programme has resulted in:

- increased access to and control over resources and household income for women, along with their increased participation in decision-making.
- a more equal sharing of the household workload.

Sida's assessment is that conversations and close dialogue with individual men and women in a household is an effective method of creating attitude changes and a more balanced distribution of power at household level. Women's access to and control over resources and decisions in the household improves the family's ability to survive economic setbacks and crises.

Dialogue to reduce gender-based violence in Zimbabwe

Sexual and gender-based violence has been a theme for dialogue between the Swedish Embassy in Zimbabwe and concerned members of parliament. The question has been aired in public speeches, the media and public campaigns. The Embassy has also brought together organisations working with gender-based violence, which has resulted in a more coordinated way of working and increased influence in campaigns.

Sweden's assessment is that it is strategically important to conduct and maintain an active political and policy dialogue on controversial subjects such as sexual and gender-based violence, especially in a difficult political context. Combining dialogue and direct aid for targeted measures has been shown to be an effective way of achieving a better impact.

5.3.3 Assessment

Work on promoting gender equality and the rights and role of women in development shows varying results between different regions and thematic areas.

Sweden, like other donors, has drawn conclusions and important lessons from the limitations of working only with gender mainstreaming. The working methods now used build on a combination of support targeted to women, young people and men through targeted contributions, and mainstreaming gender equality perspectives in all development cooperation support and dialogue. This, combined with the use of parallel channels, has been shown to be an effective method of ensuring that the promotion of gender equality is addressed in all development work. The above examples show that direct support gives more tangible results that are easier to follow up.

One result of the government's renewed resolve and vigour in the area of gender equality is that Sweden's profile has been further strengthened concerning gender equality issues, both bilaterally as well as globally.

Investments concerning women's participation in political decision-making have contributed to positive change in many of Sweden's partner countries, especially in Latin America. However, the number of women MPs continues to be low compared with men in the countries where Sweden is active. Experience shows that gender quotas are decisive in achieving increased female representation.

Internationally, Sweden is on the cutting edge with its work for sexual and

reproductive health and rights. Through aid on a national and global level Sweden has been able to contribute to the continuation of work to promote sexual and reproductive health and rights, keeping these issues alive and in the realm of public awareness in our bilateral cooperation countries and through support to organisations such as UNFPA.

One challenge for Sweden's work for gender equality and women's empowerment is to ensure results. For this, a review of norms for classification of disbursements and measures, as well as of methods for monitoring and analysis will be necessary. Another gap in the follow-up system is a lack of feasible indicators in the field of gender equality. Sweden has contributed to bringing about improved and more easily accessible sources of information. The Swedish Government is cooperating with the Norwegian Government in supporting work to develop better indicators to measure progress towards gender equality and women's empowerment. The cooperation has so far resulted in more statistics and a comprehensive database of possible composite indicators (www.genderindex.org), and a web-based, interactive forum for sharing and exchanging information on the situation of women and men around the world (www.wikigender.org), which has been developed with aid from the OECD Development Centre.

5.4 ECONOMIC GROWTH

Economic successes in Asia since 1990 mean there are good chances of achieving the UN Millennium Development Goal of halving income poverty by 2015. An important factor in the growth process is rapid urbanisation which has led to cities today accounting for 80 per cent of global economic growth.

The international financial crisis is global and is developing rapidly into a world recession which will seriously affect growth in Sweden's partner countries. This means that conditions for growth and poverty reduction in the next few years have deteriorated badly.

Many of Sweden's development cooperation partners have in recent years undergone a positive economic development. In 25 countries where Sweden cooperates to bring about economic growth, average growth per capita increased from 2–3 per cent at the end of the 1990s to 5–6 per cent in 2004–2006. Positive trends have been noted in these countries concerning investment climate, volume of foreign investment, remittances from migrants, and the credit market's functioning. One example of the improved investment climate is that during the past five years the time it takes to start up a company has decreased from an average of 63 to 37 days in Sweden's partner countries, according to a compilation of indicators from international databases.

Statistics in the field are imperfect but there are several examples of how economic growth in the 2000s has led to a reduction of income poverty in Sweden's partner countries. At the same time international studies show that many developing countries – not least those in Africa – will find it difficult to reach the Millennium Development Goal of halving income poverty. It is still not possible to foresee the effects of the global financial crisis. Rising food prices in 2006–2008 have led to an increase in income poverty and hunger for millions of poor men and women. Reduced levels of migrant remittances will affect



partner countries, by bringing about a reduction in investment in production. This will have consequences for employment and mean lower investments in human capital which affects the ability of poor people to secure their livelihood and quality of life. A majority of the poor population in partner countries are directly or indirectly dependent on natural resources for their livelihood. Sustainable use of natural resources is therefore vital for economic growth.

5.4.1 Facts and figures

In 2008 around SEK 3bn of bilateral aid via Sida was used for measures in the field of economic growth. The field contains the sectors infrastructure (including urban development), industry, trade, financial systems and natural resources (including agriculture and water provision but excluding environmental policy measures). Thirty-seven per cent was used for regional and global contributions, 32 per cent went to countries where Sweden pursues long-term development cooperation and 8 per cent went to countries affected by conflict. Tanzania was the country that received most direct aid.

In addition to bilateral aid from Sida, measures to promote economic growth are also channelled via the Ministry for Foreign Affairs. Primarily this is through support to UN organisations, the development banks and Swedfund.

Work to promote economic growth is carried out via dialogue, support for capacity development and financial investment.

Poverty reduction is best achieved when poor men and women take part in, contribute to and benefit from economic growth. Obstacles to such growth processes vary from country to country. Therefore, in work to promote economic growth an integrated economic analysis is used. This seeks to identify the most important likely obstacles to poverty-reducing growth. Experience shows that the analysis contributes to focusing attention on connections between growth, employment and poverty reduction.

In dialogue with partner countries Sweden tries to contribute to the improvement of conditions that will allow economic growth to reduce poverty. Dialogue with representatives of partner countries takes place normally in close cooperation with other donor countries, in association with general budget support and within the framework of sector programme support. Questions involving reform of the economy, corruption and the economic rights of poor people are given priority in the dialogue.

Sida's experience shows that considerable challenges are faced in growth-oriented cooperation in conflict and post-conflict countries. Cooperation in these countries has hitherto to a large degree been directed at improving infrastructure (see below the example of a road project in Afghanistan). In the past year, in close cooperation with other donors, Sida has invested in developing methodology aimed at supporting the economy in post-conflict situations.

The greater part of support for promotion of economic growth comes in the form of project aid. Pure programme support forms a limited part of development cooperation in the sector. One reason for this is that cooperation in, for example, the economic sector is often aimed at collaboration with actors outside the state sector. Sida's experience of the application of forms of programme-like support shows that they can give gains in effectiveness when backed up by

DIAGRAM 5.7
Development cooperation through Sida by category of country, 2008, Economic growth

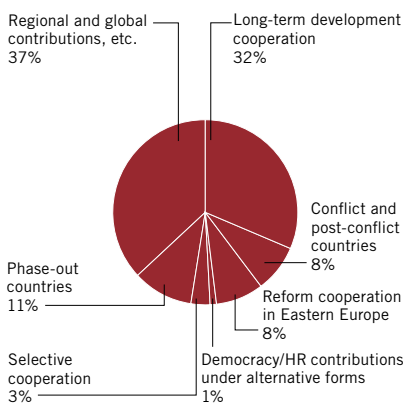
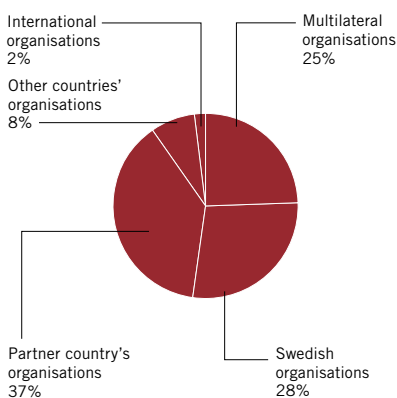


DIAGRAM 5.8
Development cooperation through Sida by aid channel, 2008, Economic growth



institutional and capacity development in the field of growth. Cooperation in broad sector programmes makes it possible, for example, to coordinate purchasing, reporting and follow-up work.

Support for the economy has traditionally comprised considerable direct aid to particular companies. There are risks that such contributions distort markets. Against this background, over the past few years Sida has cut back on direct aid to companies.

In recent years trade-related aid has been given increased focus in development cooperation. Increased participation in international trade contributes to economic growth and thus helps to reduce poverty. Trade-related aid contributions (Aid for Trade) show the importance of not just concentrating on the international framework for trade but also of building up capacity and infrastructure so that developing countries will be able to benefit from international trade.

The most common channels for cooperation in the field of economic growth are the partner country's organisations. These account for 37 per cent of total disbursement volume. Cooperation via multilateral organisations, which accounted for nearly 30 per cent of total cooperation in 2006, has been reduced to 25 per cent in 2008.

The multilateral development banks account for a considerable part of global development finance. The banks promote economic growth in the countries where they operate via loans, grants, advice and technical assistance. As a member and shareholder of the World Bank, the African, Asian, and the Inter-American Development Banks, Sweden guarantees capital of around SEK 16 billion and has also, from previous capital increases, contributed a smaller amount of paid-in capital. The paid-in and callable capital of Sweden and other OECD members enables the development banks to borrow extensively on the international capital market. During 2008 Sweden also contributed SEK 2.3bn to the multilateral development banks' concessional lending windows (IDA, the African and Asian development funds and IFAD) providing concessional loans and grants to the most poverty-stricken countries.

Sweden's contribution to the development banks' concessional windows are important sources of financing for the poorest countries. These countries have limited access to the international capital markets and, because of their credit status, cannot borrow on commercial terms. Sweden works consistently in all international financial institutions to secure a focus on poverty reduction and added value in relation to other development actors and the private sector. For example, in the Inter-American Development Bank, Sweden criticised the bank's support for activities in the private sector that do not pay sufficient consideration to development effects. The branch of the Inter-American Development Bank with responsibility for private sector development put into effect in 2008 a new system for the surveillance and evaluation of private sector operations aimed at improving the impact of the bank's activities on development.

The state-owned development finance institution Swedfund is an important actor in efforts to secure economic growth. Swedfund achieves this with share investments (around 60 per cent) and loans (around 40 per cent). The size of the investments varies at present from SEK 5m to SEK 130m. Since it was started in 1979, the company has invested close to SEK 3bn in around 200 companies in more than 60 countries. Investments per region at the start of 2008 were

divided as follows: sub-Saharan Africa, 45 per cent; Asia, 31 per cent; Eastern Europe (including Russia), 19 per cent; Middle East and North Africa, 2 per cent; Latin America, 4 per cent. Around 42 per cent of activities concern investments in what the OECD/DAC considers low income countries. The major part of activities is in industry, infrastructure and the financial sector. Swedfund's total assets amounted to SEK 2 759m at the start of 2008.

Direct development effects of Swedfund's activities are primarily the promotion of private sector development. In the activities in which Swedfund invests, job opportunities are created, such as demand for subcontractors, product development and transfer of technology. At the same time activities contribute to tax revenues and economic activity and have an effect on exports and imports which in turn can strengthen a country's economy. At the turn of the year 2008/2009 the number of people employed in Swedfund's direct investments (i.e. excluding fund investments) was around 12 100. Added to this are a large number of indirect work opportunities created in, for example, supply and distribution stages. Swedfund works actively with issues that involve corporate social responsibility, including environmental issues, working conditions and anti-corruption. For example around 75 per cent of companies in which Swedfund has direct investments promote HIV/AIDS programmes that include both preventive measures and care and support. The investments have in general been profitable. Yield on capital came to an average of 8.8 per cent in the period 2003–2008.

In 2008, after approval by the Government, Swedfund received SEK 10m to ease investments in post-conflict countries, in cooperation with companies with an immigrant background and in environmental technology and energy. The project has thus far resulted in a decision on investment in a hospital in northern Iraq (see Section 4.3) and an investment in efficient energy use in China.

5.4.2 Results of selected projects and programmes

Shown below are results from a selection of contributions in Swedish bilateral and multilateral development cooperation in the Economic Growth sector.

Strengthening financial stability in developing countries

Sweden supports Financial Sector Reform and Strengthening (FIRST) a programme for reinforcing financial stability in developing countries. The goal of FIRST is to promote financial development and stability in low and middle income countries. The programme is financed by seven donors and is a good example of efficient cooperation at global level. In 2002–2005 Sida's support amounted to SEK 20m, the equivalent of 7 per cent of total financing. A new agreement has been signed for 2008–2010. Costs for 2008 amounted to SEK 10m. The programme has been a contributory factor in :

- a large number of developing countries receiving qualified advice on how to deal with weaknesses in legislation and in their regulatory authorities.

FIRST is judged to be a very effective and flexible instrument. It gives qualified guidance concerning problems in the financial systems of partner countries that have been identified in examinations by the World Bank and IMF. The global economic crisis has given increased relevance to FIRST's work in strengthening institutions that supervise the financial stability of partner countries.

Trade Policy Training Centre in Africa

Sweden has supported the establishment of the Trade Policy Training Centre in Africa, Trapca. The centre's aim is to increase knowledge of multilateral trade regulations for the least developed countries in Africa. It is a free-standing body that comes under the Eastern and Southern African Management Institute in Tanzania. Trapca's total budget for 2005–2010 amounted to SEK 109m, of which Sida stood for 90 per cent and Trapca for 10 per cent. Sida's costs for the project amounted to SEK 44m in 2006–2008. The project's results include:

- the holding in 2007 of 12 courses with 265 participants from different sections of society, of which 60 per cent were men and 40 per cent women.

Sida's overall assessment is that Trapca has developed in a positive way. A follow-up survey of results from May 2008 emphasised the relevance of the training programmes. As a forum for the exchange of knowledge, information and experience, Trapca has contributed to prioritising international trade, making trade more efficient and acting as an instrument for integration and poverty reduction. Representatives from African countries and institutions have welcomed Trapca's establishment. The support is expected to contribute to increased capacity in negotiating more advantageous trade agreements for the least developed countries of Africa.

Agricultural development in West Africa

In 1999 IFAD started investing in the development of a cassava (manioc) market in Benin, Ghana, Cameroon and Nigeria. This will continue until 2014. IFAD will invest a total of USD 75m in the development of new, more productive varieties of seed, education and training for farmers and measures to increase the efficiency of the production chain. Sweden has contributed to the investment through its base budget support for IFAD. The investment has resulted in:

- increased agricultural productivity
- increased income and cheaper food for around 1 680 000 households in West Africa.

Cassava is one of the most important foods in Africa but, despite this, seldom represents a source of income for small farmers. Through special contributions to bolster regional cooperation through a sharing of information and the creation of common norms and standards, a West African cassava market has now begun to take shape.

Repair of a major road in Afghanistan

From 2002–2008 Sweden took part in work to repair the 224-kilometre road leading east from Kabul to Jalalabad, on the Pakistan border. Sida's support for maintenance, planning, design and building management amounted to a total of SEK 75.4m. Building costs of around EUR 83m have been financed by the EU. The project has resulted in:

- all parts of the road between Kabul and Jalalabad being opened for traffic in 2008 and traffic increasing from 2 500–4 300 vehicles per 24-hour period.
- economies in vehicle costs estimated at around EUR 10m per year. The shortening of the journey time by 2.5–3 hours per vehicle saves approximately EUR 5m per year.

Infrastructure has great significance for economic growth and its effects on income poverty. The road project in Afghanistan has created better possibilities for local production, increased passenger traffic, improved access to social services and improved import and export possibilities. According to Sida's assessment, the project was carried through fast and efficiently, despite the difficult security situation.

Water purification in Egypt

From 1984–2008 Swedfund has invested in the Aluminium Sulphate Company of Egypt (ASCE) which produces a concentrated aluminium sulphate solution used in water purification (share: 15 per cent up to 1994, thereafter lower; cost: SEK 6.3m). Aluminium sulphate solution from ASCE is used in around 1 000 purification stations that clean water from the Nile and other rivers, to make it drinkable. Before ASCE was formed, aluminium sulphate was not produced in Egypt. Swedfund has helped the company to succeed in its production.

ASCE has contributed to:

- a considerable reduction in the import of water purification chemicals. After ASCE increased its production capacity at the beginning of this decade and cut prices for aluminium sulphate, imports more or less ceased. Because production is based on local raw materials, it contributes to the country's economic development.
- increased tax revenues for the Egyptian state in the form of company tax, employees' income tax and VAT (value added tax). In 2007 ASCE paid SEK 4m in company tax.
- 250 employees, not including temporary personnel of up to 100 persons, brought in for peak periods and for maintenance work. Indirect work opportunities have also been created for suppliers of goods and services and for the transport companies who distribute the aluminium sulphate solution to the water purification plants.

ASCE today has a strong market position as the leading producer of aluminium sulphate in Egypt. The company has overhauled production techniques, maintenance, planning and management. ASCE also conducts annual environmental audits and has initiated a programme to reduce usage of electricity, fuel oil and water in production.

Economic development in Mozambique

Swedish aid to economic development in Niassa Province in Mozambique was started in 1998. The so-called Malonda programme is part of a wider investment in Niassa Province which includes support for administrative and infrastructure development in terms of power supply and regional roads. The goal of the programme is to increase incomes for the economically active population of the province. During an introductory phase, efforts were made to stimulate trade in agricultural products and establish certain fundamental institutions, such as an ombudsman function. In recent years the programme has changed character because of direct participation in large-scale projects such as commercial planting of forests. During 2003–2008 Swedish aid amounted to SEK 103m. The investment has resulted in:

- the doubling of sales of agricultural products, primarily produced by independent farmers
- increased income for 15 000–18 000 farmers and micro entrepreneurs, as well as 850 new jobs, not least for women, in forest plantations.

Sida's assessment is that the Malonda programme has improved conditions for economic development and reduced income poverty in Niassa Province. However, after a new evaluation, Sida has certain reservations concerning the way the programme cooperates with private forestry companies and notes that insufficient attention has been given to structural obstacles to development of markets and the local economy in Niassa Province. Sida considers that the project should be aimed to a greater degree at improving the local economic environment.

Agricultural programme in Nicaragua

The agricultural programme FondeAgro was put into effect in 2001 in two regions of Nicaragua. The aim of the programme is to increase incomes of small and medium sized coffee and milk producers. FondeAgro works with the whole chain from single farmer to importers of refined raw materials. So far 19 600 coffee and milk producing farmers, 33 per cent of them women, have benefited from FondeAgro's activities. The cost of Swedish support in 2004–2008 was SEK 188.6m. The programme has helped:

- increase productivity in milk production by 54 per cent
- increase average income of farmers in Jinotega from USD 0.86 to USD 1.88 per day and in Matagalpa from USD 1.25 to USD 2.19 a day.

FondeAgro has relatively high costs in relation to the size of the target group because the work is being carried out in areas that are difficult to access. Sida's collective assessment of the programme is positive, bearing in mind the fact that it takes time for investments in capacity construction and introduction of new methods to make their full impact felt. The programme's positive effects for the target group are expected to increase in the long-term. The pilot character of the programme means that a considerably larger group of farmers will also eventually benefit.

Improved climate for the economy in Tanzania

Sweden supports Business Environment Strengthening, a programme for improving the climate for the economy in Tanzania. The programme works to improve the economic climate via national policy reforms, development of institutions and building of capacity. Sida's contribution was SEK 40m for the period 2003–2008, amounting to around 24 per cent of total financing. The overall goal for the programme is to create sustainable conditions for companies and growth. An evaluation shows that the programme has resulted in:

- several judicial and administrative reforms being initiated, including legislation for the registration of firms, the labour market and labour law
- mechanisms being established for solving disputes on labour law issues, including a commission for mediation and arbitration which has dealt with around 7 000 cases since it was started in May 2007.

The rate of implementation of the programme has been slower than planned. One reason is the complexity of reforms affecting many different actors in

both the public and private sectors. According to both Sida and other donors, a successful implementation would call for greater engagement than has hitherto been shown at a political level in Tanzania. Even if certain positive results have been achieved, it will take time before, for example, legislation measures have more apparent effects on Tanzania's investment climate and growth.

5.4.3 Assessment

The possibilities of achieving the UN Millennium Development Goal of halving income poverty by 2015 have hitherto been judged as good. At the same time, conditions for many developing countries have been worsened by factors such as natural disasters, rising food prices and internal and external conflicts. The global financial crisis risks leading to an economical reversal in many developing countries.

The above examples of contributions show how concrete results can be obtained through development cooperation in different sectors and at different levels. Result chains have been documented that clarify how these contributions have helped to create better conditions for economic growth and reduced income poverty. At the same time, Swedish contributions are pieces of a puzzle composed of the collected development efforts being made by partner countries and other donors. Therefore it is not possible to evaluate how Swedish aid in particular has contributed to the positive trends noted in partner countries concerning economic growth, investment climate, etc.

The experiences illustrated by the contributions described shows that economic development processes are time consuming and complex and put great demands on perseverance and flexibility in development cooperation. Sweden needs to be prepared and have the capacity to direct contributions towards the levels and sectors judged most strategic, given the specific conditions for economic growth of each partner country.

The need to adapt to new conditions became especially apparent in the autumn of 2008 in the context of the escalating global financial crisis. There is a great risk that the crisis will have serious consequences for many poor countries, which may call for special contributions to reduce partner countries' economic and social vulnerability. Contributions that promote long-term economic growth are a necessary precondition for lasting poverty reduction.

5.5 SECURITY AND DEVELOPMENT

Fragile states, conflicts and post-conflict situations are a great challenge for development cooperation. In the past 15 years, 80 per cent of the world's 20 poorest countries have suffered armed conflict. A third of the world's poor live in states where the political will or capacity to secure the delivery of basic and fundamental services to combat poverty and promote development is lacking. More than half of Sweden's partner countries fall into this category. In these countries the achievement of the UN Millennium Development Goals is the most problematic.

Violent conflicts do not arise by chance. Underlying reasons can be identified



and are often latent in the development of society. Investments to change attitudes and promote conditions for dialogue, negotiation and peaceful settlement of conflicts are therefore important. Latent conflict factors can contribute to violent conflict, along with systematic violations of human rights, elections or sudden shocks to society such as natural disasters or a recession. The global financial crisis, changes in the prices of foodstuffs and consequences of climate change bring an increased risk of conflicts. It is predicted that many of the countries regarded as fragile will be worst hit by climate change.

In recent years there has been a reduction in the number of armed conflicts. This positive trend brings with it increased possibilities for supporting peace processes. When armed conflict has ceased, underlying reasons for conflict may still remain and with them the risk of a return to violence. Research shows that around half of all peace processes undertaken fail within five years, partly because reforms and development have not been undertaken. Therefore it is particularly important to pursue preventive work and contribute to the building of peace to stabilise the delicate situation that arises when a conflict has ended.

5.5.1 Facts and figures

In 2008 around SEK 800m of bilateral aid via Sida was used for contributions with the principal aim of promoting peace and security. Twenty three per cent was used for regional and global contributions, 8 per cent went to countries where Sweden pursues long-term development cooperation and 58 per cent went to conflict and post-conflict countries. Afghanistan was the country that received most direct aid. Around SEK 2.1bn was used for contributions with the subsidiary goal of promoting peace and security.

In addition to bilateral aid from Sida, funds to promote peace and security are channelled via the Ministry for Foreign Affairs. This mainly goes to support UN organisations.

In activities to further peace and security Sweden works with promotion of dialogue, security, structural stability and the implementation of UN Security Council Resolution 1325 on women, peace and security. These contributions can be put into effect during different phases of armed conflict and aimed at the various groups' specific needs, interests and possibilities.

The Swedish work in this field is based on: Sweden's Policy for Global Development; the OECD/DAC Guidelines on Conflict, Peace and Development Cooperation; the Principles for Good International Engagement in Fragile States and Situations; and the Principles of Good Humanitarian Donorship. Consideration is also to be given to principles laid down in the National Strategy for Swedish Participation in International Peace and Security Promoting Activities (Skr. 2007/08:51) and Sweden's action plan for the implementation of UN Security Council Resolution 1325 on women, peace and security (Swedish government decision 2009 02 19). Sweden also gives support to the UN Peacebuilding Commission which was created to bridge the gap between conflict resolution and long-term development assistance, in order to prevent renewed fighting.

To make sure development cooperation does not have a negative influence on latent or continuing conflicts, it is necessary to have a conflict-sensitive approach. Through conflict analyses, Sweden puts into effect and follows up

DIAGRAM 5.9
Development cooperation through Sida by category of country, 2008, Security and development

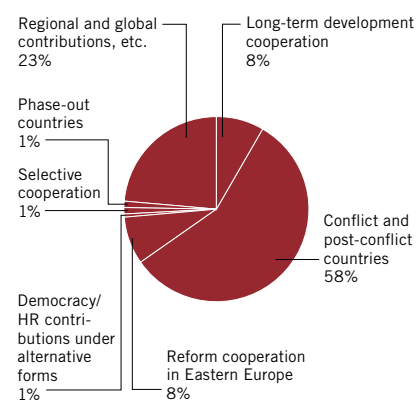
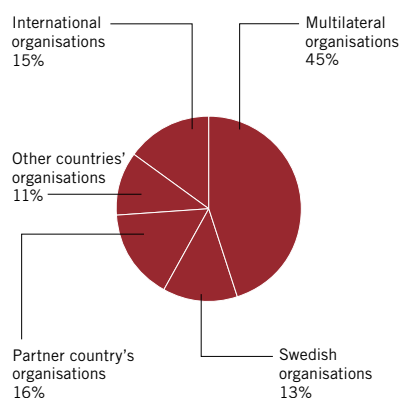


DIAGRAM 5.10
Development cooperation through Sida
by aid channel, 2008, Security and
development



measures that adapt development cooperation so that it will not have a negative effect on the conflict dynamic in partner countries. Conflict analyses are integrated in the poverty analyses that make up the basis for cooperation strategies. Conflict sensitivity has been integrated into the model for integrated economic analysis. Methods for conflict sensitivity in budget and budget sector support are under development.

Sweden has a comprehensive and growing engagement in conflict prevention and peace promotion. Afghanistan, Sudan, the Palestinian Territories, the Democratic Republic of Congo, Somalia and Iraq are the largest recipients.

Multilateral organisations dominate as channels. This is mainly because humanitarian aid is most often channelled through these organisations. Aid is also channelled via specially established joint trust funds, implemented by multilateral organisations. Conditions for channelling aid through partner country organisations are generally poor in conflict and post-conflict countries, due to the lack of capacity and structures.

Project support is the dominant aid modality. The main reason is a great need of fast and flexible contributions in specific contexts. Increased efforts should be made by all actors to develop joint programme approaches in the area.

The aid must be flexible and rapid to take account of the possibilities that arise. Donors must also be prepared to take a greater risk since conflict and post-conflict situations are often more variable than other situations. It can also be necessary to contribute rapidly to more short-term aid measures to secure peace agreements and stability and to be able to comply with the most acute needs of security and show that peaceful development pays off. Often government structures, national strategies and institutions are missing. The recipient country's capacity to receive aid is often low. Therefore investments may need to be targeted, short-term and in project form. This means that sometimes it can be difficult to measure the long-term effects of conflict-related aid.

Research has recognised the combined problem of short-term and splintered project approaches, low aid levels and failings in coordination. Sweden, like other donors, should therefore, as far as is possible, continue to support long-term programmes for state-building and more effective methods of handling the transition from humanitarian contributions to development via clearer support for conflict management and reconstruction. To enhance the coordination of measures Sweden often chooses to contribute and attempt to influence through multilateral channels. The UN Peacebuilding Fund is a good example of how the donor society can coordinate its efforts. Sweden is the largest donor to the fund which has rapidly gained importance in financing reconstruction.

5.5.2 Results of selected projects and programmes

Shown below are results from a selection of contributions in Swedish bilateral and multilateral development cooperation within the area security and development.

The demobilisation and reintegration into society of former combatants in Africa
 Since 2002 Sweden has been engaged in the Multi-Country Demobilisation and Reintegration Programme (MDRP), which works with demobilisation and

reintegration in the African Great Lakes region. Sida has contributed a total of SEK 60m to the programme. The total cost of the programme is USD 500m. The programme's aim is the demobilisation and integration of former combatants through a unified, regional approach. The programme is carried out under the direction of the World Bank and takes in Angola, Burundi, the Central African Republic, the Democratic Republic of Congo, the Republic of Congo, Rwanda and Uganda. After initial difficulties, the programme has shown clear results in recent years:

- more than 75 per cent of a total of 410 000 combatants have been demobilised and, of these 45 per cent have been rehabilitated into society
- the programme has successively built up national capacity. From the middle of 2009 the regional programme will be totally replaced by national programmes.

The disarmament, demobilisation and reintegration of former combatants forms a central part of peace processes and is a precondition for democratic development in a post-conflict situation. The rehabilitation into society of former combatants creates opportunities for them and provides them with new means of support and a civil identity. National programmes create further conditions for making use of MDRP's involvement in security system reforms in the specific country.

Mine clearance in Iraq

Sweden has signed the International Campaign to Ban Landmines, sometimes known as the Ottawa Convention, and through this has pledged support for other states' mine clearance. Since 2006 the Mines Advisory Group has carried out mine clearance operations in Iraq with Swedish financial support of SEK 24.6m. The total cost of the programme is SEK 218m. The contribution has resulted in:

- an area of 650 856 square metres in northern Iraq being cleared of mines and other explosives.

Mines, unexploded ammunition and the unlawful spread and use of handguns and light weapons are both a security and humanitarian threat and an obstacle to development. Contributions in Iraq have contributed to economic recovery and development via improved conditions for the rebuilding of infrastructure and access to roads and land for agriculture, livestock and fishing.

Programme for rule of law in Sudan

UNDP pursues a programme for rule of law in Sudan with the aim of increasing protection for vulnerable groups through legal aid in cases of unfair treatment, and education on human rights. For a 12-month period in 2007–2008, Sida's costs amounted to SEK 5.6m. Sida was the sole donor. The programme has contributed to:

- courts being established and 60 judges being trained. Seven centres for legal aid have been set up in Darfur. Results were shown in the form of judgements given, including a number of cases that attracted attention involving the police.

The security sector makes up a central part in a functioning society provided that it respects human rights, is under democratic governance and review and

serves the purposes of society. The UNDP programme's support has helped to break the negative culture of violence and war prevailing in Darfur.

Strengthening the participation of women in the peace process in Darfur

Since the spring of 2006, Sida through UNIFEM has worked to strengthen the participation of women in the peace process in Darfur. Sida's costs from 2006–2008 amounted to SEK 10m out of a total cost of USD 7.8m. The programme has resulted in:

- the establishment by women members of the national parliament of the Sudanese Women's Parliamentary Caucus and the Southern Sudan Women's Parliamentary Forum in southern Sudan. These organisations take part in the development of government structures and the new constitution.
- creation of a national network to fight gender-related violence.
- the instruction of police in southern Sudan on women's human rights and the setting up of reception units for women and children in police stations.

The results create conditions for a democratic development in the whole of Sudan and facilitate the implementation of the peace agreement. The programme has, for example, contributed to the government of southern Sudan adopting a policy on the protection of women and their access to justice.

Programme for a truth and reconciliation process in Uganda

Sweden contributes to the Refugee Law Project at Makerere University, which aims at bringing about a truth and reconciliation process. Through research, debates and development of institutions, the project hopes to bring about a Ugandan truth and reconciliation process. Sida's costs for the investment amounted to SEK 2m during 2007–2008. Sida was the sole donor. The programme has resulted in:

- a proposed law on reconciliation through formal and informal mechanisms to promote truth, responsibility and accountability

As a part of building up a democratic and just society after a conflict, truth and reconciliation measures are often put into effect. There is a challenging balancing act between calling the perpetrators to account for crimes committed during the conflict and the need to reach a peaceful solution. A national truth and reconciliation process in Uganda creates conditions for victims to be able to go on with and re-create their own lives and to be given the tools to solve any conflicts.

5.5.3 Assessment

As the above account shows, Sweden has contributed concrete results in several different areas of importance for security and development. Fragile states, violent conflicts and post-conflict situations are identified as a central challenge for future development cooperation. Ongoing peace processes call for deeper engagement to secure results. Climate change, migration streams, effects of the global financial crisis and increased food prices put pressure on already weak states and contribute to an increased risk of conflict. A clear engagement and flexible and long-term investment is needed for work to prevent conflicts and to install effective methods of dealing with them should they break out.

Sweden has a comprehensive engagement to working for peace and security, both in terms of direct measures, international advocacy and in work to make development cooperation conflict-sensitive. Often, results are on an aggregate level because of co-financing or because the measures form part of a broader approach. Accounting for results of aid in fragile situations puts particular demands on Sweden and other donor countries, because it differs from more long-term development cooperation. Therefore Sweden and the international community are working to develop follow-up procedures for results in the area.

Flexibility and rapid disbursement of funding are important preconditions for taking advantage of possibilities that arise in conflict situations. However, there are risks that the assistance becomes divided and short-term. Increased efforts should therefore be made with other actors to develop more long-term reform programmes.

5.6 SOCIAL DEVELOPMENT AND PROTECTION

Global health and worldwide levels of education have improved considerably in recent decades. However, not everyone benefits from this positive development. There are still large – even growing – differences between nations and between areas within countries.

The UN's Millennium Development Goals Report from 2008 shows a clear improvement in work towards achieving the fourth Millennium Development Goal of reducing child mortality. For example deaths of children as a result of measles declined significantly between 2000 and 2008, from 750 000 to 250 000 children per year. Eighty per cent of all children in developing countries are today given vaccinations against measles. There has also been an improvement, though to a lesser degree, in achieving the sixth UN Millennium Development Goal on the fight against HIV/AIDS, malaria and other diseases. The prevalence of HIV has stabilised globally, but in many countries outside Africa the number of new infections is steadily increasing. In sub-Saharan Africa the prevalence of HIV mainly among young women continues to be markedly higher than among young men. In recent years considerable progress has been made towards meeting the second UN Millennium Development Goal concerning the right of all children to education, as well as on several of the other targets regarding universal education. However virtually no improvement has occurred on meeting the fifth UN Millennium Development Goal on improved maternal health. Maternal mortality has decreased by one per cent only since 1990 and then only in middle income countries. As previously shown, this can be linked to problems concerning women's status and empowerment. High maternal mortality has grave consequences for social and economic security and development in families, in the local community and nationally.



5.6.1 Facts and figures

In 2008 SEK 2.8bn of bilateral aid was used by Sida to support contributions in the field of social development. This field includes health and education. Forty-two per cent was used for regional and global contributions, 28 per cent went to

DIAGRAM 5.11
Development cooperation through Sida
by category of country, 2008, Social
development and protection

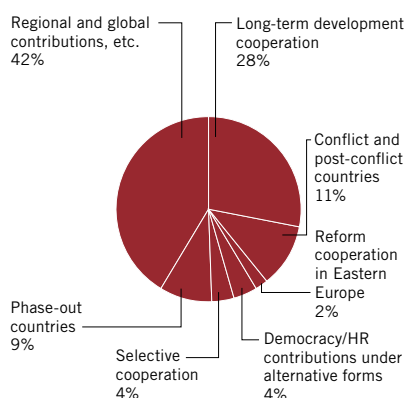
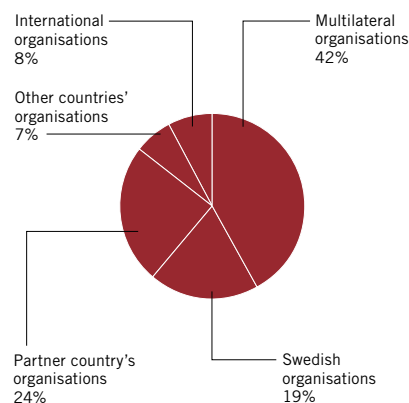


DIAGRAM 5.12
Development cooperation through Sida
by aid channel, 2008, Social develop-
ment and protection



countries with which Sweden pursues long-term development cooperation and 11 per cent went to countries in conflict and post-conflict situations. Bangladesh was the country that received most direct aid.

In addition to bilateral aid via Sida, funds to promote contributions in social development and protection are channelled through the Ministry for Foreign Affairs. This occurs mainly through support to the United Nations Population Fund (UNFPA), the World Health Organisation (WHO) and the Joint United Nations Programme on HIV/AIDS (UNAIDS).

Aid aimed at social development and protection is provided through support and contributions at bilateral, regional and global level. This should be seen as complementary. It comprises everything from aid to governments for the implementation of national plans to support for civil society and different UN organisations.

Nearly a fourth of aid in the field of social development and protection is in the form of programme support. A large amount of project support remains, above all in the health sector, while cooperation in health and education in many partner countries comes as programme aid, and sector or general budget support. In Bangladesh, Rwanda and Tanzania such cooperation is in the education sector, while in Bangladesh, Uganda and Zambia it is in health.

Since an ever greater part of work at national level is carried out with sector programme aid and sector budget support, strategic dialogue is becoming ever more important.

The multilateral organisations constitute the single largest channel for aid in the sector. To pursue issues that are not clearly included in national plans and strategies for poverty reduction, a necessary approach has been to give complementary support to civil society actors both in Sweden and in partner countries.

Meeting the global threats to human health calls for measures that address the fundamental reasons for ill health and early death as well as efforts to promote health. Some of these measures lie outside of health and medical services and have to do with fighting poverty and creating good conditions for girls and boys to grow up in, with secure access to education, good working conditions and a sustainable urban and living environment. Health forms a central part of development politics. Globally, insight into the importance of the promotion of health and illness prevention has grown ever stronger in recent decades. Sweden has taken part in this work by linking health to human rights and by making health a matter of concern for all sectors.

HIV/AIDS has been given priority in Sweden's international work. In November 2008 the Government decided on a new policy for international action on HIV/AIDS. This policy, which will be reflected in strategies for cooperation with countries, regions and organisations, comprises a framework for Sweden's work in international policy development and normative activities. The policy states that Sweden's work internationally in the HIV/AIDS sector, in keeping with Sweden's thematic priorities for development cooperation, shall be imbued with a demand for greater respect for human rights and increased gender equality. Through adoption of this policy, the Government has created increased possibilities for an effective Swedish response to the global HIV/AIDS epidemic.

Sweden's engagement in UNAIDS has focused on structural issues such as

financing and governance and the direction of activities. In recent years, Sweden has particularly emphasised the importance of more effective preventive work. This work is now starting to give results, partly through the UNAIDS administration agreeing more strongly with the demand for increased preventive measures, but also through increased international support for this orientation.

Effective preventive work also calls for measures that deal with the underlying reasons for the prevalence of HIV/AIDS. The demand for increased gender equality is one of the most central parts of this work. Gender equality was given particular emphasis during Sweden's chairmanship of UNAIDS in 2006–2007.

Non-communicable diseases, such as cardiovascular disorders, cancer and mental ill health today make up around 60 per cent of global illnesses and this trend is steadily increasing. These types of illnesses dominate in all parts of the world except in sub-Saharan Africa, but a clear increase has been noted there too. Non-communicable diseases are a particularly large problem for developing countries whose resources are limited and health systems already strained. Dealing with both communicable and non-communicable diseases poses a double challenge for developing countries. The World Health Organisation has adopted a strategy for prevention and control of non-communicable diseases. Sweden has been at the forefront of this work.

Sweden contributes to increased access to education and quality of teaching by supporting UNICEF and UNESCO's efforts to achieve Education for All.

5.6.2 Results of selected projects and programmes

Shown below are results from a selection of contributions that form part of Swedish bilateral and multilateral development cooperation in the field of social development and protection.

The education of girls in Afghanistan

Sweden has contributed to UNICEF's programme for primary education and gender equality during the period 2006–2008. The aim of the programme is to increase girls' access to education, particularly in rural areas. In 2006–2008 Swedish support was around SEK 180m. UNICEF's total budget for the programme was USD 37m for the same period. From January–June 20 the programme helped:

- enrol 1.7 million girls in primary school
- supply 5 million schoolchildren in all primary schools with textbooks
- instruct more than 20 000 women teachers from 11 provinces in pedagogy and classroom leadership
- give literacy instruction to 224 000 women.

A functioning educational sector in which girls have the possibility of participating in lessons is a precondition for democratic development. UNICEF works to put the participation of girls in school on the agenda in order to offer educational opportunities to girls and marginalised groups. UNICEF's engagement in the sector is therefore strategically important. Afghanistan's government has not prioritised women's literacy despite a great need of such training in the country. In this sector too UNICEF action is needed.

Education in Bangladesh

Sweden's support to a sector programme for education in Bangladesh amounted in 2004–2008 to SEK 173.9m. The country's total budget for education amounted to USD 1.8bn for the budget year 2008–2009. The aim of the programme is to increase enrolment in education and reduce inequality while at the same time striving to better the quality of instruction. During the period 2005–2007 the programme resulted in:

- an increase in the enrolment of pupils in the relevant age groups from 87 to 91 per cent
- average size of classes being reduced from 54 to 49 pupils
- the number of pupils with disabilities enrolled in primary school increasing by 17 per cent from 45 000 to 53 000
- equal numbers of girls and boys attending school at both primary and secondary level.

The focus on including groups that have not previously attended school has led to considerable improvements in enrolment and participation. The sector programme for education in Bangladesh has been followed up by local studies in which poor women and men have been given the possibility to speak about their daily lives, their problems and in what way the educational programme has led to improvements in their lives. Local studies at village level as a complement to sector dialogue have received attention, both inside and outside Bangladesh, as an effective and innovative way of capturing the perspectives of poor people concerning poverty and development.

Support for Zanzibar's educational sector

Sweden contributes to Zanzibar's educational sector, the goal of which is to increase the number of classrooms which will in turn meet an increase in the number of pupils in primary school, to develop an educational policy and development programme for the whole of the educational sector and increase its skills and capacity. Sweden's costs amounted to SEK 44m in 2003–2008. Total costs for the educational sector for the same period were nearly SEK 10bn. Among results for 2003–2008 are:

- a new policy for the educational sector is now ready and the first sector programme is nearing completion
- the proportion of children enrolled in primary school (the number enrolled in relation to the total number of children in the relevant age group, or 'gross enrolment') has increased from around 65 per cent in 1990 to more than 100 per cent in 2006, 2007 and 2008. Enrolment at the right age ('net enrolment') has increased from 43 per cent in 1990 to 84 per cent in 2007
- nearly 700 classrooms with school benches and a new ministry building have been constructed and put into use
- several persons have undergone skills development in educational statistics. A top civil servant has taken his doctoral degree in pedagogy at Bristol University.

According to a 2007 evaluation, Swedish support has been well directed and has had a positive influence on the sector, particularly in preparation of classrooms. The process of developing a new policy and a new sector programme has been

slow but has moved forward the whole time and, as regards the sector programme, is now entering its final phase.

Strengthened capacity for parliamentarians in southern Africa

Sweden has supported the Southern African Development Community Parliamentary Forum (SADC PF) with the aim of strengthening the capacity of parliamentarians to fulfil their purpose as concerns supervision and legislation to check the HIV/AIDS epidemic in SADC countries. Sida's costs in 2008 amounted to SEK 10m. UNAIDS and the National Democratic Institute for International Affairs contributed technical support. The following results can be detailed.

- After a consultative process involving parliamentarians, researchers, legal experts and activists a draft for a regional model of an HIV/AIDS law was presented and approved at a meeting in Tanzania. The model was approved in 2008 by the SADC policy authority and parliamentarians have recommended that the model be transformed into national legislation. This process was started in Mozambique in 2008.

Support for SADC PF is in line with Sweden's ambition to bolster cooperation with regional partner organisations. The model for HIV/AIDS legislation is expected to have great influence in SADC countries because it takes up important but nationally sensitive aspects of the epidemic. By strengthening the legislative system, protection will be granted to the most vulnerable and often poorest inhabitants.

The health sector in Nicaragua

Sweden's support for the health sector in Nicaragua aims at increased access to, and improved quality of, health and medical services for poor women, men, girls and boys, with the focus on maternal and child mortality and sexual and reproductive health and rights. The Health Ministry in Nicaragua has made reduction of maternal mortality one of its highest priorities. Sida's support to the health sector in Nicaragua amounted to SEK 57m in 2008. The most important results are:

- a reduction in the birth-rate from 3.3 to 2.7 children per woman in the period 2001–2007
- training of 500 midwives since 2005
- a certain tendency can be discerned towards diminished maternal mortality. However maternal mortality has increased in the areas that have not been prioritised by the government.

Through support to non-governmental organisations, several measures contribute directly to the strengthening of women's rights and to sexual and reproductive health and rights. Sweden has established a high and visible profile in the dialogue on human rights in general but in particular that concerning sexual and reproductive health and rights and the ban on abortion, taking into account danger to the mother's health or life.

5.6.3 Assessment

The partially positive development concerning several of the UN Millennium Development Goals, for example reduced child mortality, can in certain cases be ascribed to increased aid for health and education but also to a general reduction of poverty, which has had a positive effect on people's health. But the education of girls has not shown such a positive development and there has been virtually no change in maternal mortality rates for nearly 20 years. This can be explained partly by inadequate internal and external financing, but also by unequal and undemocratic power structures that often work against women and girls. Sweden, for its part, feels that focus should be sharpened on links between different working areas, not least between the social sectors and democracy and gender equality.

Swedish development cooperation aimed at social development and protection faces new and major challenges. New demands for a division of responsibility and roles keep pace with new, capital-strong private initiatives but also with new donor countries such as Brazil, India and China. Strategic dialogue and advocacy need to be strengthened at the global, regional and national levels. This development sheds light on the importance of closely following how the national level is influenced by what happens regionally and globally. Dialogue and advocacy should be followed up and analysed.

In the health sector Sweden has played an important role at global and regional level as concerns sexual and reproductive health and rights, with the focus on youth, for example with regard to contraception, safe abortions, prevention of HIV and communicable diseases. Sweden has contributed towards an increased prioritisation and coordination of preventive work in HIV, increased integration of sexual and reproductive health and rights and prevention of HIV in all development assistance, as well as to the role of men and boys in the HIV/AIDS problem being highlighted.

Experience from the educational sector shows that focused dialogue together with support aimed at particularly vulnerable groups, the form and content of the education and also the effects of increased education in general (rights in and through education), give results in the form of increased enrolment and participation of girls and children with disabilities.

One lesson from the global involvement is that Sweden, despite its relatively limited educational cooperation, can influence discussions taking place at global level. For example, Sweden engages in clear and active advocacy in strategically important but under-supported and often controversial areas such as gender equality, inclusive education and democracy.

The examples above illustrate how Sweden directs particular attention towards the most vulnerable groups in the field of social development and protection. This means that equal rights to education and health for girls, boys, women and men are considered in all contributions and programmes and in dialogue on national sector plans and strategies for poverty reduction. In the educational sector this is done by promoting inclusive education, a strategy formed to help countries reach the Millennium Development Goals and the international objectives of universal education. In the health sector support is given to development of national health systems and implementation of

national health plans that increase access to preventive and curative health and medical care via equitable and inclusive health systems. Complementary strategic support to civil society actors is necessary to support democratic development.

5.7 RESEARCH COOPERATION

Investments in research contribute in several ways to economic growth. Academic research increases the capacity to solve scientific and technical problems and creates new instruments and methods. Research contributes to a higher quality of education and hence to a raised level of knowledge among the entire workforce.

Since the 1990s large investments in research have been made in the whole of the industrialised world as well as in middle income countries in Asia (including India and China). In recent years investments in research have also been made in parts of Latin America. These investments include both public and private contributions. The exception is most of the countries in Africa, where neither public nor private sector allocate resources to research and innovation. This means that the greater part of research in Sweden's partner countries is financed by bilateral, regional or international donors and that priorities for the content, form and implementation of research are set by these organisations.

In recent years, investments in the research and innovation systems of the low income countries have come to be regarded as relevant for social and economic development. Among Sweden's partner countries, Mozambique and Rwanda have developed national strategies for research and innovation and such strategies are also under development in Ethiopia, Tanzania and Uganda.

Many years' investment in primary education has the effect of increasing demands from young people for higher education in their home countries. There is insufficient capacity and quality at present to meet this demand and the time university teachers have for research has become more and more limited.

5.7.1 Facts and figures

In 2008 around SEK 1bn of Sida's bilateral aid was used for contributions in the area of research. Sixty-five per cent was used for regional and global contributions, 23 per cent went to countries with which Sweden pursues long-term development cooperation and 0.2 per cent to conflict and post-conflict countries. Mozambique was the country that received most direct aid.

The overall goal for bilateral support for research is to improve partner countries' conditions for analysing, prioritising and making decisions regarding their own development.

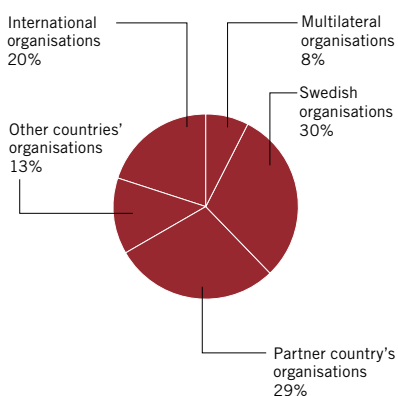
Swedish research aid comprises bilateral support, support to regional or international organisations and Sida's programme for Swedish development research. Bilateral aid is based on a conviction that the fight against poverty in partner countries will benefit as the ability of those countries to generate knowledge increases. One central lesson learned from this type of aid is that



DIAGRAM 5.13
Development cooperation through Sida
by category of country, 2008, Research
cooperation



DIAGRAM 5.14
Development cooperation through Sida by
aid channel, 2008, Research cooperation



it should be long-term (20–40 years) and aimed primarily at strengthening the ability of institutions, faculties, universities and research councils to carry out research, rather than aiding individual research projects. Another lesson learned is that the model used for research education in which students work partly in their home countries and partly in Sweden is a cost-effective method compared with that in which students stay exclusively in Sweden for the duration of their work. Moreover the model helps to bolster the relevance of the research and its utility for the partner country, widens the researcher's international contact network and reduces the risk of brain drain.

Support for regional and international organisations and Sida's programme for Swedish development research is directed towards issues that concern the UN's Millennium Development Goals. The aim is to generate and disseminate research results of relevance for participating countries in joint and trans-border issues, for example in the fields of environment and climate, development economics and communicable diseases.

An increase of aid to Mozambique, from SEK 32m in 2007 to SEK 83m in 2008, is a direct consequence of long-term work aimed at bolstering the university's research administration. A decline in aid to Tanzania and Uganda is explained partly by the sluggishness of the administrative systems of the cooperating universities. Total research aid to Africa has increased as a consequence of a conscious focusing on the region. The increase has partly come about at the expense of aid to international and regional organisations. In bilateral research cooperation at present around half of the support goes to the Swedish university. The ambition is that a larger amount of the aid shall be used in Sweden's partner countries.

5.7.2 Results of selected projects and programmes

In 2008 bilateral research cooperation with Mozambique, Sri Lanka and Vietnam was evaluated, having been in progress for 30 years. Shown below are examples of results of research cooperation with Mozambique and Vietnam and aid to a regional organisation.

Support of a regional research consortium in Africa

Sweden gives support to the African Economic Research Consortium, AERC, for policy research and research education. Around 23 universities in 19 countries take part in the consortium. The annual budget of the AERC amounts to around SEK 92m, of which Sida's support stands at around SEK 13,5m per year. A mid-term review of the consortium's strategic plan for 2005–2010 was carried out in 2008. Among the results of the activity:

- the governors of the national banks of Kenya, Nigeria and Tanzania and the present finance minister of Nigeria have all previously been active in AERC
- of the 25 researchers who defended their doctoral theses in the past two years, 24 are working in Africa and one has been recruited by the International Monetary Fund, IMF
- AERC has brought together influential members of African governments for policy discussions.

AERC performs well in achieving the goals set up for support to regional research programmes, i.e. by generating and disseminating research results of relevance to participating countries. The overall assessment is very positive and emphasises that AERC should widen its research education to include post-conflict countries. In Africa, AERC has been held up as a model for research education in economics because of its access to both international and regional expertise and the fact that, by comparison with other organisations, its education is very cost-effective.

Research aid to Mozambique

Swedish research aid to Mozambique in 1978–2008 amounted to SEK 497m. The programme's aim has been to increase capacity and improve the quality of research carried out at the Eduardo Mondlane University in Maputo. The aid has resulted in:

- more research laboratories, libraries and qualified administrative capacity
- 190 researchers having completed doctoral degrees compared with a total absence of people with PhD degrees in the entire country when aid was started in 1978.

An evaluation from 2003 showed that administrative problems limited possibilities for expansion of research cooperation. The problems have been dealt with by changes in management and support for administrative reforms at the university. Long-term Swedish financing of research at Eduardo Mondlane University, together with persistent engagement from both the country's researchers and the Swedish cooperation partners, has been decisive for the fact that research results are now being used in areas such as the construction industry, use of water and energy resources, and veterinary medicine.

Research cooperation with Vietnam

Sweden's research cooperation with Vietnam started in 1976. Total Swedish research aid from 1976–2006 amounted to SEK 300m. At the start of the 1990s Vietnam identified three research areas as central to the country's development: health, rural development and biotechnology. Swedish research cooperation with Vietnam was evaluated in 2007. The evaluation showed that the aid has resulted in:

- a strengthening of research administration and the establishment of a national research fund
- a strengthening of the ability to manage research at national level
- around 40 Vietnamese researchers completing their doctoral degrees.

According to the evaluation, Swedish aid has had a greater effect than originally expected, given that it is of a relatively low level. A follow-up study in 2008 showed that all the researchers have stayed in the country, in universities, research institutes or government ministries. The research programme's results continue to contribute to the production of national policies for rural development and health. The research has contributed to development of fast-growing species of trees which are used in accordance with the national reforestation policy. It has also contributed to the spreading of new agricultural techniques via the Ministry of Agriculture's consultative system, national production of vaccine against cholera, a treatment programme for tuberculosis and a national

action programme for good pharmacy practice to counteract the spread of resistance to antibiotics.

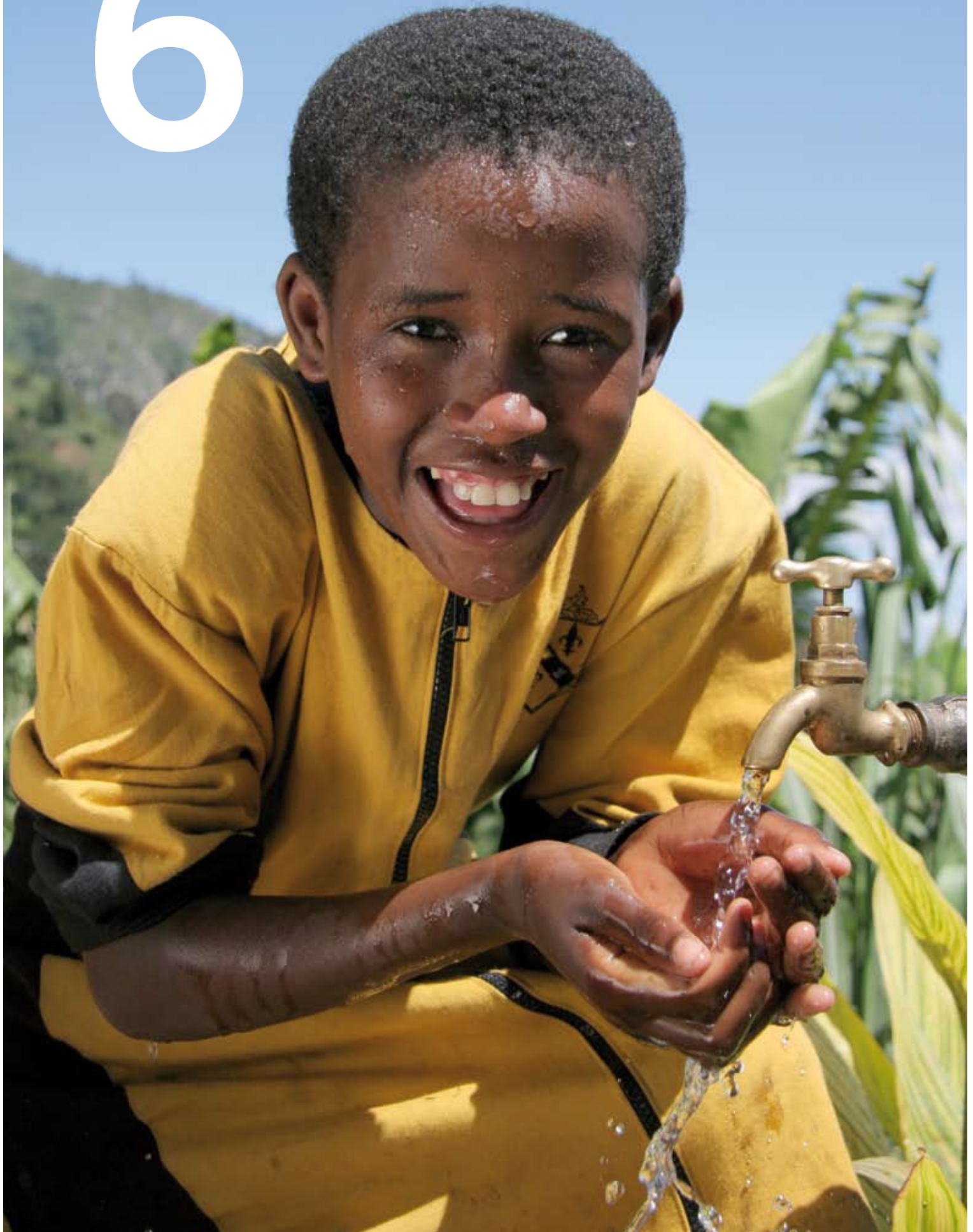
5.7.3 Assessment

An increased interest in research in Sweden's partner countries and among international donors has improved conditions for coordinated, systematic support for research and innovation. The result of Sweden's bilateral research support to Vietnam illustrates how effectively support can be utilised in a policy environment where the partner country views that aid as a part of the country's overall social and economic development. Progress is achieved even in the absence of such an environment, as can be seen above regarding Mozambique. Sida's experience shows that the long-term perspectives and sustainability made possible by programme aid are important in improving the ability of partner countries to develop their own research capacity.

A lack of resources in partner countries for both higher education and research still jeopardises the quality of both activities, while at the same time it is these activities that are central to the partner country's long-term development. Sida takes up this challenge by special efforts to establish research education at local level, which, in addition to giving increased research capacity, is expected to increase access to qualified university teachers. Moreover, support for national and regional research councils is a central component in increasing the countries' ownership of structures for research, application of research results and establishment of programmes for innovation.

Research aid to Mozambique and Vietnam meets the overall goal for such aid. The forms chosen for the aid – long-term support for boosting capacity at different levels, research education for students partly in their home country and partly in Sweden, and local research education – are suitable methods for reaching this goal.

6



Humanitarian aid

The aim of humanitarian aid is to save lives, alleviate suffering and maintain human dignity in connection with disaster situations.

The Government's Humanitarian Aid Policy (Skr. 2004/05:52) is the fundamental policy document for humanitarian aid, and thus also for Sida's newly adopted strategy for humanitarian aid for 2008–2010. The overall Swedish humanitarian aid policy is guided by principles of humanity, impartiality, neutrality and independence.

With natural disasters and conflicts becoming ever more serious and affecting more and more people, the global need for humanitarian assistance has increased. Increased urbanisation, together with more numerous and more serious natural disasters, has led to the damage disasters do becoming markedly worse. The overwhelming majority of natural disasters in 2008 were weather-related, a tendency that is expected to be exacerbated by the effects of climate change. Rising food prices have also contributed to a deterioration of the humanitarian situation.

The number of refugees in the world in need of protection and support today is estimated at around 15 million. In addition, there are more than 25 million internally displaced persons. Protracted refugee situations, maintenance of refugee rights and protection and support for internally displaced people constitute continued challenges for development cooperation and humanitarian aid.

Even if the number of international conflicts in general has declined in recent years, earlier conflicts thought to have been ended, such as those in the eastern part of the Democratic Republic of Congo, the Philippines, and Georgia have flared up again during 2008 and the number of low-intensity conflicts has begun to increase again.

Being better able to meet increased humanitarian needs requires greater efforts at coordination between donors. Therefore the UN, the Red Cross and organisations in civil society have continued to work on the humanitarian reform process. The reforms will contribute to increased humanitarian response capacity, greater coordination in disaster response, improved financing and strengthened dialogue between the UN and non-UN organisations. The United Nations Office for the Coordination of Humanitarian Affairs, OCHA, has a central role in this work and Sweden has contributed to strengthening its ability and capacity both in the field and centrally.

The development of humanitarian aid has continued, both in terms of financial and organisational structures. UN-led consolidated appeals continue to be one

of the most important tools in international humanitarian aid work. In 2008 twelve appeals were launched for a total amount of USD 6.3bn and with an estimated target group of 25 million people. Sida contributed more than SEK 800m, around 4.5 per cent of the total need and a third of Sida's total humanitarian aid.

The trend continues of creating national level common humanitarian funds administered by the UN. The funds in Sudan and the Democratic Republic of Congo were complemented in 2008 with a fund for the Central African Republic. Sweden is the third largest donor to these funds, which in turn channel resources to hundreds of projects run by the UN and civil society organisations.

The donors have shown increased confidence in the Central Emergency Response Fund, CERF, administered by OCHA and established to boost effectiveness in financing humanitarian aid. In 2008, 90 donors contributed a total of USD 429.4m. Sweden was the third largest donor with SEK 360m. An evaluation during 2008 showed that in just two years the fund had developed into a worthwhile and effective financial instrument.

The humanitarian reform agenda also calls for improvements in the coordination of the implementation phase, for instance by the cluster system in which a designated lead organisation has coordinating responsibility for each humanitarian sector. In 2008, 15 countries in crisis, among them Afghanistan, had introduced this system. More progress came that year when the UNHCR took prime responsibility for protection in Darfur and a UN humanitarian team was established in the Palestinian territories.

The international initiative for improving action and coordination between humanitarian donors, Good Humanitarian Donorship, continued in 2008. Sweden and the USA shared the chair of the initiative during the first part of 2008.

In 2008, for the second year running, Sweden was ranked first of the 23 largest donors of humanitarian aid by the independent evaluation and research organisation Development Assistance Research Associates. The evaluation was based on the quality and effectiveness of humanitarian aid.

In June 2008 the EU adopted an action plan for implementation of a consensus document on humanitarian aid successfully negotiated in 2007. During the year decisions were also taken on the introduction of a new Council working group with responsibility for humanitarian policy and food aid issues.

The UNHCR has a mandate to protect and assist refugees, stateless persons and internally displaced persons. The organisation leads joint efforts by the humanitarian organisations to provide protection, emergency shelter and the running of camps. During recent years the UNHCR has firmed up its commitment to help internally displaced persons. Sweden has contributed politically and financially to this. The organisation has also conducted a comprehensive internal reform.

The World Food Programme (WFP) plays a dominant role in the provision of humanitarian food aid. The organisation has grown in significance along with the numbers of people in the world who are hungry or have uncertain access to food. Sweden is one of a few donors who give their aid un-earmarked and in cash. With like-minded members on the WFP board, Sweden has worked to increase the allocation of locally bought food with the aim of supporting farmers in developing countries and reducing disruption of markets by food aid. The greater part of WFP's purchasing is now made locally and regionally.

6.1 THE DIRECTION OF HUMANITARIAN AID

In 2008 around SEK 2.4bn of bilateral aid went via Sida to humanitarian assistance. Thirty per cent was used for regional and global contributions, 10 per cent went to countries with which Sweden is involved in long-term development cooperation and 42 per cent went to conflict and post-conflict countries.

Sudan was the country that received most direct humanitarian aid.

Of Sida's total humanitarian aid 10 per cent is related to natural disasters, 20 per cent to other humanitarian activities and 70 per cent to conflicts.

In addition to bilateral aid via Sida, humanitarian aid is also channelled through the Ministry for Foreign Affairs. In 2008, nearly SEK 2bn was channelled via the Ministry for Foreign Affairs as non-earmarked core contributions to UN humanitarian organisations (WFP, UNHCR, UNRWA OCHA and the UN ISDR), CERF, IOM and the International Committee of the Red Cross (ICRC).

Swedish humanitarian aid is marked by great flexibility, both as to type of assistance, financing, choice of implementing partner and the possibility of adapting to situations. In order to be able to reach out to all those in need at all levels, Sweden works with different partners, the UN and the Red Cross and other organisations in civil society, which complement each other well.

Around half of the humanitarian aid via Sida is channelled through multi-lateral organisations. Part of the aid is in the form of support to UN humanitarian appeals, both long-term consolidated appeals and flash appeals after unforeseen disasters. During the year Sweden has given support to all UN humanitarian appeals and has in particular paid attention to forgotten crises, such as those in the Central African Republic and Haiti. In every appeal Sweden gives support as a matter of principle to the OCHA. To promote flexibility, Sweden avoids as far as is possible giving earmarked aid. Demonstrating still more flexibility and adaptation to needs, Sweden gives aid to common/pooled humanitarian funds in the Democratic Republic of Congo, the Central African Republic and Sudan.

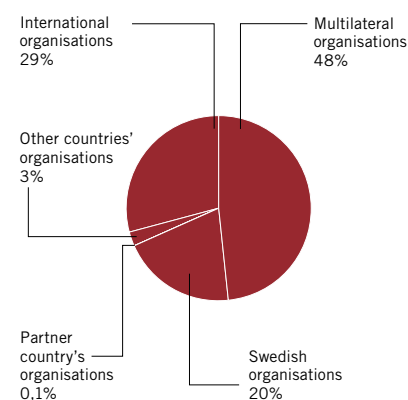
Research into the issue of transition from humanitarian aid to long-term aid shows that flexibility is vital to minimise a gap in financing when the transition comes into effect. At the same time, when assessments are made, there is a need to consider development goals in the country concerned. To ease the transition to long-term development cooperation, Sida has, for example in Burma/Myanmar and Chechnya, adapted the humanitarian budget line to finance early reconstruction programmes. During the war in Georgia, Swedish humanitarian aid was adapted to continuing long-term development projects, as it was after the floods in Bangladesh. In the Democratic Republic of Congo humanitarian aid has financed investments in health, but the plan is that long-term contributions will take over.

Sweden has contributed to the World Bank's efforts to improve partner countries' abilities to deal with natural disasters. Sweden is also the largest donor to the UN's International Strategy for Disaster Reduction (ISDR). With this, Sweden is a major driving force in an area closely connected to the work of climate change adaptation. In November 2008 Sweden commenced a year's chairmanship of the World Bank's Global Facility for Disaster Reduction and Recovery. Support has also been channelled via the Swedish Rescue Services

DIAGRAM 6.1
Development cooperation through Sida by category of country, 2008, Humanitarian aid.



DIAGRAM 6.2
Development cooperation through Sida by aid channel, 2008, Humanitarian aid



Agency, for example to Mozambique to strengthen the country's own capacity to deal with disasters.

During the year problems arose concerning access for humanitarian organisations to populations in need of humanitarian aid in a number of different crises. Sweden has worked, both bilaterally and multilaterally, for improved, unhindered and safe humanitarian access and stressed the importance of respect for international humanitarian law and other humanitarian principles in cases of armed conflict.

6.2 Results of selected projects and programmes

Shown below are results for a number of contributions in bilateral and multilateral humanitarian aid.

International Committee of the Red Cross

Sweden contributes to the ICRC with the aim of supporting its humanitarian programmes around the world. The ICRC's total budget amounts to around SEK 5.5bn. In 2008 Sweden contributed a total of SEK 405m, making it the fourth largest donor. The ICRC's activities have contributed to:

- around 3 million people receiving health care, 4 million receiving necessary household and hygiene articles, 2.8 million being given income-generating activities and 14.3 million receiving water.
- around 500 000 prisoners being visited by ICRC delegates
- making possible immediate, reliable and effective action in cases of sudden humanitarian crisis
- strengthening the international humanitarian system.

The Government's assessment is that the above results show that the ICRC has a unique role to play and a proven ability to reach affected people in areas of conflict. Its position in international law is central and the ICRC's close cooperation with the Swedish Red Cross also leads to a strengthening of Swedish capacity in this area. Sweden is an active participant in the ICRC's international donor group. In many cases, such as in certain areas of Somalia, Chad and Darfur, the ICRC is one of very few organisations allowed access.

Improved humanitarian situation in the Central African Republic

Sweden has contributed to the UN's local fund for rapid humanitarian assistance, the Emergency Response Fund (ERF). The fund distributes aid to the UN organisations and organisations in civil society that are in place, which enables measures to be implemented by a number of different partners with minimum administration. Results shown below concern the implementation of projects in the Central African Republic. The purpose of the UN fund has been to improve the humanitarian situation in the Central African Republic in 2008 via fast, predictable and flexible humanitarian assistance. The total cost of the programme amounted to SEK 34m. Sida contributed SEK 7m in 2008. The programme has resulted in:

- 800 000 vulnerable people being given humanitarian aid via 66 projects. The health sector has received the largest allocation of aid, 35 per cent.

- organisations in civil society being able to start programmes or open offices in crisis areas where the humanitarian presence has hitherto been weak.
- coverage by combination vaccines of 73 per cent instead of a projected 70 per cent, assisted childbirth 61 per cent instead of a projected 50 per cent, and frequency of visits to Ndele Hospital increasing by 118 per cent in the first half of 2008.
- the International Medical Corps' rapid establishment of a health centre in Sam Ouandja for 3 000 newly arrived refugees from Darfur.
- during an epidemic of meningitis in Kaga-Bandoro in February 2008 aid was granted in the space of three days to a WHO project which aimed at the rapid purchase of 30 500 doses of vaccine and distribution of 6 300 doses of medicine.

In the Government's assessment the country-based UN-led humanitarian funds offer rapid and needs-based assistance with necessary flexibility. The results show that the project has been able to improve the humanitarian situation in some of the most vulnerable areas. The UN's Humanitarian Coordinator has seen to it that support for the funds increased during 2008. The individual donor's role in these funds is reduced in favour of a more strategic assessment of needs and allocation of means on site. Sweden's understanding is that the assessment of needs in the Central African Republic has worked well and that aid has therefore been effective.

A hospital in the Democratic Republic of Congo

Sweden has contributed to the Panzis hospital in the Democratic Republic of Congo via the Swedish organisation PMU Interlife. The aim of the programme is to give gynaecological, general medical and psychosocial support to women and children who have been victims of sexual violence. The goal is the rehabilitation of 3 100 victims. The cost for the whole project amounts to SEK 7.5m, with Sida's contribution SEK 1.5m. The programme has resulted in:

- more than 1 100 women being given health care and psychosocial treatment from July to October 2008.
- a radio programme broadcasting information on prevention of sexual violence and women's rights attracting three million listeners in the Kivu provinces, Katanga, Burundi and Rwanda
- 160 women receiving judicial advice and help with lawsuits against the authorities
- 2 800 women receiving food and hygiene and sanitary help and being given help in readjustment to their home environment
- local capacity to work with these sorts of measures has been strengthened. The gap between humanitarian assistance and long-term health programmes has been reduced through investment in local capacity.

The Government's assessment is that the project fulfils its aims excellently in that women who have been abused are receiving treatment and rehabilitation support but that there is still greater need beyond that planned for, in addition to a requirement for psychosocial follow-up. The quantitative goal has been achieved in good measure but needs are far greater than can be catered for in a single project. Sida has on a number of occasions visited the project and assesses it to be of a very high quality. Swedish support will continue in 2009.

Refugee camp in Iraq

Sweden has given support via the Rescue Services Agency to a refugee camp at Al Waleed in Iraq. The purpose of the programme is to improve living conditions in the camp for around 1 800 Palestinian refugees who fled from central parts of Iraq in 2006. The programme means a relocation of the camp plus installation of sustainable water and sanitary solutions. The cost for the whole programme amounted to SEK 7m and the Swedish contribution to SEK 4.8m. The contribution has resulted in:

- the camp being relocated to a more favourable site and improved living conditions for 1 800 refugees
- local capacity being strengthened, with refugees being employed to carry out the work.

It is the Government's assessment that through this contribution the Rescue Services Agency could offer a quick solution to the problems faced by the camp. The conscious effort to involve those living in the camp means a strengthening of local capacity for the future.

Education and protection for children affected by war in Sudan

Sweden has contributed to Save the Children Sweden's efforts to give internally displaced children and other war-affected children in the Darfur region of Sudan education and protection. The aim of the contribution is to rehabilitate 18 000 children from the effects of war and return them to a normal life, and to give 45 000 internally displaced children schooling, of which 17 000 will be new enrolments. Sida's total costs for the programme in 2008 amounted to SEK 10.2m out of a total budget of SEK 11.8m. The programme has resulted in:

- around 32 000 children, 52.6 per cent of them girls, being given assistance, more than 4 000 children being enrolled at primary school level and 1 500 pupils integrated into school life after intensive instruction.
- more than 500 teenage girls being given instruction in handicrafts and education in literacy and arithmetic
- around 150 classrooms being built or renovated. Textbooks, chalk, exercise books, school bags, sports equipment and 14 000 school uniforms being distributed.
- the training of 35 instructors who will in turn train part-time supervisors to look after children suffering trauma as a result of war
- aid reaching around 35 000 children, most of them internally displaced and Save the Children Sweden's psychosocial support being given to another 12 000 children.

The Government considers that Save the Children Sweden's programme in northern Darfur is on track to fulfil its goals. In 2008 the deteriorating security situation hindered implementation of the project. Despite this, Save the Children Sweden has reached both camps for internally displaced persons and the local population. The greatest problems are a lack of teachers and good teaching methodology, a large number of dropouts from school, mainly girls, too few and too small school buildings, lack of materials and in certain cases school fees that are far too high. There is a need to develop and improve the quality of the present educational support if these problems are to be dealt with.

6.3 ASSESSMENT

The tendency to ever more complex humanitarian crises, which combine natural disasters with continuing or latent conflicts, puts increased pressure on the humanitarian actors both in terms of adherence to humanitarian principles and, for instance, safety and security for field personnel. At the same time the number of humanitarian actors is increasing, which calls for improved coordination and management of the competence of such organisations.

The Government's assessment is that the international humanitarian reform process is moving in a positive direction, but that much remains to be done before humanitarian aid achieves its goals of being totally directed by need, fast and flexible. The pooled donor funds are a good step along the way, as is the development of the Good Humanitarian Donorship initiative. Increased international aid from non-traditional donors to, for instance, the CERF, also illustrates an increasing international awareness of humanitarian needs.

Sida's new humanitarian strategy for the period 2008-2010 has as its goal rapid decision-taking on assistance both to ongoing and new disasters. This goal has been met. However, in cases of sudden-onset disasters in countries where there is no field presence, it can be difficult to make an initial needs assessment. For this reason a system has been created in which Sida's humanitarian team sends reinforcements to the embassy. This has shown itself to be very useful, for example in Burma/Myanmar in connection with Cyclone Nargis.

During the year several steps have been taken to improve humanitarian needs assessments. Several earlier under-financed crises have received increased financing from individual donors such as Sweden and from common channels such as CERF. However, the problem of limited and inadequate access and capacity remains in several crisis areas and here increased international efforts are needed.

The discussion on cooperation between civilian humanitarian actors and military peacekeeping forces continues. The aftermath of a natural disaster is relatively uncomplicated, but in a conflict or post-conflict situation there is a risk that military involvement in humanitarian aid can lead to problems in the perception of such aid as neutral and impartial. In the continued discussion it is important to show understanding for the other party's mandate and function and that existing guidelines and principles should be followed.

Humanitarian aid is distributed in countries where there is often a great risk of corruption. This substantially limits the number of possible cooperation partners. During the year, Sida cooperated with Transparency International in developing tools to deal with corruption in humanitarian environments.

Increased humanitarian needs during the year have been met with increased allocations. With a view to effectiveness, Sida tries to secure general agreements, framework agreements and an increased degree of flexibility in financing. At the same time higher demands are placed on the implementing organisations concerning the quality of reports on aid distribution.

Sweden's humanitarian aid has sufficient flexibility to be able to finance some contributions in the transition period from humanitarian assistance to long-term development cooperation. There are also possibilities to support humanitarian projects spread over several years to ease this transition.

7



Non-governmental organisations

Organisations in civil society, for example religious associations, unions and social movements, play a leading role as cooperation and dialogue partners within international development cooperation. A majority of donor countries see civil society organisations in developing countries as vital in the fight against poverty, not least in working for increased democracy building and respect for human rights. Alongside making it possible for poor women, men, girls and boys to organise themselves and make their voices heard, civil society organisations in developing countries often act as sources of proposals and scrutiny in relation to those in power. The civil society's more traditional educational function is important for development and poverty reduction, for example as concerns instruction on citizenship. In developing countries organisations in civil society also have an important function in constructing models and ways of working that contribute to increased diversity and thereby better conditions to strengthen social and economic rights.

In their work for democracy, gender equality and human rights, organisations in civil society may meet with opposition from those in power, for example through legislation that violates freedom of association or assembly. In countries with authoritarian regimes, civil society actors are one of the foremost forces for democratisation. Partnership with organisations from Sweden and other countries can play a major role in such situations.

Sweden gives aid through organisations in civil society in different ways. Within the framework of the bilateral cooperation strategies that govern aid to Sweden's partner countries, support goes to organisations in civil society, either directly or via a Swedish or foreign organisation. Often such support is given within the sectors where Sweden gives bilateral aid, for example health and education. In such cases the organisations' central role is to organise services. In countries where a large portion of development cooperation is given via sector programmes or budget support, support to civil society forms an important complement to state-to-state aid. Then the organisation's role as spokesperson often comes into focus and the approach can be capacity support and democratic development. Examples of results from this aid are shown in this report in the thematic and geographical sections.

Sweden also gives aid to a number of international and regional organisations, not least in the framework of the Government's thematic prioritisations.

Within the humanitarian aid sector, organisations in civil society are an

important channel and arrange a large part of humanitarian aid. The result of these contributions is shown in the section on humanitarian aid.

Shown below are results of aid given via Swedish organisations in civil society under multi-year framework agreements. Sida has such agreements with 15 Swedish organisations. Some of these organisations implement their own programmes and projects while others delegate Sida's support to the programmes and projects of their member organisations. During 2008 two new organisations signed framework agreements with Sida: the World Wildlife Fund and the Swedish Association for Sexuality Education (RFSU). At the same time framework agreement status was withdrawn from the organisation Utbildning för biståndsverksamhet, now known as Solidarity Sweden-Latin America.

A framework agreement is for a period of eight years. Sida grants aid for an initial period of three years. After this the organisation supplies a report of results from the three-year period and applies for an extension of the agreement for another three years. Sida then makes a comprehensive report based on a systematic audit of the period, an evaluation of the organisation's activities and follow-up visits.

Support channelled via Swedish organisations in civil society is monitored via a highly developed system of follow-ups, controls and evaluations. At the same time there is room for improvement. Following a report by the Swedish National Audit Office on irregularities in aid (RiR 2007:20), Sida has strengthened supervision to confirm that Swedish organisations concerned have taken action in cases where there was a lack of clarity, inserted tougher demands concerning internal management in agreements, implemented educational efforts and exchanges of information, and increased the number of audits and evaluations. Moreover, Sida has modified its anti-corruption rules and put into effect a new audit rule. Along with this, Sida has called for a statement by the Supervisory Board of National Accountants.

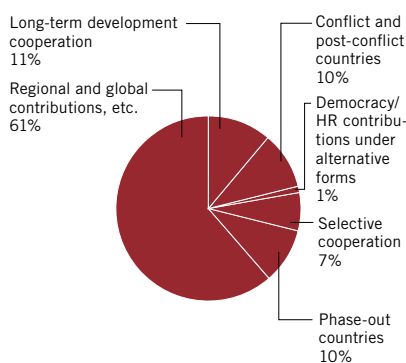
7.1 FACTS AND FIGURES

In 2008 payments from Sida's appropriation for non-governmental organisations came to around SEK 1.2bn. Sixty-one per cent was used for regional and global contributions, 11 per cent went to countries where Sweden pursues long-term development cooperation and 10 per cent to conflict and post-conflict countries. The West Bank and Gaza were the areas that received most direct support.

Cooperation has been broad; both geographically and thematically. The possibility for Swedish organisations to develop independent relations with their partners means total Swedish relations with cooperating countries are widened.

Democratic governance and human rights account for a considerable part of the support. The relatively large part of cooperation aimed at increased gender equality also falls within this principal sector. Swedish organisations often link the whole of their work for capacity and organisational development to democratic development. Partly this reflects these organisations' comparative advantages; partly it promotes a robust democratic civil society in partner countries.

DIAGRAM 7.1
Development cooperation through Sida
by category of country, 2008,
Non-governmental organisations



Contributions may primarily aim to achieve change in a certain thematic area (more productive agriculture, or sexual and reproductive health). However, when pervaded by efforts in the area of human rights and active local participation, such contributions also help promote democracy building. One example would be efforts focusing on women in rural areas.

A relatively large portion of Swedish development cooperation through organisations in civil society is project support. While project support can in certain cases be the most appropriate support form, the Government is of the opinion that the allocation for programme support in the activities of Swedish organisations can and should increase.

7.2 RESULTS

In 2008 Sida carried out a sweeping results analysis of its activities in recent years. This will form the basis for a strategy that will govern activities in years to come. The results analysis concludes that a considerable part of activities have emanated from the local society. Here, poor people subject to discrimination have strengthened their degree of organisation, gradually increased their standard of living and influenced social development in line with their own priorities.

The lesson to be learned is that organisations pursuing internal work for change and striving for a high degree of anchorage in society have had a considerable impact vis-à-vis those in power. Closely connected to this is cooperation for capacity development, for example through technical support, education of personnel and organisational development. Projects and programmes with this aim constitute an ever larger and integrated part of Swedish organisations' cooperation.

In addition to its results analysis, Sida has also carried out evaluations of four Swedish organisations with which it has framework agreements. All in all, the conclusions of the evaluations indicate that the work of these organisations is relevant when seen against the goals of Swedish development cooperation. However, there are both strengths and challenges concerning effectiveness and sustainability.

Despite the fact that Sweden comes out well and lies in the forefront in an international comparison as regards development of methodology for how support systems are formed and how follow-ups should be made in a cost-effective way, Sida has drawn attention in 2008 to the fact that still more improvements can be made. One lesson that has been learned is that evaluations carried out in this appropriation area should in future be more result-oriented, i.e. focused more on the effects of aid in relation to people who live in poverty.

The three contributions described below reflect the breadth of activities pursued by Swedish NGOs.

Settlers and indigenous groups in Honduras

The Swedish Cooperative Centre is working with Instituto para la Cooperación y Autodesarrollo, an institute in the Honduran nature reserve Biosfera Tawahka Asagni. The cooperation comprises both organisational development and

education in sustainable agriculture and forestry methods for settlers and indigenous people in the area. Sida's support for 2005–2008 amounted to a total of SEK 2.4m. The cooperation has contributed to these groups being able:

- to improve their livelihood through making production methods compatible with environmentally sustainable development
- to work together with other organisations in civil society to make sure that local authorities apply existing legislation affecting the environment
- to increase participation and influence of women in both production and the life of the organisation
- to work for improved forestry legislation in cooperation with the private sector.

The contribution has helped strengthen the civil society and reduce poverty in Biosfera Tawahka Asagni. Results analysis indicates that goals are being met thanks to the actors putting into practice rights-based work and the fact that the target group's participation was prioritised.

Children's rights in Pakistan

From 2005–2007 Save the Children Sweden worked with cooperation partners in Pakistan for children's rights. Sida's support for the programme amounted to SEK 8.5m. The programme has contributed to the following results:

- Since the 1970s it is estimated that around 13 500 boys from Rahimyar Khan have been taken to the United Arab Emirates where they live as prisoners, used as jockeys in camel racing. Save The Children Sweden's work has helped to bring to an end this trade in human beings and helped many boys to return to Pakistan, where they have received psychosocial support and schooling or work training.
- Sexual abuse of boys in Pakistani prisons has declined, thanks to prison personnel receiving instruction and under-age prisoners being given their own units.
- Together with cooperation partners, Save the Children Sweden developed the basis for a national plan of action against sexual exploitation and abuse of children. This was later adopted by the Pakistani government.

A factor behind this success appears to be the fact that Save the Children Sweden's work includes research, increasing the level of awareness on the issues, developing capacity and advocacy. At the same time, Save the Children Sweden and its partners need to improve in following up the results and learning from them.

Exposing violations of human rights in the clothing industry

Several Swedish organisations in civil society have taken part in the international campaign Clean Clothes which works to inform clothing companies and consumers on violations of human rights in the clothing industry. Sida's contribution to the campaign amounted to SEK 2m in 2007. Clean Clothes' information and dialogue with Swedish local authorities has, in recent years, contributed to:

- three county councils introducing ethical demands in purchasing of certain categories of goods
- around 30 women and men working in a factory in Cambodia being re-employed after being sacked for belonging to a union.

7.3 ASSESSMENT

The Government's assessment is that Swedish organisations' own experience of developing identity, capacity and legitimacy has increased effectiveness in cooperation for capacity development. Because work for capacity and organisational development can be linked to democratic development, the Government's assessment is that it is appropriate that a large part of the support be directed to democracy and human rights.

The contribution is judged overall to have promoted poverty reduction and the growth of a vital and democratic civil society. The results also indicate that Swedish non-governmental organisations have a special potential in contributing to development cooperation becoming more rights-based, for example, by discriminated groups themselves taking part in shaping the projects and programmes implemented. Activities have also to a large degree been pursued in contexts and with actors that have contributed to democracy building. The system of multi-year framework agreements between Sida and Swedish organisations is judged by Sida to function well and increase the achievement of goals. At the same time Swedish organisations in civil society and their cooperation partners need to develop their follow-ups and analyses of results of cooperation. Another challenge is that the Swedish organisations' forms of support vis-à-vis their cooperation partners need to be improved, in part by increasing the proportion of programme support. Finally, the cooperation between Sida and Swedish organisations in civil society can increase and become more strategic in international contexts, for example vis-à-vis the UN in providing for sexual and reproductive rights.

The Government assesses that the strategy planned for Sida's allocation to non-governmental organisations will form a framework that will make possible clearer long-term management, improved systematic follow-up of results and more efficient ways of working. A planned policy for support to and cooperation with civil society organisations in developing countries will contribute to increased possibilities for exchanging experiences and lessons from support given directly by Sida to civil society organisations in partner countries and similar support channelled via Swedish civil society organisations. It will be necessary to follow up on the implementation of the policy in future communications on results.

8



Development cooperation through multilateral organisations

Around half of Swedish aid is channelled via multilateral organisations such as the UN, the World Bank, the regional development banks and the European Commission.

Sweden's multilateral development cooperation has been integrated in the thematic and geographical chapters above. In the following section four organisations and funds will be presented. They are deemed to be of special interest.

TABLE 8.1
Total Swedish contribution to a selection of multilateral organisations in 2007

	SEK millions
African Development Bank (AfDB)	527
Asian Development Bank (AsDB)	209
European Union (EU)	2 112
Food and Agriculture Organization (FAO)	223
Global Environment Facility (GEF)	251
International Fund for Agricultural Development (IFAD)	171
International Labour Organization (ILO)	97
Office for the Coordination of Humanitarian Affairs (OCHA)	183
Office of the High Commissioner for Human Rights (OHCHR)	41
Joint United Nations Programme on HIV/AIDS (UNAIDS)	258
United Nations Capital Development Fund (UNCDF)	46
United Nations Centre for Human Settlements (UN-HABITAT)	122
United Nations Children's Fund (UNICEF)	1 130
United Nations Development Fund for Women (UNIFEM)	71
United Nations Development Programme (UNDP)	1 689
United Nations Environment Programme (UNEP)	95
United Nations High Commissioner for Refugees (UNHCR)	629
United Nations Office on Drugs and Crime (UNODC)	105
United Nations Population Fund (UNFPA)	457
United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	312
World Food Programme (WFP)	416
World Health Organization (WHO)	325
World Bank	3 291

8.1 THE WORLD BANK

The Government regards the World Bank as a central development actor at the global level as concerns policy development and development financing. The World Bank demonstrates high internal effectiveness thanks to long-term work with results-based management and independent evaluation. Independent evaluations of the Bank demonstrate good results in terms of external efficiency and implementation. However, in the opinion of embassies and field offices, the World Bank is too centrally directed, something that hinders harmonisation and coordination in the field. The Bank should focus its activities on fewer sectors in its partner countries. Since Robert Zoellick took over as president in 2007, there has been a strong emphasis on environmental issues and climate change, and a new strategic framework for development and climate change has been developed. The Bank's increased focus on Africa and fragile states is also welcome from a Swedish perspective.

During 2008 Sweden continued to be engaged in the question of increased voice and representation for developing countries in the Bank and in the proposed reforms. The World Bank's role in dealing with the negative effects of the global financial crisis has been prioritised. Over and above this, focus has been on climate change, with Sweden working for a greater mainstreaming of climate change into the Bank's core activities (see Section 5.2). In addition, much effort has been put into the establishment of a multi-donor trust fund for human rights (see Section 5.1). The Government sees the establishment of the fund as a major advance after many years' work.

Work for gender equality has received vocal support from the World Bank president but the mainstreaming of gender equality aspects in core activities is not proceeding as rapidly as, for example, the mainstreaming of the governance and anti-corruption agenda. Through the Minister for International Development Cooperation's involvement in an advisory council to the bank, Sweden has pushed the implementation of the World Bank's "Gender Equality as Smart Economics: A World Bank Group Gender Action Plan" forward. In 2008 Sweden gave support totalling SEK 100m for implementation of the action plan.

Beyond callable capital and replenishing the World Bank's International Development Association (IDA), which provides concessional loans and grants to the poorest countries, Sweden contributes funding to a number of trust funds administered by the World Bank. In 2008, Sweden contributed around SEK 948m to trust funds. The greater part of these funds went to prioritised areas such as the health and education sector and good governance. Nearly 35 per cent of contributions went to Africa and 30 per cent to Asia.

8.1.1 Results of selected projects and programmes

Economic growth via micro-loans in Afghanistan

The World Bank has implemented a project for economic growth via micro-finance loans in Afghanistan (Expanding Microfinance Outreach and Improving Sustainability Project) totalling around USD 210m. The project aims to build up a sustainable micro-finance sector which will help the poor and remove obstacles that separate the micro-finance sector from the rest of the financial system. Since

beginning in 2003, the project has contributed to the establishment of 15 micro-finance institutions with a network of more than 279 offices in 24 provinces. These institutions have reached a total of 447 000 customers.

Bangladesh programme for girls' schooling

The World Bank has financed The Bangladesh Female Secondary School Assistance Programme, which aims to increase enrolment of girls in school. The programme included teacher training, the creation of greater capacity in the education ministry, the implementation of an incentive structure for good performance of schools and students and water and sanitary facilities in schools. The programme was implemented in 119 of 480 districts. The number of girls who left seventh to ninth grade with an approved certificate increased from 39 per cent in 2001 to 58 per cent in 2006 in provinces covered by the programme. The World Bank has contributed USD 185m to the programme.

8.1.2 Assessment

The World Bank is a very relevant actor in policy development and financing, both globally and from a Swedish perspective. With its high standards and role as a knowledge bank, the World Bank is an important financer of development, often demonstrating best practice globally. Sweden's cooperation with the World Bank continues to focus on the mainstreaming of climate change measures and gender equality in operational activities, to advance the human rights agenda within the Bank, and to make sure the Bank fulfils its commitments concerning aid effectiveness. Sweden also works for increased voice and representation for developing countries in the Bank.

Moreover, as a shareholder of the World Bank, Sweden advocates the Bank using its resources wisely to help those who are most vulnerable in the present economic crisis. The World Bank has the ability to rapidly adapt to changes in the surrounding world. Moreover, as the Bank is still relatively well capitalised, it can provide financing when there is no access to private capital markets.

8.2 UN DEVELOPMENT PROGRAMME

As the UN's largest actor in the development sector, with a global presence and legitimacy among developing countries, the UN Development Programme, UNDP, occupies a unique position in the international aid architecture. UNDP has a mandate that covers a great number of sectors, for example poverty reduction, democratic governance, gender equality, environment and climate, and crisis prevention and recovery. The organisation also has a mandate to coordinate UN-wide development efforts at national level. This role is increasingly important in the context of reform of the UN's operational activities "Delivering as One".

8.2.1 Results of selected projects and programmes

Capacity building in Sierra Leone

UNDP builds capacity at national, regional and local levels. One important part of UNDP's work is election support. On average, the organisation supports elections somewhere in the world every two weeks. In 2007, UNDP contributed to the first democratic elections held in Sierra Leone. This involved building capacity in the form of support for election workers, the police and political parties, as well as promoting a national dialogue on how political parties should act in a democratic manner. The elections turned out to be a success. Ninety-one per cent of the electorate voted. The elections were preceded by registrations and months of civil engagement. This is said to have reduced the number of frauds, election riggings and political violence in the country while, at the same time, contributing to an economic upswing.

Capacity building in Sudan

Another example of UNDP's capacity building efforts in the field of human rights is the defence of raped women's rights in southern Sudan, where rape is used as a strategy by the warring parties. Through UNDP's work to strengthen and mobilise national institutions, previous impunity for these crimes could be ended so that culprits now increasingly face legal proceedings and sentences.

8.2.2 Assessment

UNDP's global presence and legitimacy makes it a worthwhile partner for cooperation in reaching common development objectives. Its capacity building role is of particular importance to Sweden. It helps developing countries build systems to deal with development challenges. This, combined with a broad mandate, is seen as one of the advantages of Sweden's cooperation with UNDP. However, the organisation has a tendency to spread resources over many areas rather than being focused. The Government is of the opinion that UNDP has an important mandate to work with human rights and democratic governance. UNDP also has a meaningful role in other areas, for example crisis prevention and recovery, the environment and climate change.

As a large and important donor country, Sweden has a role to play on the UNDP Executive Board. Sweden has successfully initiated a number of reforms which have contributed to making UNDP a more effective, results-oriented and transparent organisation. The results of these efforts are reflected in the UNDP Strategic Plan 2008-2011, which is more results-oriented than previous plans and contains mechanisms for evaluation, internal control and follow-up. Challenges remain but there are positive tendencies. However, certain issues that Sweden and other countries pursue – for example, that human rights should be mainstreamed into all programme activities, and that the UN's operative work should be more efficient – often meet opposition from some other member states. This has led to increased politicisation and block-building on the Board, which in turn has led to Sweden not being completely satisfied

regarding human rights formulations in the Strategic Plan. The work of the Executive Board is becoming increasingly difficult which is why Sweden will complement this with other forms of dialogue with UNDP.

8.3 UN CHILDREN'S FUND

The UN Children's Fund (UNICEF) has a mandate to work for children's rights, for their basic needs to be catered for and for them to be given the possibility of achieving their full potential. The UN Convention on the Rights of the Child forms the basis for all UNICEF's work.

UNICEF's strong presence in the field – based on about 150 country offices – is an important asset in the work. Contributions at national level are clearly focused on health and nutrition, water and sanitation, education, HIV/AIDS, child protection and policy dialogue and advocacy. UNICEF's work is dedicated to protecting children from violence and other forms of abuse, creating social protection systems, and improving the legal rights of children and young people. UNICEF lends support to both governments and society to bolster work for children's rights.

Sweden has both, on the board and in dialogue with UNICEF, focused on a number of cross-cutting issues that Sweden and other countries have identified as weaknesses in UNICEF's activities. These questions concern UNICEF's organisation, humanitarian capacity, the quality of work for gender equality and a human rights-based approach, results-based management and the role and quality of the organisation's evaluations. Certain results can now be discerned. The clearest is a much-strengthened evaluation function and increased use of evaluation within the organisation. Furthermore an increased number of national programmes and strategic policy documents have a clearer rights perspective and UNICEF has introduced quality checks into its country programmes, both regarding results-based management, gender equality and a human rights-based approach.

When Sweden chaired UNICEF's board in 2008, a strategy was adopted to protect children from abuse and violence and to provide them with increased security. Sweden worked for the strategy to adopt a broader perspective that includes gender equality and a human rights-based approach and puts more emphasis on the importance of children's participation. With UNICEF and Columbia University, Sweden arranged a conference in 2008 on protection of children in crises and emergencies. The purpose was to identify and emphasise coordination problems, not least with civil society, and to contribute to concrete improvements.

During the chairmanship period, Sweden worked to increase effectiveness and transparency in the board's work. This has resulted in UNICEF improving routines for preparing board meetings and a more systematic follow-up of decisions taken by the board.

8.3.1 Results of selected projects and programmes

An improved legal system for children and young people

UNICEF takes a comprehensive approach to work with systems adapted to children and young people as victims of crime, witnesses and perpetrators, and with policy development, reform of legislation and building capacity. Police, judges, lawyers and prosecutors have been trained worldwide, improved legislation has been drafted and new child-adapted police units established in several countries. UNICEF's total budget for the work with improved legal rights for children amounted to USD 12.7m in 2007. UNICEF reports success in all regions of the world. Concerning laws and policy development, improved legislation has been adopted in Angola, Brazil, Chile, the Dominican Republic, Gabon, Macedonia, Peru and Uzbekistan. Child-friendly courts have been established in Kenya, Malawi and Mozambique. These contributions have led to reductions in the number of children imprisoned, and a decline in reoffending rates among young people and to many cases being solved without the involvement of the courts.

Involvement of children and young people in policy development

UNICEF has contributed to the introduction of young people's councils and parliaments in several developing countries. The introduction of such mechanisms contributes to durable cooperation by young people in development of national policies. The number of UNICEF's partner countries that now has these mechanisms increased from 14 to 23 per cent between 2005 and 2007.

UNICEF also contributed to national investigations into the occurrence of child labour being carried out in Armenia, Ghana, Madagascar, Mexico, Rwanda and Turkmenistan and to the creation of national action plans for the eradication of child labour in Argentina, Bolivia, the Philippines and Malawi.

8.3.2 Assessment

Several parallel reform processes are underway within UNICEF. The outcome of these is still not apparent. Nonetheless there has been progress both in organisational terms and in programme quality.

One of UNICEF's weaknesses is that effectiveness at national level varies. UNICEF tries through a number of initiatives to make its activities more efficient both nationally and at head office.

Sweden considers that there is room for improvement in cooperation and partnership with organisations in civil society and other UN bodies and international organisations. In addition to the progress described above, Sweden would like to see a strengthening of UNICEF's work for gender equality, child protection and children's rights.

8.4 THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) was established in 2002 and is today the biggest funding source in the fight against these diseases. GFATM is a funding mechanism without its own representation at national level. In ongoing work GFATM is therefore dependent on well functioning cooperation with other actors, both national and international, private and public. In this regard, the UN system's organisations and programmes play a particularly important role. GFATM accounts for about one-third of the international financing for interventions against AIDS and nearly two-thirds of international contributions focused on malaria and tuberculosis. GFATM's budget for 2008-2010 amounts to almost USD 10bn. Sweden has promised support of SEK 2bn for the same period.

Two years ago, Sweden took over the chair of the fund's policy and strategy committee. Through this role, and through general board activities, Sweden has been able to influence policy development for GFATM's fast growing activities. Sweden pushes for GFATM to become part of the global health architecture and for the fund to better align to and support national priorities, plans and programmes. Before the 2008 Accra Aid Conference, the board decided that the fund could finance national health strategies, something not previously attempted.

Sweden has also insisted that effectiveness and restraint is needed in GFATM's growing activities. Results of the work can be seen in an overview of the scope and costs of the secretariat and in the demand for better motivation for submitted proposals.

An essential part of GFATM's contributions in the HIV/AIDS area is concerned with support to antiretroviral therapy. As far as Sweden is concerned, it is also important to increase contributions in the preventive area so as to be able to respond to the reasons behind the spread of HIV/AIDS. GFATM's gender equality policy represents important progress in this work. It was drawn up, under Swedish leadership, by the policy and strategy committee and approved by the board in November 2008.

8.4.1 Results of selected projects and programmes

GFATM's principal result indicator is the number of people reached in preventive activities, health care and treatment of HIV/AIDS, tuberculosis and malaria. During GFATM's six years of activity, through aid of nearly USD 7bn to programmes in 137 countries, more than 2 million people have been given access to medicine that inhibits development of HIV, 4.6 million have been treated for tuberculosis and 70 million treated mosquito nets have been distributed. GFATM's programme for the period 2002-2008 has resulted in:

- 62 million people being tested and receiving advice on HIV
- 445 000 HIV-positive women being given preventive treatment to counter transmission of HIV from mother to child
- 91 million people being reached by local health care programmes
- 3.2 million orphaned children receiving support and
- 74 million cases of malaria being treated.

The increase in HIV treatment has resulted in reduced mortality among adults of working age in a number of African countries. In Malawi a decline of 40 per cent has been noted in some groups. In Botswana, Tanzania and Zambia effective programmes using inhibiting medicines have led to fewer AIDS patients needing to enter hospital. Tanzania's inhibiting medicine programme is 71 per cent financed by GFATM. In Zambia programmes financed by GFATM have contributed to targets being exceeded by 20 per cent.

In countries with effective programmes against malaria, the number of deaths and infections has been cut by half. This trend has been noted in Burundi, Eritrea, parts of Mozambique, Rwanda and South Africa.

To be able to increase contributions in an efficient manner it has been important GFATM has emphasised the importance of national ownership and that financing should be results-based and partners actively involved.

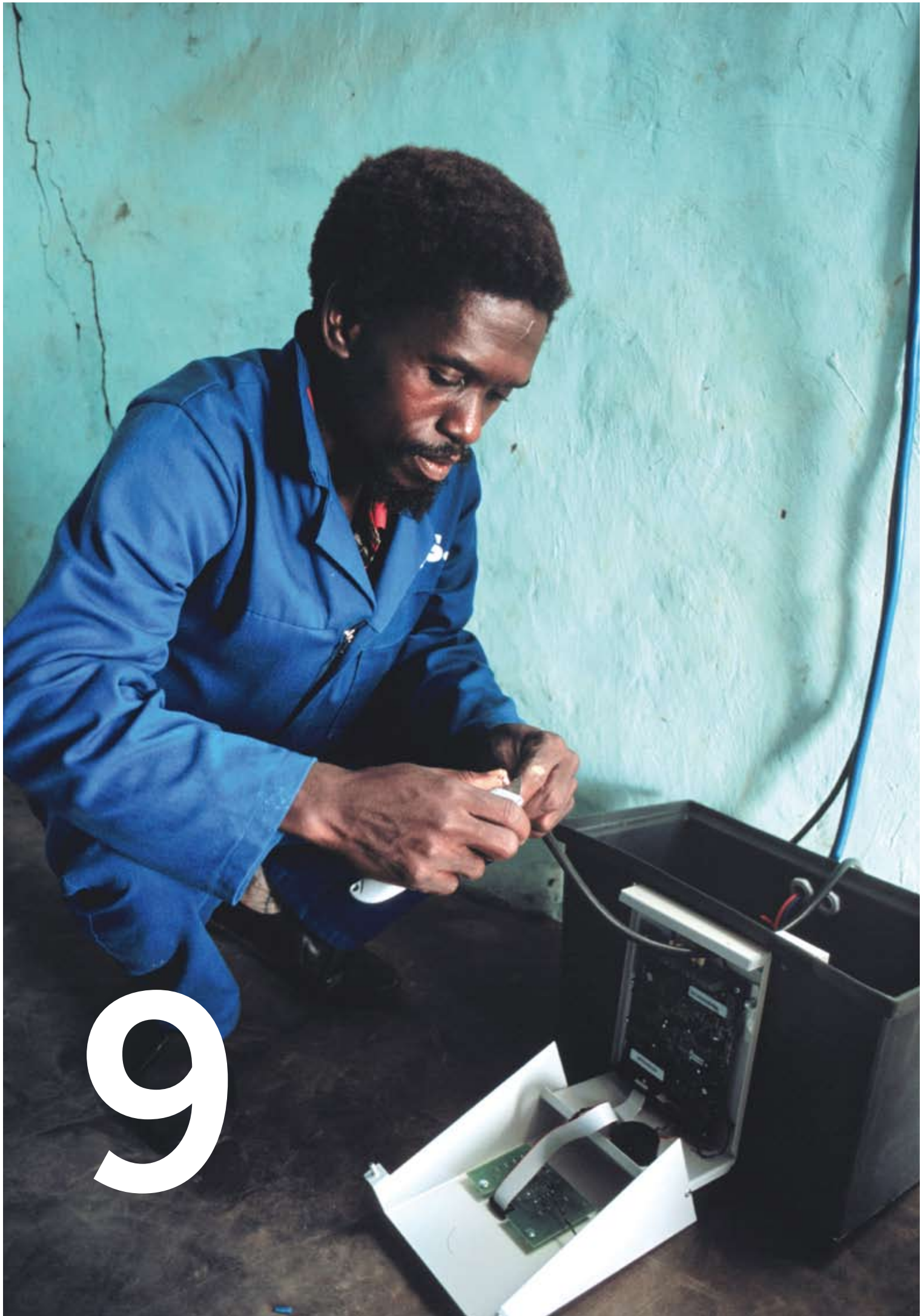
Through prioritising contributions in accordance with developing countries' own needs, plans and strategies, countries have been given increased access to free health care. A precondition for this has been GFATM's credibility in fulfilling agreements on long-term financing. Around 68 per cent of GFATM investments have been made in low income countries.

8.4.2 Assessment

GFATM's model of clearly linking results and financing has boosted learning and improved the management of the programmes it finances. This applies to a large degree in activities at national level but also to learning within the organisation itself. Programmes that have not shown satisfactory results have not continued to receive financing, while programmes that have shown good results have received increased investment. GFATM audits show that 75 per cent of the programmes are functioning satisfactorily. Even if the percentage is somewhat lower in unstable states and in countries with weak health systems, GFATM is nonetheless able to show good results here too. The point of departure for assessment involves criteria and indications set and agreed in advance and assessments should therefore be relatively reliable.

An effective implementation of programmes calls for a well functioning cooperation with other actors, not least at national level where GFATM is not represented. In many ways this is the weak link in the fund's work and more efforts need to be made to strengthen partnership with other actors. Today almost a third of the fund's programmes are implemented by civil society organisations. These organisations, however, do not generally participate in the same strong way in the national coordinating organisations.

GFATM has rapidly become a central actor in health-related development work. Because of the large amounts involved, the fund has also become an ever more prominent actor in international policy development. For Sweden it is important that GFATM should first and foremost function as a financing mechanism and intensify its cooperation with other organisations, above all the WHO and UNAIDS. In this connection, an eye will need to be kept on the fund's size, as well as its programme and administrative budget.



9

Increased aid effectiveness

The role of partner countries in development cooperation must be strengthened, to achieve both increased effectiveness and sustainable results. The number of aid projects that donors implement outside of the partner country's ordinary activities must be reduced. The 2005 Paris Declaration on Aid Effectiveness and the Accra Agenda for Action from 2008 are important milestones towards changing the relationship between donors and partner countries.

Development cooperation should be designed in line with the partner country's priorities. The donors' role is first and foremost to provide support to the partner country's poverty reduction strategies. In order to ensure long-term results, it is preferable to lend support to the regular activities of an administration or organisation than to initiate donor-driven projects. The focus can then be moved from micro-management of particular projects to following up the effects of broader programmes. In these processes, coordination and dialogue between the donors active in the partner country are of particular importance. Bilateral donors such as Sweden, but also the European Commission and multilateral donors such as the UN, the World Bank and regional development banks, must all be committed to undertaking development cooperation based on the partner country's priorities.

The implementation of commitments in the Paris Declaration must be adapted to each partner country. Some countries in conflict or post-conflict situations lack national development plans or poverty reduction strategies. In addition it is inappropriate to provide support to a government which may be involved in a conflict. In such situations the emphasis is on ensuring that aid can eventually contribute to the strengthening of the country's own structures and systems and that contributions are implemented in coordination with other donors. Support for these countries shall be guided by the DAC's Principles for Good International Engagement in Fragile States and Situations. Humanitarian aid is not guided primarily by the Paris Declaration but by the principles of, and good practice in, humanitarian donorship.

A priority for Swedish development cooperation is the implementation of the Paris Declaration's commitments. Moreover Sweden is one of the countries that have been at the forefront of developing the international agenda on aid effectiveness. The principles for aid effectiveness shall apply to all state aid and be an important part of efforts to guide and influence development cooperation through multilateral organisations.

A number of measures have been taken to improve effectiveness in Swedish development cooperation. The focusing of the number of partner countries that has been undertaken means that Sweden concentrates its resources on fewer countries. The country categories that have been created for Sweden's partner countries facilitate methodological work and adaptation to the specific situation in different countries. Sector concentration reduces the partner countries' administrative burden. An increased results orientation in development cooperation enables effective governance and follow-up. All new cooperation strategies are now drawn up with a clear focus on results. Objectives are based on the partner country's goals and result frameworks.

Sida has been given the task of increasing the proportion of programme based approaches. In April 2008, the Government decided on new guidelines for budget support. These guidelines mean that five fundamental prerequisites must be met if budget support is to be granted.

The European Commission has given priority to increasing effectiveness in the implementation of the EU's common aid. Part of EU aid is not sufficiently flexible and has at times been perceived as donor-driven and slow in implementation. The European Commission has previously suffered from a lack of personnel resources in the field. Reforms in the 2000s have aimed to deal with these shortcomings and seem to have led to visible improvements. Sweden works constantly and in several different ways towards making European aid as effective as possible. Sweden takes part in efforts to increase the European Commission's possibilities to implement the Paris Declaration and other commitments aimed at improving aid effectiveness.

The Government also gives priority to the improvement of effectiveness of multilateral aid. In April 2007, the Government adopted a strategy for Sweden's multilateral development cooperation. This strategy aims to make the work with multilateral organisations involved in humanitarian activities and long-term development cooperation more effective. In order to ensure an increased effect in important multilateral organisations, new working methods have been elaborated. In 2008, the Government made systematic assessments of the relevance and effectiveness of 23 multilateral organisations in relation to Swedish development cooperation policy goals. The assessments presented baseline data for the various organisations and enable monitoring of changes over time. In order to strengthen assessment work further, Sweden participates in a network of like-minded countries, the Multilateral Organisations Performance Assessments Network, which assesses the internal effectiveness of multilateral organisations. Work has also begun to elaborate a uniform model for organisational strategies. The first strategies will be developed during 2009. They will facilitate the task of following up work by the multilateral organisations and provide uniform guidelines for future cooperation and the questions Sweden should pursue vis-à-vis each organisation. A review of the division of labour between the Ministry for Foreign Affairs and Sida, with consideration given to the line ministries concerned, has been carried out with the aim of creating greater consensus and improved synergies within Swedish development cooperation.

As a part of efforts to reform the UN, after intensive work by Sweden and other donor countries, in December 2007, the General Assembly adopted a three-year policy review of UN development cooperation at national level. The

decision gives the UN continued possibilities to reform and increase the effectiveness of activities related to specific contributions in particular countries. In 2008, the General Assembly discussed further work on creating a UN Delivering as One” at the country level, the idea being that UN organisations in a given country work under a joint leadership, with a joint programme under a common budget and from a joint office. In addition, work continued, with Sweden as a driving force, on revising administrative routines, financing, governance and UN work on gender equality. There is political opposition from certain countries to UN reform in general. It is therefore a success that Sweden has managed to contribute to reform in these areas. This is particularly so in the field of gender equality, where the UN Secretariat will now draft a concrete proposal as to how UN work on gender equality can be strengthened (see also Section 5.3).

In the humanitarian field, efforts continue to strengthen the international system so that disaster response can be more efficient. This work comprises organisational reforms with clearer roles and responsibilities, stronger leadership, improved donor coordination and the development of common financing mechanisms.

The World Bank and the regional development banks are also committed to implementing the Paris Declaration. During the latest replenishment negotiations for IDA, the World Bank’s window for grants and concessional loans to the poorest countries, Sweden pushed for more efforts at increased development effectiveness at the country level with a focus on harmonising, coordinating, results, ownership and decentralisation of decision-making powers to national level. Sweden also endeavours, in its work on the board, to ensure that the World Bank group’s implementation of the Paris Declaration is not limited to IDA. Furthermore, in negotiations on replenishing the African and Asian development funds as well as IFAD, Sweden has also worked to ensure that the aims and indicators in the funds’ results frameworks shall be in agreement with the Paris Declaration. This is followed up continually on the governing boards of the institutions and at mid-term reviews.

Implementation of the Paris Declaration

During 2006 and 2008, OECD/DAC carried out monitoring surveys of the Paris Declaration’s 12 indicators. The results of the surveys give an indication of the degree to which donors and partner countries fulfil their commitments to increase aid effectiveness. A survey for 2006 (based on statistics for 2005) included 33 partner countries. A survey for 2008 (based on statistics for 2007) included 54 partner countries and 50 per cent of all global development cooperation. In the 2006 survey, certain parameters were still not clearly defined, which is why the results of the survey are sometimes difficult to interpret. Before the 2008 survey, definitions and indicators had been clarified.

It is worth noting that several of the Paris Declaration’s indicators for donors are to some degree dependent on partner countries improving their systems and formulating their priorities more clearly. This concerns, for example, the share of development cooperation that is reflected in the partner country’s budget, the share of coordinated technical cooperation, predictability and the share of programme-based approaches. This has influenced the results of the surveys.

The survey has been carried out in partner countries and donors have in several cases discussed how they should report their contributions. In some cases it has come to light that donors who supported the same project reported different outcomes. This has not been adjusted or followed up at a central level by OECD/DAC. Sweden has not yet been able to compare the result of this survey with its own statistics.

Sweden is a large donor to multilateral organisations and a major part of Swedish aid is channelled through the European Commission. Therefore Sweden follows up what these actors report in the international survey and uses the information to demand increased aid effectiveness. Improved effectiveness in multilateral aid is a Swedish concern, which also influences the conditions for bilateral aid as regards coordination and joint surveys. Shown first below are the results for bilateral Swedish development cooperation and thereafter summarised assessments of results for the European Commission, the UN system and GFATM.

Swedish bilateral development cooperation

As far as Sweden was concerned, the 2006 survey comprised 23 partner countries and the 2008 survey 29 countries. Of these 23 were prioritised partner countries.

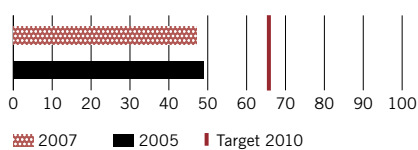
Shown below are Sweden's results for some of the most important indicators. These either involve indicators where Sweden has made considerable progress or achieved the objectives of the Paris Declaration or indicators where Sweden should have achieved greater progress and where continued efforts are crucial. The Paris Declaration's goal for the respective indicator is given as a percentage.

Generally it can be stated that even if Sweden belongs to the donors that promote the principles of the Paris Declaration, a great deal of work remains to be done in order to achieve the set goals. An action plan for aid effectiveness has been developed by the Ministry for Foreign Affairs and Sida and will be implemented during 2009–2011.

Programme-based approaches

Programme-based approaches include a number of support forms aimed at supporting partner countries' development plans in a way that increases ownership and donor coordination, and reduces transaction costs and the number of parallel initiatives pursued by donors. Programme-based approaches include general budget support, sector programme support and other contributions that support the whole or parts of a development programme, and which to a considerable degree make use of the partner countries' systems for implementation. The Paris Declaration has as one of its goals the aim that 66 per cent of the collected aid should be implemented via programme-based approaches. The survey shows that Sweden applies programme-based approaches for 47 per cent of its aid to 23 participating partner countries. This is a slight decline compared with the former survey, but considerably above the average for all donors. Despite an increased focus on programme-based approaches and increased capacity development within the Swedish aid administration, there is a long way to go to reach the goal.

DIAGRAM 9.1
Share of programme-based approaches



Use of the partner countries' systems

A large share of the aid is channelled outside the partner country's budget. This makes it difficult for the partner country's government, parliament and civil society to gain an insight into, and an overview of, the total resource situation. The partner countries' possibilities of drawing up well considered priorities are thus limited. The Paris Declaration states as a goal that at least 85 per cent of state-to-state aid shall be reported in the partner countries' budgets. Sweden has made considerable progress, from 37 per cent in 2005 to 51 per cent in 2007 in the 21 countries in which surveys have been made twice. However, there is a long way to go to the goal of 85 per cent for 2010. Presumably this is because in certain cases information on Swedish resources has not been reported in time to be included in the partner country's budget, which ought to be possible to improve. In other cases it can be that the partner countries' systems for such reporting are weak.

Functioning national systems for resource distribution, accounting and reporting, etc. are an important part of long-term development. Not least because it is through these systems that corruption can be controlled and accountability can be imposed for resources intended for activities that reduce poverty. The Paris Declaration has set a goal that 50 per cent of all aid shall use the partner countries' systems of public financial management. Sweden's figures have improved, from 47 per cent in 2005 to 57 per cent in 2007. Consequently Sweden has already reached the goal set out in the Paris Declaration and within the EU, and is a forerunner in this area. The good results can probably be partially attributed to the drive in competence development and methodological support concerning public financial management that Sida implemented in 2004–2007.

Predictability

It is important for partner countries to know in advance what resources the country will be given by various donors. This information is needed for planning and prioritising, for example in preparing the government's budget and for the long-term planning of authorities' activities. Predictability within the framework of the Paris Declaration means that donors shall inform partner countries in advance and that the country registers the aid in the national budget. In the Paris Declaration the goal is given that at least 74 per cent of aid shall be disbursed in accordance with the financial commitments that have been made. Here, too, Sweden's results show a positive trend, from 47 per cent in 2005 to 54 per cent in 2007. Low predictability can be due to delays in the implementation of aid programmes. It can also be due to the fact that Sweden and partner countries have different budget years and that disbursements for various unforeseen reasons do not always agree with the original commitment.

Transaction costs – the importance of coordination between donors

In order to reduce aid transaction costs it is important to reduce the burden on the administrative resources of partner countries. The donors' cooperation with decision-makers and civil servants of partner countries takes time and distracts attention from regular activities. It is therefore important that individual donors reduce the strain on partner countries through cooperating

DIAGRAM 9.2
Share of bilateral aid shown in partner countries' budgets

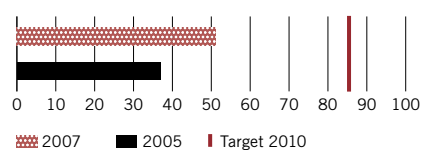


DIAGRAM 9.3
Share of bilateral aid using partner countries' systems for public financial management

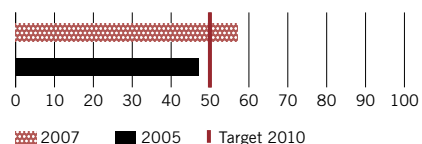


DIAGRAM 9.4
Predictability (payments compared with financial pledges)

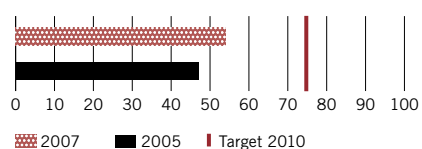


DIAGRAM 9.5
Share of coordinated technical cooperation

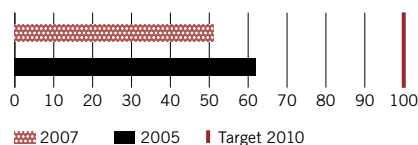


DIAGRAM 9.6
Share of joint field visits

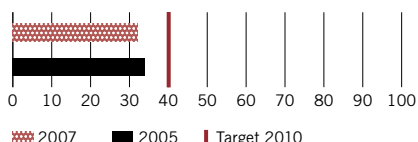
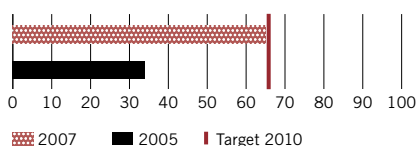


DIAGRAM 9.7
Share of joint analysis work



with one another in making visits, field trips, evaluations, analyses and not least work by consultants.

The Paris Declaration states that 50 per cent of all support to technical cooperation/capacity development shall be coordinated with other donors. The EU has adopted a more ambitious goal of 100 per cent. In 2005, the outcome for Sweden was 62 per cent and, in 2007, 51 per cent. The decline is due in all likelihood to a stricter interpretation of the requirement in 2007 compared to 2005. Sweden has achieved the Paris Declaration's goal for 2010 but still has a long way to go to reach the EU goal of 100 per cent. The EU's goal is a challenge to reform cooperation with countries in Eastern Europe in particular, where the outcome is considerably below average. Improving results in this area requires the country itself formulating its needs for external technical support, linked to a reform or capacity development plan.

The Paris Declaration states that the proportion of field visits made jointly with other donors shall rise to 40 per cent (of the total number of such visits). In this area the Swedish result has weakened, declining from 34 per cent in 2005 to 32 per cent in 2007. This relatively poor result may be partially due to the fact that Sweden made many field visits when elaborating cooperation strategies during the relevant period, after a number of strategy processes had been postponed in connection with the country focusing process.

The Paris Declaration sets out that 66 per cent of all analytical work that donors carry out (poverty analyses, evaluations, environmental impact assessments) shall be made jointly with other donors. Sweden has improved its result considerably, from 34 per cent in 2005 to 65 per cent in 2007.

European Commission aid

The European Commission has implemented several measures to help it achieve the goals of the Paris Declaration and has improved its results since 2006.

As regards coordinated technical aid for capacity building, the Commission's results have improved markedly, from 28 per cent in 2005 to 50 per cent in 2007. In 2007, 62 per cent of aid was supplied as pledged, compared with 48 per cent in 2005. In this area the European Commission achieves better results than the average for all donor countries in the EU.

However, on certain points the Commission has made less progress in fulfilling the goals of the Paris Declaration. The use of partner countries' systems for public financial governance remains around 40 per cent. The share of programme-based approaches has decreased from 50 per cent to 46 per cent. The Commission experiences difficulties in using partner countries' systems within the framework of project support. Sweden has supported the European Commission having increased possibilities to adapt its activities to the partner countries' systems and priorities.

UN aid

The UN system receives a relatively poor result in the survey. The UN system pursues development cooperation in all the countries covered by the survey. An area with good results is coordinated technical support for capacity development.

Here there has been an increase from 44 per cent to 62 per cent between 2005 and 2007. The proportion of joint field visits was reported to be 45 per cent. Predictability of aid has increased from 17 per cent in 2005 to 31 per cent in 2007.

The indicators where the UN has trouble in fulfilling the goals set out in the Paris Declaration include the use of programme-based approaches, where an increase to 34 per cent is still only barely half of the goal of 66 per cent. Furthermore, the use of the partner countries' systems for public financial management has not increased but rather has stayed put at 18 per cent. Thirty-nine per cent of the aid is based on the country's national priorities, which is an increase of 7 percentage points. However, the goal fixed for 2010 is 85 per cent. The UN makes use of parallel systems to far too great a degree in the implementation of aid.

World Bank aid

The World Bank comes out of the survey well and has generally markedly improved its results in the 2008 survey. The greatest improvements since the former survey are a result of the World Bank more than halving its use of parallel systems in its implementations. Like the UN, the World Bank has improved coordination of technical support for capacity development. An ever larger share of World Bank support takes as its starting point the national priorities of the recipient country.

While it is positive that the Bank has made great progress since the previous survey, expectations on the institution are high because the Bank is a leading development actor. Field reports also indicate that the World Bank's implementation of the Declaration varies widely between different countries and regions. Despite significant improvements, there are still areas where there has been no progress. In the area of programme-based approaches, the share has decreased somewhat. The share of joint field visits has increased from 21 to 31 per cent but still lies far below the UN level.

The Global Fund to Fight AIDS, Tuberculosis and Malaria

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) is usually seen as a vertical initiative and has been criticised for not supporting national plans, priorities and programmes. GFATM has therefore in recent years worked systematically at increasing its aid effectiveness. A breakthrough in this work came when the GFATM board in 2008 decided that the fund should be allowed to finance national plans and programmes. In the international survey it was reported that GFATM has increased the use of national procurement systems and national evaluation systems, along with use of programme-based approaches and has to a large degree reached the goal set for these indicators. As regards use of national financial systems, the fulfilment of objectives lies between 60 and 89 per cent. For a further three indicators, the fulfilment of objectives varies between 30 and 59 per cent. This concerns, first and foremost, cooperation with other donors, for example in the form of joint reports and evaluations. It is important for Sweden to follow how work with increased alignment to national plans and programmes develops.

A precondition for being still further in line with the Paris Declaration's principles is that GFATM simplifies its unnecessarily complex and costly model for planning and implementation of programmes. Reform work continues today within the fund to simplify methods and systems.

ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
AsDB	Asian Development Bank
CERF	Central Emergency Response Fund
DAC	OECD Development Assistance Committee
EU	European Union
EUF	European Development Fund
GEF	Global Environment Facility
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GNI	Gross National Income
ICRC	International Committee of the Red Cross
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
LGBT	Lesbian, gay, bisexual and transgendered persons
OCHA	Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the High Commissioner for Human Rights
SADEV	Swedish Agency for Development Evaluation
Sida	Swedish International Development Cooperation Agency
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WFP	World Food Programme
WHO	World Health Organization

TERMINOLOGY

Aid channel – The type of organisation managing the practical implementation of the development cooperation. Sida classifies the channels according to the following five categories:

- i. *Multilateral organisations* – Including UN organisations, the World Bank and regional development banks
- ii. *International organisations* – Including the International Committee of the Red Cross
- iii. *Swedish organisations* – Implementers in Sweden, including authorities, companies, non-governmental organisations, universities and schools
- iv. *Organisations in partner countries* – Implementers in partner countries, including authorities, companies, non-governmental organisations, universities and schools
- v. *Organisations in other countries* – Implementers from other countries, including authorities, companies, non-governmental organisations, universities and schools

Aid modality – Development cooperation can be conducted in two principle forms:

- i. *Project support* – Clearly delimited support for a contribution or part thereof to the development of a partner country, such as an investment in teacher training or a road construction project.
- ii. *Programme support* – Coordinated financial support to a country's poverty reduction strategy or to an organisation, such as regular operations in government or municipal administration. Programme support is, in turn, divided into:
 - a. *Sector programme support* – Programme support to a particular sector or policy area in a partner country, such as the health sector.
 - b. *General budget support for poverty reduction* – Programme support provided to a partner country's overall poverty reduction strategy. Budget support is paid to a partner country's national budget and is managed within ordinary budget processes and systems for reporting and control. Normally, such support is linked to the achievement of targets developed on the basis of the Millennium Development Goals.

In the Communication's reporting of Sida's aid modalities, certain additional categories appear, although these also fundamentally represent project or programme support.

Bilateral development cooperation – Cooperation between a donor country and a recipient (partner) country. This also includes aid through non-governmental organisations, costs approved by the OECD/DAC associated with aid management and contributions channelled through a multilateral organisation but which are earmarked for a specific purpose or country (known as multi-bilateral aid).

- Cooperation strategy** – Strategy (adopted by the Government) governing Swedish aid efforts vis-à-vis an individual partner country.
- Core funding support** – Support provided to an organisation’s operations in their entirety, meaning that the board and management of that organisation determine how the funds are to be used.
- Millennium Development Goals** – Eight goals regarding global development issues adopted by the General Assembly of the UN and that are to be achieved by 2015.
- Multilateral development cooperation** – Support channelled to developing countries through core funding support to multilateral organisations, such as UN organisations, the World Bank and regional development banks.
- Paris Declaration on Aid Effectiveness** – Common commitment from 2005 by bilateral and multilateral donors and partner countries to improve the effectiveness of international aid.
- Poverty reduction strategy** – The partner country’s national strategy to reduce poverty and achieve the Millennium Development Goals.
- Programme approach** – Support forms taking a programme approach include programme support and other contributions that bolster the whole or parts of a development programme, and which to a considerable degree make use of the partner countries’ systems for implementation.



REGERINGSKANSLIET

Ministry for Foreign Affairs
Sweden