

annual report

2002

Sida's mission statement

A world without poverty and oppression would be better for us all. In order to overcome the great challenges of our time – poverty, environmental degradation, conflicts – joint efforts are necessary. International development cooperation is an investment that enables poor people to have a better life, which protects the environment, and which promotes peace, democracy and equality between women and men. It shall pave the way for equal relations and make development cooperation superfluous.

Sweden is participating in this cooperation, in this global assumption of responsibility. Development cooperation engages Swedish society and contributes to the internationalisation of Sweden.

Sida's mission is to create the requisite conditions for change and for sustainable social, economic and environmental development.

There can be no development without peace and security. The prevention of conflicts and disasters are important parts of our mission.

The partner countries are responsible for their development. Sida's role is to channel resources and to develop knowledge and capacity.

Sida works in many different areas. We often make choices in unique situations. We shall have sound knowledge of countries, of development problems and of methods of cooperation. Sida shall be characterised by a holistic approach, by clarity and the capacity to change.

Sida creates the necessary conditions for change and for sustainable development.

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Table of contents

Introduction	7
Overview, reports required and assignments 2002	11
Policy area “International Development Cooperation”	17
The year’s performance from the perspective of the objectives	18
Overview of operational areas	24
<i>Democratic governance and human rights</i>	27
<i>Social sectors</i>	37
<i>Infrastructure, private sector development, urban development and financial systems</i>	46
<i>Natural resources and the environment</i>	53
<i>Economic reforms</i>	62
<i>Research cooperation</i>	66
<i>Humanitarian assistance and conflict prevention</i>	70
<i>Non-governmental organisations</i>	75
<i>Other operational areas</i>	81
Overview of cooperation with regions	88
<i>Africa</i>	90
<i>Asia</i>	94
<i>Latin America</i>	98
<i>Europe</i>	101
Policy area “Cooperation with Central and Eastern Europe”	105
Cooperation with Central and Eastern Europe	106
<i>Common security</i>	110
<i>Democracy</i>	113
<i>Economic transition</i>	117
<i>Social security</i>	120
<i>Environment</i>	124
Policy area “Foreign policy and security policy”	129
Peace promotion activities	130

About Sida	131
Note on the performance report	139
Financial documents	143
Comments	144
Summary of major expenditures	145
Statement of Financial Performance	147
Statement of Financial Position	148
Appropriation accounts	150
<i>Appropriation accounts</i>	150
<i>Income under Government budget revenue headings</i>	151
<i>Authorisations</i>	151
<i>Financial conditions</i>	152
Statement of changes in financial position	154
Notes	156
Approval of the annual report by the Board of Sida	169
Appendices	171
1. Expenditure summarised by operational area, region/country and continent	172
2. Grants to the UN and other international organisations	179
3. Credits programme, import guarantees and concessionary credits	180
4. Field appointments financed by the development cooperation appropriation	182
5. Global	184
List of abbreviations and acronyms	185
Photographs	190

Tables

Policy area “International Development Cooperation”

The year’s results from the perspective of the objectives

Table 1. International development cooperation	19
--	----

Review of operational areas

Table 2. Overview of operational areas	25
--	----

Table 3. Report required: Internal efficiency	26
---	----

Democratic governance and human rights

Table 4. Democratic governance and human rights	35
---	----

Diagram 1. Outcome	36
--------------------	----

Table 5. Poverty reduction	36
----------------------------	----

Social sectors

Diagram 2. Outcome	44
--------------------	----

Table 6. Poverty reduction	44
----------------------------	----

Table 7. Social sectors	45
-------------------------	----

Infrastructure, private sector development, urban development and financial systems

Table 8. Infrastructure, private sector development, urban development and financial systems	51
--	----

Diagram 3. Outcome	52
--------------------	----

Table 9. Poverty reduction	52
----------------------------	----

Natural resources and the environment

Table 10. Natural resources and the environment	59
---	----

Diagram 4. Outcome	61
--------------------	----

Table 11. Poverty reduction	61
-----------------------------	----

Economic reforms

Diagram 5. Outcome	64
--------------------	----

Table 12. Economic reforms	65
----------------------------	----

Table 13. Poverty reduction	65
-----------------------------	----

Research cooperation

Diagram 6. Outcome	68
--------------------	----

Table 14. Research cooperation	69
--------------------------------	----

Table 15. Poverty reduction	69
-----------------------------	----

Humanitarian assistance and conflict prevention

Diagram 7. Outcome	72
--------------------	----

Table 16. Humanitarian assistance and conflict prevention	73
---	----

Table 17. Poverty reduction	73
-----------------------------	----

Diagram 8. Total use of funds by region	75
---	----

Diagram 9. Total use of funds by purpose	75
--	----

Table 18. Humanitarian assistance >SEK 50 million	75
---	----

Non-governmental organisations

Table 19. Support through NGOs	79
--------------------------------	----

Table 20. Organisation development	79
------------------------------------	----

Table 21. Sector breakdown NGOs	79
---------------------------------	----

Table 22. Non-governmental organisations	80
--	----

Diagram 10. Outcome	80
---------------------	----

Table 23. Poverty reduction	80
-----------------------------	----

Other operational areas

Table 24. Information programmes	83
----------------------------------	----

Table 25. Number of international recruitments	85
--	----

Table 26. Trends in the JPO programme	85
---------------------------------------	----

Table 27. Bilateral Associate Experts	85
---------------------------------------	----

Table 28. Trainee programme “Young consultants”	85
---	----

Table 29 Scholarships	85
-----------------------	----

Table 30. Other operational areas	86
-----------------------------------	----

Table 31. Grants to UN agencies	86
---------------------------------	----

Diagram 11. Outcome	87
---------------------	----

Table 32. Poverty reduction	87
-----------------------------	----

Overview of cooperation with regions

Table 33. Overview of the regions	88
-----------------------------------	----

Table 34. Report required: Internal efficiency	89
--	----

Table 35. The 20 largest partner countries	89
--	----

Africa

Table 36. Africa	93
------------------	----

Asia

Table 37. Asia	97
----------------	----

Latin America

Table 38. Latin America	100
-------------------------	-----

Europe

Table 39. Europe	104
------------------	-----

Policy area “Cooperation with Central and Eastern Europe”

Cooperation with Central and Eastern Europe

Table 40. Overview of cooperation with Central and Eastern Europe	107
---	-----

Table 41. Table 34. Report required: Internal efficiency	108
--	-----

Table 42. Cooperation with Central and Eastern Europe, commitments	109
--	-----

Table 43. Common security	112
---------------------------	-----

Table 44. Deepening the culture of democracy	115
--	-----

Table 45. Support through NGOs	116
--------------------------------	-----

Table 46. Sector breakdown: NGOs	116
----------------------------------	-----

Table 47. Support via organisations associated with Swedish political parties	116
---	-----

Table 48. Economic transition	119
-------------------------------	-----

Table 49. Social security	123
---------------------------	-----

Table 50. Environment	128
-----------------------	-----

Table 51. Personnel	135
---------------------	-----

Table 52. Report required: Internal efficiency, overview	136
--	-----

Table 53. Reconciliation between the Performance Report and the Statement of Financial Performance	141
--	-----

Table 54. Information programmes	83
----------------------------------	----

Table 55. Number of international recruitments	85
--	----

Table 56. Trends in the JPO programme	85
---------------------------------------	----

Table 57. Bilateral Associate Experts	85
---------------------------------------	----

Table 58. Trainee programme “Young consultants”	85
---	----

Table 59 Scholarships	85
-----------------------	----

Table 60. Other operational areas	86
-----------------------------------	----

Table 61. Grants to UN agencies	86
---------------------------------	----

Diagram 12. Outcome	87
---------------------	----

Table 62. Poverty reduction	87
-----------------------------	----

Introduction

2002

Introduction

Sida's operations are very extensive. Contributing to reducing poverty in the world is a long-term undertaking that can only be achieved by joint efforts with our partner countries and other bilateral and multi-lateral organisations. Important platforms for our joint efforts are the UN's Millennium Development goals and the human rights conventions. But programmes of development cooperation must naturally be specifically adapted to the countries concerned. Global developments and events have an effect on our prospects of providing effective support.

Developments in Asia have many different features. It has been possible to establish programmes of development cooperation in Afghanistan during the reconstruction phase sooner than expected. The peace process in Sri Lanka has been given a new lease of life as a result of the cease-fire and the peace negotiations that started in January. The Republic of East Timor came into being in June and a Swedish strategy has been drawn up for this country. The humanitarian crisis on the West Bank and in Gaza intensified during the year. Parts of the Palestinian Authority's infrastructure and several donor-financed projects were destroyed in connection with Israel's military operations. In April, Sida laid down its approach for development cooperation with the Middle East and North Africa.

In Africa the year was characterised by, among other things, the long period of drought in southern Africa and in Ethiopia, which led to the danger of famine. Sweden and other donors have redistributed their funds in order to make it possible for the countries affected to meet their peoples' needs of food and basic goods. HIV/Aids is a critical issue for the entire continent and has contributed to making the drought in southern Africa more serious than it otherwise would have been. The ongoing peace process between Ethiopia and Eritrea made it possible to extend development cooperation with Ethiopia. In Angola the peace process has also

picked up momentum and the possibilities of coming to terms with the serious humanitarian situation have improved considerably. The presidential elections in Zambia, which were held in March, illustrated the critical position of democracy in the country. The character of development cooperation has thus been drastically changed and its scope has been reduced in recent years.

Economic growth in large parts of South America continued to be weak in 2002, as a result of the financial crisis in Argentina. The new Swedish five-year regional strategy for South America, which the Government approved in December, lays down that Bolivia and Colombia shall continue to be the main partner countries. In Colombia the escalating conflict represents a serious threat to human rights and humanitarian law. Sida has therefore continued to support initiatives leading to acceptance and support for the peace process. In Nicaragua the new political leadership has implemented a positive change of course where combating corruption is concerned, which has improved the conditions for development cooperation.

The differences between the countries in Eastern Europe have continued to grow. Eight countries have now been accepted by the EU and will become members in 2004. Last year countries such as Russia and Ukraine experienced strong growth, while others such as Moldova, Bosnia & Herzegovina and Albania remain at the same level as the poorest developing countries. Sida has started to phase out its support to the Baltic States but further support is being provided for the extensive reforms that are being made in Russia. The countries in Central Asia have been given prominence in connection with the conflict in Afghanistan. In view of the shortcomings in respect for human rights and democratic values in these countries, Swedish support has focused in particular on these fields.

SCOPE OF OPERATIONS

In 2002 Swedish international development cooperation amounted to SEK 11.4 billion, which is SEK 0.5 billion or four per cent less than in 2001. Where cooperation with Central and Eastern Europe was concerned, the outcome was SEK 662 million compared to SEK 648 million in 2001.

The number of contributions decreased by five per cent during the year, from 6 511 to 6 224. In the next few years it will be necessary for Sida to reduce the number of its contributions in order to be able to increase the volume of development cooperation – with no reduction in quality, despite the fact that there will be no corresponding increase in its administrative resources.

Support to the operational area Infrastructure, Private Sector Development, Urban Development and Financial Systems amounted to SEK 1 551 million, excluding administrative costs. This can be compared to SEK 2 035 million in 2001. One result worthy of mention is the World Wildlife Fund's nomination of the Bolivian forest industry as the best in the world where the environmental certification of forests is concerned. Sida has supported this programme for several years.

Support to the operational area Humanitarian Assistance and Conflict Prevention amounted to SEK 1 601 million, compared to SEK 1 666 million in 2001. Sida's rapid response mechanism in cases of sudden disasters was evaluated during the year. The evaluation showed that the mechanism functioned effectively but that there is a need of continuous monitoring of its permanent effects and results in the field.

Sida allocated SEK 1 726 million to contributions in the operational area Democratic Governance and Human Rights, compared to SEK 1 520 million in 2001. Separate evaluations show that Sida-financed contributions have had specific results in the area of gender equality, for example through raising awareness of the importance of gender equality of the government in Kazakhstan, and increasing the participation and organisation of women in Peru, Colombia and Paraguay.

Support to the operational area Social Sectors amounted to SEK 1 366 million, compared to SEK 1 504 million in 2001. In 2002 Sida participated actively in establishing a new financing mechanism for global health that has the aim of increasing global resources for combating HIV/Aids, tuberculosis and malaria.

Sida's support to the operational area Natural Resources and the Environment amounted to SEK 902 million, compared to SEK 929 million in 2001. In 2002 Sida produced a draft approach for climate-related issues and their importance for development cooperation. Sida also participated actively in the

preparations for the World Summit on Sustainable Development in Johannesburg.

Just over 100 countries were reached by Sida support channelled via twelve major Swedish NGOs (frame organisations) with which Sida cooperates in order to promote the development of a robust and democratic civil society in developing countries. The support amounted to SEK 896 million, compared to SEK 876 million in 2001. During the year Sida drew up criteria for the selection of frame organisations. These criteria will form the basis of Sida's assessments in the future.

Support to the operational area Research Cooperation amounted to SEK 846 million, compared to SEK 828 million in 2001. An evaluation of research cooperation with Vietnam shows that it has had a positive effect on economic growth in the country.

Support to the operational area Economic Reforms is given with the aim of supporting countries that implement economic reform programmes to promote poverty reduction and contribute to sustainable development. The support, which consisted for the first time entirely of budget support, amounted to SEK 514 million.

Sida seeks forms for donor coordination and partnership in development cooperation. In 2002 Sida entered into agreements on so-called silent partnership with the development cooperation agencies in Great Britain and the Netherlands. This has had the effect that Swedish support for the education sector in Rwanda and Mali is being channelled via these organisations.

The profile of Sida's partner countries is by and large unchanged. The largest partner countries in 2002 were Tanzania, Mozambique, Nicaragua, West Bank and Gaza, Afghanistan, Bosnia & Herzegovina and Vietnam.

FOCUS ON POVERTY

During the year Sida presented a new overall approach to poverty: Perspectives on Poverty. This approach gives prominence to poverty reduction as the overall goal of Sida's operations – and specifies how other goals and policies are linked to Sida's main mission. To enable development cooperation to contribute to long-term sustainable poverty reduction, explicit ownership of development programmes in the partner countries is necessary. Dialogue is an important instrument in development cooperation.

The national Poverty Reduction Strategy Papers (PRSP), which have been produced by the partner countries within the Initiative for Highly Indebted Poor Countries (HIPC-2), are important instruments for the countries to achieve understanding of – and to steer – their development policies. The poverty strategies provide guidance for Sweden's

programmes of cooperation and a platform for extending donor coordination.

Sweden participates actively in the efforts to extend coordination between donors and to harmonise donor procedures. The aim is to create the best possible conditions for the partner countries' ownership of the development programmes and to avoid the additional work resulting from the procedures and requirements of different donors for both partner countries and donors. In December Sida arranged a seminar on the harmonisation of country strategies with the participation of the partner countries and bilateral and multilateral agencies. Sida has started an initiative for harmonising donor procedures in Zambia together with seven other bilateral donors.

During the year Sida produced and presented its comments on the report of the Parliamentary Committee on Sweden's policy for global development. Sida's annual information campaign and development conference in October focused on development and health. Follow-up surveys show that the campaign reached a broad audience – it attracted the attention of 47 per cent of the respondents.

SIDA'S ORGANISATION

Sida's so-called "field vision" governs priorities in respect of staff reinforcements. This has the effect that most new employees will work in the field. During the year Sida established a presence in Kabul and strengthened its representation in Eastern Europe with five seconded staff. The field vision means that all of Sida's activities have a field orientation in order to strengthen partnership, ownership of the partner countries, and coordination of support. At the beginning of the year the number of embassies to which

extended powers have been delegated was increased from three to five. There was an increase in the number of locally employed programme officers at the embassies and these members of staff have gradually acquired a more important role. A new function was established for quality assurance in the field, the Quality Assurance Mechanism.

Sida's handbook, *Sida at Work*, was revised during the year, partly to enable it to better meet the requirements of a field-oriented organisation.

During the year Sida produced new guidelines for procurement: "Sida's Procurement Guidelines".

In January a new training institution, Sida Civil Society Center, was established in Härnösand. At the Department for Infrastructure and Economic Cooperation (INEC), an ICT for Development Secretariat was established to support the work done in the field and the departments of integrating IT in different contributions. A HIV/Aids secretariat with an advisory, counselling and monitoring role for Sida was established at the Department for Democracy and Social Development (DESO). The HIV/Aids team in Africa moved from Harare to Lusaka. A regional environmental secretariat for Asia was established in Bangkok.

The number of employees decreased by 23 persons, to 856. Statistics Sweden's public opinion survey of 2002 shows that the Swedish general public is still prepared to provide support for the developing world. Of those people included in the survey, 80 per cent felt that it was important that Sweden contributes to development in poor countries. A continued positive attitude to the size of the development cooperation appropriation was also noted. Only 19 per cent of the respondents wanted the appropriation to be reduced, which is the lowest figure for 14 years.

Overview, reports required and assignments

2002

Overview, reports required and assignments

1.1 REPORTS REQUESTED

A. International Development Cooperation

Sida shall submit an overall report on its activities in relation to the poverty objective and the six sub-goals. Sida shall analyse changes in relation to previous years.

This is presented in the section on the year's performance from the perspective of the objectives of international development cooperation.

Under operational area 2. Social Sectors

- 1. Sida shall report on the work it has done to contribute to the fulfilment of the Millennium Development Goals, including the social indicators.*

Presented under operational area: Social Sectors

Under operational area 4. Natural Resources

- 1. Sida shall submit a report on its contributions that concern plant genetic resources, including research, that can be referred to support for the Global Plan of Action within the framework of the international undertaking on plant genetic resources (FAO-IUPGR).*

Presented under operational area: Natural Resources.

Under operational area 7. Humanitarian Assistance

- 1. Sida shall submit a report on experience gained from its efforts to promote extensive utilisation of Swedish expertise and Swedish resources, particularly in contributions coordinated by the UN.*

Presented under operational area: Humanitarian Assistance.

- 2. Sida shall report the focus of its support and experience gained from its support to all countries that received humanitarian assistance exceeding SEK 50 million during the budget year and for which the Government has not approved a decision on a country strategy, corresponding guidelines, or a special framework decision.*

Presented under operational area: Humanitarian Assistance.

- 3. Sida shall submit a report to the consultative group for humanitarian assistance, at least once every three months, on its use of appropriations and its forecast for the remainder of the budget year in respect of item 8 Humanitarian Assistance and Conflict Prevention. In its annual report Sida shall specify the total use of funds for the operational area, broken down by geographical area and purpose.*

Presented under operational area: Humanitarian Assistance and in separate reports.

Under operational area 8. Non-governmental Organisations

- 1. The report on the activities of non-governmental organisations shall include the allocation of grants to frame organisations, sectors and countries and the number of foreign partners in cooperation per frame organisation. Where appropriate, the number of Swedish organisations included in the activities of the frame organisation shall be specified.*

Presented under operational area: Non-governmental Organisations and in appendix 1.

- 2. Sida shall present and assess the results of evaluations, capacity studies and systems audits made by Sida.*

Presented under operational area: Non-governmental Organisations.

- 3. Where support for the information activities of NGOs is concerned, Sida shall submit a report on the number of approved information grants.*

Presented under operational area: Non-governmental Organisations.

- 4. Sida shall make a presentation and assessment of the methods it uses to guarantee that support channelled via Swedish NGOs contributes to developing sustainable and democratic civil society in developing countries.*

Presented under operational area: Non-governmental Organisations.

Under operational area 9. Other Operational Areas.

1. *Sida shall submit a report on the outcome of the public opinion surveys/polls that have been made on interest in and awareness of development cooperation and development issues.*

Presented under operational area: Other Operational Areas.

2. *Sida shall submit a report on information programmes, broken down by target group and channel.*

Presented under operational area: Other Operational Areas.

3. *Where multilateral recruitment is concerned, Sida shall report the number of recruitments (including outcome) for international organisations and missions and EU's institutions, and trends in the JPO programme, broken down by organisation and proportion of assignments in the field.*

Presented under operational area: Other Operational Areas.

4. *Where the Bilateral Associate Experts programme and the Young Consultants Trainee Programme are concerned, Sida shall submit a report on the breakdown of costs by sectors and countries. For the Minor Field Studies programme, the Linnaeus-Palme scholarship programme, and practical training activities at international organisations, the number of scholarships and breakdown by continent/organisation, gender and sector shall be presented.*

Presented under operational area: Other Operational Areas.

5. *Sida shall submit a report on any costs incurred in the operational area in addition to costs incurred in respect of information, recruitment and resource base development. Grants to UN agencies shall be presented separately.*

Presented under operational area: Other Operational Areas.

B. Cooperation with Central and Eastern Europe

Under operational area 1. Common security:

1. *Sida shall submit a report every three months to the Government's working group for support for the promotion of security on projects for which Sida has received final reports.*

Reported on separately.

Under operational area 2. Deepening the culture of democracy

1. *Where NGOs are concerned, Sida shall submit a*

report on the breakdown of grants by frame organisations, sectors and countries and the number of foreign partners in cooperation per frame organisation. Where applicable, the number of Swedish organisations included in the frame organisations' activities shall be reported.

Reported under operational area: Democracy.

2. *Where NGOs are concerned, Sida shall submit a report on the number of information grants approved.*

Reported under operational area: Democracy.

C. Foreign policy and security policy

Under operational area: Peace Promotion Activities

A quarterly report shall be made on cost trends of activities that are financed by this appropriation item and any changes in these activities. Each contribution shall be reported on separately.

Reported on separately. See operational area: Peace Promotion Activities

D. Other reports

1. *For each type of guarantee, Sida shall submit an overall report on the guaranteed capital debt, guarantee reserve where applicable, expenditure and revenue in respect of guarantees and the accumulated risk-valued outcome. This information, apart from the risk-valued outcome, shall also be reported in the interim annual report.*

Reported in appendix 3, in the Financial Documents and in the interim report.

2. *Sida shall submit a report on total funds provided via Sida to international bodies such as UN agencies, development banks etc.*

Reported in appendix 2.

3. *No later than March 1, 2002, Sida shall submit a report to the Ministry for Foreign Affairs on the amount of the balances, committed and uncommitted, carried forward as at 31 December 2000 for each sub-item under appropriation 8:1 Development Cooperation and 9:1 Cooperation with Central and Eastern Europe, and submit proposals for the allocation of the uncommitted balances.*

See appropriation accounts. Proposals for the allocation of uncommitted balances were submitted in a separate report dated 2002-03-07.

4. *Sida shall submit expenditure forecasts to the Ministry for Foreign Affairs at sub-item level for the years 2002 to 2005 inclusive for all appropriations placed at the disposal of the agency. The forecasts submitted*

in May and October need only contain forecasts for 2002 and 2003.

The forecasts shall be submitted no later than 21 January (2002–2005), 7 March 2002–2005), 11 May (2002–2003), 7 August (only appropriation 8:1 Development Cooperation (2002–2005), 15 August (2002–2005) and 31 October (2002–2003).

The forecasts shall be commented on both in relation to the previous forecast and in relation to budget. The assumptions that form the basis of the forecasts shall be presented. If possible the forecast shall also be broken down on a monthly basis for the present year to enable comparisons to be made with actual monthly outcome.

Reported in accordance with the above requirements.

Policy area 8. International development cooperation

5. Sida shall submit overall comments on developments in each operational area, linked to ongoing development processes and the overall objective for the operational area, together with comparisons with earlier years. Deviations in relation to the forecasts made in the budget documents shall be commented on.

For each operational area, a report shall be submitted on the financial outcome by form of support and channel for the entire operational area and for the five largest countries in respect of expenditure. The information shall be commented on. The total number of contributions, number of contributions larger than SEK 15 million, and the number of new contributions shall also be reported and commented on.

For each sub-sector (or operational area level if there are no sub-sectors) a report shall be made on:

- financial outcome,
- statistics on different forms of poverty reduction in the last three years,
- conclusions and lessons learnt from Sida's performance analyses and evaluations and from sector programme support where applicable (numbers shall be given).

The report shall contain a description and an analysis of any problems where the outcome is concerned. Furthermore, where appropriate, methods work, policy changes and human resource programmes shall be reported on and linked to the conclusions presented in the report above.

Reported under each operational area.

6. For each region Sida shall submit an overall report that focuses on major changes in development cooperation during the year.

Reported under each region.

7. No later than May 1, 2002, Sida shall submit a report to the Government on Sida's evaluations and internal audits for the budget year 2001. The report shall summarise major conclusions and recommenda-

tions made in the studies and provide an account of the feedback of audit results, measures approved and follow up of the measures approved.

Report to the Government 2002-04-22.

8. In its annual report for 2002, Sida shall present indicators of the agency's internal efficiency in the different parts of its activities.

Reported on under About Sida, Review of Operational Areas, Overview of Cooperation with Regions and Cooperation with Central and Eastern Europe.

9. Sida shall submit a list of all posts financed by the development cooperation appropriation as at January 1, 2002 to the Ministry for Foreign Affairs, and report any changes in relation to this list. The report should also contain:

- the number and focus of full-time posts in the field which are charged against the development cooperation appropriation, and the unit cost of these posts.
- the number and focus of short-term posts, the proportion of these that were externally recruited, and unit cost of these posts.
- total annual cost of consultants charged against the development cooperation appropriation.

Reported in appendix 4.

10. No later than May 1, 2002, Sida shall submit a forecast to the Ministry for Foreign Affairs on the estimated use of the development cooperation appropriation for posts financed by the appropriation for the year 2002. The forecast shall be supplemented with a description of how the amount has been calculated and shall include a breakdown into short-term appointments and full-time appointments.

Report submitted to the Government on April 22, 2002.

11. Sida shall submit a report on what has been done in 2002 to follow up Sweden's undertakings in the development cooperation field in respect of the global environmental conventions, in particular the Climate Convention, the Convention on Biological Diversity and its bio-safety protocol, the Basle Convention, the Stockholm Convention on Persistent Organic Pollutants, the Montreal Protocol on substances that deplete the ozone layer, and the Desertification Convention.

Reported under operational area: Natural Resources and the Environment

12. Sida shall submit a report on what has been done during the year to integrate environmental considerations into different sectors in programmes of development cooperation.

Reported under operational area: Natural Resources and the Environment

Policy area 9. Cooperation with Central and Eastern Europe.

13. Sida shall submit overall comments on developments in each operational area linked to the goal for the area and in relation to previous years. The report shall contain a description and an analysis and discussion of the results. The report on gender equality shall be broken down into analyses and reports on individual contributions that have the specific goal of promoting equality between women and men and an analysis of how aspects of gender equality have been integrated into all approved contributions.

Reported under the section: Cooperation with Central and Eastern Europe and under each operational area.

14. A report on contributions shall be made, by country, for Estonia, Latvia, Lithuania, Russia, Ukraine and Belarus and other countries for the years 2000, 2001 and 2002. Contributions in the Barents region shall be reported on separately. Moreover, the total contributions in each operational area shall be reported for all priority partner countries. Comments and analysis shall be provided.

Reported on under each operational area and under Cooperation with Central and Eastern Europe.

15. Sida shall submit an analytical report on the use of Swedish resources in development cooperation and proposals for further strengthening the use of the resource base. The report shall be submitted to the Government no later than April 1, 2003.

Report submitted to the Government in 2003.

16. Sida shall draw the attention of the Ministry for Foreign Affairs to any needs for revisions of country strategies no later than September 30, 2002.

No revisions required in 2002.

17. Sida shall report the evaluations, capacity studies and systems audits that have been implemented and financed by Sida.

Reported under each operational area and under Cooperation with Central and Eastern Europe.

18. Sida's assignments within the framework of the Baltic Sea programme 1 (uo 1, appropriation FI Cooperation and development in the Baltic Sea Region) shall be reported on in accordance with the directives issued by the Ministry for Foreign Affairs and a special report shall be made in relation to appropriation item 9:1.1.

Reported under Cooperation with Central and Eastern Europe.

1.2. ASSIGNMENTS

Policy areas 8 and 9

1. Sida shall draw up a coordinated approach for elec-

tion observation contributions, including proposals for criteria on which decisions on participation can be based, appropriate preparations and monitoring. Sida shall also examine the possibility of linking these contributions to other forms of development cooperation in the field of democratic governance. The documentation shall contain an assessment of the capacity of the most important parties involved: OSCE, EU and UN. The work shall pay due consideration to the guidelines that have been drawn up internationally and which Sweden has participated in producing.

Respite granted to January 31, 2003. Report submitted to the Government on January 17, 2003.

2. No later than October 1, 2002, Sida shall produce guidelines for support via organisations associated with Swedish political parties for building up democracy in developing countries and countries in Central and Eastern Europe, in accordance with the guidelines laid down by the Government (2001-11-01).

Report submitted to the Government on September 11, 2002.

3. Within the framework of the government's paper 1997/98:76 "Democracy and human rights in Sweden's development cooperation" and Sida's action programme "Peace and Justice", Sida shall complete the work that has been started on methods development in respect of political processes, the legal area, public administration and relations between central government and civil society. A synthesis shall be drawn up that shall constitute a basis for a dialogue on a continuation of management by objectives and performance reports on operations between the Ministry for Foreign Affairs and Sida. The report shall be submitted no later than April 30, 2002.

Report submitted to the Government on April 30, 2002.

4. Sida shall complete its work on methods, started in 2001, for the development of performance reports on the goal of democratic governance. The work on methods shall intensify analyses of the problems, make specific descriptions of goals, and select indicators that increase measurability over time.

Reported under operational area: Democratic Governance and Human Rights.

5. On the basis of the gender equality objective in development cooperation, Sida shall make an evaluation of the extent to which the gender equality perspective has had an impact in Sida's operations and whether analyses and contributions are based on differences in conditions for women and men. Where gender equality is not taken into consideration, the evaluation shall discuss reasons for this and shortcomings in the partner countries and in Swedish development cooperation. By describing how mainstreaming has been applied in a representative sam-

- ple of country strategies and contributions, the evaluation should report the possibilities for and the results the contributions have had on the economy of women and their participation in social development. The evaluation shall be reported no later than January 31, 2002.*
Report submitted to the Government on January 29, 2002.
6. *Sida shall complete the work of drawing up criteria for the selection of frame organisations that it started in 2001. A report on the criteria shall be presented no later than October 1, 2002.*
Report submitted to the Government on September 25, 2002.
7. *Sida shall make a review of the content and appropriateness of the existing guidelines for cooperation with UNHCHR and submit proposals for revisions no later than September 1, 2002.*
Report submitted to the Government on June 26, 2002.
8. *No later than December 12, 2002, within a framework to be determined later by the Government, Sida shall submit proposals on support to economic reforms and debt relief for 2003, including a breakdown by recipients, forms and channels for the support.*
Report submitted to the Government on December 12, 2002.
9. *No later than September 1, 2002 Sida shall submit proposals for the strategic focus and estimated scope of Swedish disaster relief in connection with natural disasters that require both development-oriented preventive contributions, emergency assistance, early reconstruction and long-term sustainable recovery. In its proposals Sida shall take into consideration the experience it has acquired in recent years of effective support to relieve the effects of natural disasters and to prevent them from occurring.*
Respite granted. Report to be submitted to the Government no later than October 15, 2003.
10. *In consultations with the Ministry for Foreign Affairs Sida shall develop methods and propose guidelines, including necessary statistical reporting routines, for the application of DAC's recommendations for untying support to the least developed countries. A report on this work shall be submitted no later than April 5, 2002.*
Report submitted to the Government on April 11, 2002.
11. *Sida shall submit a report and analysis on the use of Swedish resources in development cooperation no later than April 5, 2002.*
Report submitted to the Government on April 5, 2002.
12. *In 2002, Sida shall submit proposals to the Government in respect of country/regional strategies for the following countries/regions: Angola, Ethiopia, India, Zambia, Sri Lanka, and East Timor.*
Angola: Proposal presented to the Government 2002-12-11.
Ethiopia: Proposal presented to the Government 2002-11-29.
India: Proposal presented to the Government 2003-04-01.
Zambia: Proposal presented to the Government 2003-02-03.
Sri Lanka: Proposal presented to the Government 2002-10-31.
East Timor: Proposal presented to the Government 2002-06-18.
- Sida shall submit proposals for a Swedish strategy for support to regional and sub-regional development cooperation in Sub-Saharan Africa no later than February 1, 2002.*
Proposal presented to the Government on January 31, 2002.
- Sida shall submit a proposal for limited support to Pakistan before the end of 2002.*
Proposal presented to the Government on October 23, 2002.
- Within the framework of the current political restrictions, Sida shall make an assessment of a small increase in humanitarian contributions in Myanmar, primarily in respect of HIV/Aids.*
Under assessment.
- In 2002 Sida shall submit proposals to the Government on a regional strategy for South America for the period 2003-2007 and, as a part of this, special country strategies for Bolivia and Colombia.*
Proposal presented to the Government on October 30, 2002.
- Sida shall submit proposals to the Government on regional strategies for Southern Caucasus and Central Asia for the period 2003-2005 no later than December 31, 2002.*
Proposals presented to the Government on October 12, 2002 and October 16, 2002.
- Sida shall submit proposals to the Government in 2002 on revised or extended country strategies for the Western Balkans, in accordance with the plan approved by the Ministry for Foreign Affairs.*
Kosovo: Proposal presented to the Government on June 14, 2002.
Bosnia & Herzegovina: Proposal presented to the Government on December 17, 2002.
Macedonia: Proposal presented to the Government on December 17, 2002.

Policy area "International Development Cooperation"

2002

The year's results from the perspective of the objectives

Report required: An overall report on activities in relation to the poverty objective and the six objectives of Swedish international development cooperation. Analyses of changes in relation to previous years.

The objectives of Swedish international development cooperation laid down by Parliament state the long-term effects that shall be achieved by development cooperation. The overall objective is that development cooperation shall contribute to *raising the living standards of poor people*. Six development cooperation sub-goals interact to achieve the overall goal:

- economic growth
- economic and political independence
- economic and social equality
- democratic development
- sustainable use of natural resources and the protection of the environment
- equality between women and men.

Sida shall *contribute* to the fulfilment of these goals. Sida's results in relation to its mission cannot be reported on the basis of development in the world in general, since it is impossible to distinguish the effects of Sida's contributions from the effects of all the other factors. Nor can an annual report give a picture of the long-term effects that development cooperation is expected to produce. The effects of Swedish development cooperation can be seen, for example, through the results of studies made of contributions over cover long periods of time.

RAISING THE LIVING STANDARDS OF POOR PEOPLE

Long-term and sustainable reduction of poverty requires several different approaches. The following approaches are used in Sida's internal classification system:

- A: Direct effects
- B: Projects and programmes that include the poor
- C: Indirect effects through policies and institutions

- D: Indirect effects through national support
- E: Other approaches (for example internal Sida studies in a certain field and methods development projects)

No one approach is better than another. They are all more or less effective and efficient in the case in point.

Table 1 presents Sida's activities, in the form of outcome and number of contributions, in respect of the poverty objective, broken down into the different classification categories. At Sida and internationally there is a clear trend from minor project support towards major programme support, and an increase in focus on policies and institutions for reducing poverty. This is apparent from the increase in the contributions and costs for category C in the table.

The classification is made when a contribution is initiated and is based on the programme officer's perception of the focus and results. During the year a study was made on the relevance and reliability of this information. The study identified problems associated with subjective classification and concluded that the categories used in the classification do not correspond with the new multi-dimensional view of poverty.

During the year Sida finalised a revision of the *Action Programme for Poverty Reduction*, which was adopted in 1996, through the production of a new, comprehensive approach to poverty reduction, *Perspectives on Poverty*. The most important governing principles are that:

- poverty reduction is Sida's overall goal in all areas
- other policies shall be adapted to this approach
- poverty has many dimensions and the analysis of these dimensions must be adapted to the situation in question

- good capacity is necessary for making poverty analyses, with an emphasis on capacity in the field and support for human resource development in the partner countries
- Sida's work shall be based on poverty analyses at all levels
- the work requires a holistic approach and the strengthening of cooperation and coordination over sector borders, both internally and externally
- specific ownership is necessary in the partner countries as well as effective forms for partnership in order to make poverty reduction sustainable. One important instrument for this purpose is an effective dialogue.

With the aid of the new approach, the following main areas have been identified for interventions, based on recommendations of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD):

- Support for general structural changes in a country. For example the changes can focus on growth and democratic reforms that promote poverty reduction and benefit the poor.

- Contributions that include the poor or benefit them indirectly. Some examples of this are basic education, health, and support for small-scale enterprises. The analysis shall specify the relevance of an intervention for poverty reduction and how it will be possible for the intervention to reach poor groups.
- Contributions that focus directly on different categories of poor people. Attention must be given to relevance, effectiveness and long-term sustainability.

Furthermore, during the year an approach was drawn up in respect of the *Poverty Reduction Strategy Papers* that were initiated by the World Bank and the International Monetary Fund (IMF). The approach lays down that, in Sida's work, attention shall always be paid the national poverty strategies drawn up by the partner countries. These strategies shall be supported as far as possible, for example through programmes of human resource development and support for effective forms for popular participation. The importance of coordination with other development organisations, international and national, should be emphasised.

Sida has cooperated with the Institute of Develop-

Table 1. **International development cooperation**, outcome in SEK million, per cent of total outcome and number of contributions

	2002		2001		2000		2002	2001	2000
	Out- come	%	Out- come	%	Out- come	%	No. of contrib.	No. of contrib.	No. of contrib.
Poverty reduction									
A Direct effect	1 705	16	1 927	17	1 494	16	633	556	500
B Projects and programmes that include the poor	1 873	17	1 982	17	1 998	21	777	828	936
C Indirect effects through policies and institutions	4 840	44	4 543	40	2 796	29	2325	2150	2106
D Indirect effects through national support	1 616	15	1 885	16	2 246	24	813	903	956
E Other effects	894	8	1 100	10	995	10	1057	1251	1424
Total	10 927	100	11 437	100	9 529	100			
Peace, democracy and human rights									
Principal objective	3 069	28	2 453	21	1 920	20	1736	1616	1577
Significant objective	5 527	51	5 744	50	3 985	42	2131	2028	1989
Other objective	2 332	21	3 240	28	3 624	38	1659	1949	2234
Total	10 927	100	11 437	100	9 529	100			
Environment and sustainable development									
Principal objective	1 240	11	1 348	12	1 068	11	890	911	893
Significant objective	5 046	46	5 348	47	3 559	37	1663	1605	1537
Other objective	4 642	42	4 741	41	4 902	51	3007	3115	3399
Total	10 927	100	11 437	100	9 529	100			
Gender equality									
Principal objective	784	7	708	6	682	7	560	556	602
Significant objective	7 032	64	7 018	61	4 911	52	2806	2580	2463
Other objective	3 111	28	3 712	32	3 936	41	2182	2490	2777
Total	10 927	100	11 437	100	9 529	100			

ment Studies at the University of Sussex in 2002 to study possible Sida approaches that would permit active participation by poor people in development cooperation and give poor people the opportunity to exert an influence. The project has not merely studied the implications of popular participation can mean, it has also studied how Sida's role, organisation and forms of support relate to popular participation. The work has been based on active cooperation between programme officers from different departments at Sida and external researchers. The project will be finalised in 2003.

SIX SUB-GOALS FOR DEVELOPMENT COOPERATION

1. Economic growth

A large number of studies that compare economic growth and poverty in different countries show that economic growth is essential for the long-term reduction of poverty. Economic growth must be seen in an extremely long-term perspective, since investments and development contributions can provide returns in the distant future. Different theories on the causes of economic growth emphasise the importance of

- macro-economic balance and comprehensive economic reforms,
- an efficient public sector and efficient institutions,
- a large amount of human capital,
- a strong private sector and a basic physical infrastructure, and
- no discrimination and conflicts.

Support to *economic reforms* is given in the form of general budget support and debt relief and contributes to providing macro-economic stability and funding and incentives for further comprehensive reforms with the aim of improving economic growth and combating poverty. Today budget support is linked to the implementation of the countries' national poverty reduction strategies.

A large part of Sida's support is given with the aim of making the *public administration* in developing countries more efficient. This includes the central national public administration, the national public administration in the sectors where Sida is working, and the local administration. Sida's support for legal systems shall strengthen the protection of private ownership and guarantee that business contracts are binding. The aim is to reduce transaction costs of business and to facilitate economic growth. Sida is continuing its work to improve the administration of public finances, which is expected to assist our partner countries to implement strategies to reduce poverty and to create requisite conditions for economic growth.

Education and health are fundamental human rights and Sida has been extremely active in these sectors. Programmes for education and health also lead to considerable improvements in productivity. Studies show, for example, that investments in primary education give a greater return than other forms of investments and that literacy is important for productive self-employment. A World Health Organisation (WHO) commission, which proposed an ambitious programme for making considerable improvements in the health situation in low-income countries, estimated that the economic gains would be at least three times larger than the costs.

Policy reforms and institutional development are key elements in Sida's support to *infrastructure, private sector development and urban development* to enable countries to grow at a faster pace. Examples of contributions are:

- Since 2001, Sida and Germany have supported the development of the financial sector in Uganda. The programme of sector support focuses on policy development and institution building, not least in order to reduce the gap between the formal and informal parts of the sector.
- The performance analysis of the rehabilitation of road ER 510 and rural electrification in Nampula Province in Mozambique demonstrated positive economic and social effects, for example increased production of cotton, lower milling prices and improvements in the availability of fresh meat and fish.

Agriculture is the largest sector in many developing countries and is the source of living of most of the poor people. Therefore agriculture receives a considerable amount of support from Sida. In order to achieve sustainable development for the poor, Sida has supported, for example, a programme for economic growth in remote areas in Zambia, which assists small-scale farmers to make good use of the advantages offered by the market and to earn more from the sale of their produce. Sida's support for the African Network for Agroforestry Education and the Zambia Agroforestry Project has linked research to the reality of small-scale farming with the effect that research results are actually helping the farmers. It has also contributed to increasing the production of maize, fodder and fuel wood.

Discrimination is a violation of human rights and reduces the productivity of those discriminated against. Discrimination also inhibits economic growth. This is not least true of discrimination against women. There are signs that investments that benefit women provide considerably higher returns than the same investments in men. Sida's support for

human rights, and particularly to equality between women and men, can therefore also promote economic growth.

The devastating effect that *armed conflicts* have on economic growth has recently attracted attention. Many of the countries in Africa that have had the lowest rates of economic growth for a long period of time have been involved in armed conflicts. Accordingly, contributions for peace promotion and conflict management also promote poverty reduction. Poverty reduction can, in turn, promote peace.

2. Economic and political independence

The importance of this goal has changed considerably since it was originally established. Firstly, most countries have now achieved formal political independence. It is important that the legitimacy of these new states is reinforced by strengthening democracy, by respect for human rights and by the development of efficient public administrations.

Secondly, no country in the world is economically independent in the sense of being self-sufficient. The developing countries that participated most actively in the global economy during the last fifty years are those that have grown most, while those that isolated themselves from the rest of the world are still extremely poor. Instead of self-sufficiency, the objective should rather be to create economic freedom of action through initiatives that lead to increased economic growth.

The external debt burden still represents a major obstacle for many of Sida's partner countries. As the countries qualify for debt relief under the international initiative for heavily indebted poor countries (HIPC-2), Swedish support is given for *economic reforms* in the form of general budget support that can be used for debt service or other government expenditure. In 2002 Sida also made contributions to build up the capacity of countries to manage their debts.

A country can also acquire more freedom to govern its own development by obtaining requisite skills and analytical capacity via *research*.

3. Economic and social equality

As opposed to what was maintained previously, economic studies show that a relatively even distribution of productive assets makes rapid and sustainable economic growth possible. Many Sida contributions have the aim of increasing the capacity of the poor to be economically productive – to create economic growth – by:

- increasing the access of poor people to productive resources. For many poor people their labour is their principal economic asset. Micro-finance makes it possible for the poor to invest in their products and to market them. Sida supported thirty micro-

finance contributions in 2002, principally in Africa and Latin America. Sida's programmes in respect of aids, tuberculosis and malaria have the aim of preventing three diseases that reduce the productivity of people.

- increasing their capacity to use their resources effectively. Discrimination, regressive taxation and corruption are factors that reduce the productivity of the poor. The fact that the Vietnamese government is prepared to work so openly with this issue is regarded as a success.
- reducing the vulnerability of the poor and the potentially poor. Micro-credits also help the poor to save in good times in order to be able to borrow when times are not so good. During the last ten years many developing countries have succeeded in stabilising their economies. This has been one of the purposes of Sida's support for economic reforms. Earlier imbalances led to high interest rates, unemployment and inflation and it was difficult for the poor to protect themselves in this situation. Sida intends to make 15 case studies with other donors in order to find ways of giving the poor access to private insurance.

4. Democratic development

The fact that politics are of equal importance as the economy where development is concerned is shown, for example, by UNDP's *Human Development Report 2002: Deepening democracy in a Fragmented World*. People around the world want to have the freedom to exert an influence over their own lives, to express their opinions, and to participate – directly or through their representatives – in decisions that concern the community in which they live. The expansion and intensification of democracy must be achieved in order to make participation of this type a reality.

Democracy benefits the poor in several ways. Democratic regimes are more inclined to follow policies that respect human rights and that guarantee the right of all human beings to a life in dignity. Studies show that people in democracies live longer, that fewer children die and that the number of children per fertile woman is lower than is the case for people with the same income who live under authoritarian regimes. Democracy can also prevent conflicts since conflicts of interests are dealt with by peaceful means.

An increasingly larger proportion of Sida's contributions have peace, democracy and human rights as their principal objective or as a significant objective.

Sida supports political processes and institutions such as parliaments, elections, party systems, central and local government, and the rule of law. Sida also

promotes the emergence of a democratic culture through cooperation with civil society and the state. Other contributions promote freedom of expression, free media, access to information, ombudsmen and independent audits.

In 2002 Sida continued to work on the development of methods, analyses, and human resources. Powerlessness is a major component in the multi-dimensional poverty concept. Therefore, in a methods development project that was finalised during the year, Sida emphasised that analyses of power should be included in the country strategies. Sida commissioned an analysis of power in the country strategy for Ethiopia.

The year was characterised by further efforts to permeate Sida's development cooperation with a democracy and human rights perspective, including children's rights. Important instruments in this work are targeted and general educational programmes with a democracy, human rights and child perspective. During the year a survey was made of the work being done for the benefit of children and young people by the Department for Democracy and Social Development.

The year saw the start of a sector programme in the legal sector in Uganda, the only sector programme hitherto in this sector. Sida has supported the planning of the programme since 2001. The programme covers the entire chain of justice: from ministries to courts, prosecution authorities, police, and penal institutions. The holistic approach should minimise bottlenecks in the chain of justice.

5. Sustainable use of natural resources and protection of the environment

Under Sida's action programme for sustainable development, environmental aspects shall be integrated into all Sida's operations. Among the major measures taken during the year, mention can be made of the following:

- Sida participated actively in a special study made by the European Union (EU), the Department for International Development (DFID) and the United Nations Development programme (UNDP) on poverty and the environment prior to the UN conference on the environment and development that was held in Johannesburg.
- Sida drew up plans of action for the most important environmental conventions and presented them to the Government. A consulting study was made that will form the basis of further work on integrating the environmental conventions into development cooperation.
- Sida drew up guidelines for "green" procurements.

- Guidelines for environmental indicators in development cooperation were produced.
- Directions were produced for strategic environmental analyses in connection with the country strategy work, as was a manual for the integration of environmental aspects in programmes of sector support.
- The former guidelines for environmental impact assessments were revised.
- An agreement was concluded with the Stockholm Environment Institute on support for work on vulnerability issues.
- Two of the support functions established by Sida for handling environmental aspects in its programmes were further consolidated. One is the support function for environmental impact assessments in projects and programmes at the EIA centre at the Swedish University for Agricultural Sciences in Uppsala. The other is the support function for strategic environmental analysis and the integration of environmental aspects in the country strategy processes at the Environmental Economics Unit at Gothenburg University. The agreements with the National Environmental Protection Agency and the National Chemicals Inspectorate, for similar support tasks in Sida's work, were prolonged. An agreement on an additional support function at the Centre for Biological Diversity at the Swedish University for Agricultural Sciences was concluded during the year.

Much of the work done this year was characterised by preparations for the above-mentioned UN summit conference in Johannesburg. Sida participated actively in the preparations and at the conference itself. In a special programme at the conference, Sida presented the work being done in the Lake Victoria Initiative in which it is participating.

The work of integrating environmental aspects into Sida's work has been extended. Important instruments for this work, which the Environment Policy Division has participated in producing, are Sida's approach to poverty reduction and the handbook for its implementation, *Sida at Work*. The year's information campaign on poverty and health shed light in particular on the important relationship between the environment and health. This was also the theme of three seminars held at the year's conference on poverty.

Only 28 per cent of Sida's contributions have the environment and sustainable development as their principal objective, but more than 50 per cent have it as a significant objective. This can indicate that the fifth sub-goal of Swedish development cooperation

permeates Sida's activities and is taken into consideration in a large number of individual contributions.

During the year Sida worked with a strategy for water and sanitation issues in respect of both rural and urban areas. The strategy underlines the importance of economical management of scarce water resources through stricter pricing, and the need of a greater focus on health through improved sanitation in slum areas.

The protection of cultural buildings was given attention through the formulation of special guidelines for historical buildings. These underline the importance of preserving historical buildings and of creating appropriate conditions for people to continue to live in and to develop environments of this type. In an arrangement organised by the City of Stockholm, "Stockholm Partnerships for Sustainable Cities", several projects supported by Sida received awards

6. Equality between women and men

The proportion of contributions in which gender equality is the principal objective or a significant objective continues to increase, even if the proportion that has gender equality as the principal objective is still small. This is also reflected in the outcome. This trend corresponds to Sida's mainstreaming strategy, i.e. that a gender equality perspective shall permeate all Sida's activities.

Sida's *evaluation* of the strategy aroused a great deal of interest during the year. The most important conclusions of the evaluation are that the strategy has functioned well at policy level, but that it needs to be reinforced at contribution and implementation level. It also indicates the need of adequate resources in order to promote gender equality. It is necessary to have knowledge of the socio-cultural context and of how gender equality and poverty reduction can interact. Essential factors for success are committed leadership and the capacity for a dialogue on gender equality with the stakeholders. The evaluators recommend that Sida should continue to use the strategy and to develop it. The study has been spread internally and externally, for example to DAC's working group on gender equality.

During the year Sida consolidated its work on combating *trafficking*, i.e. trade, primarily in women

and children, for sexual exploitation and prostitution. Sida is supporting projects in Eastern Europe and Africa that will strengthen legislation, train persons and organisations responsible, and help the victims.

Other examples of contributions that promote gender equality are the following:

- A project in Tanzania, which is working to prevent HIV/Aids among young people, publishes a magazine *Femina* in Swahili and English. The magazine gives girls and boys an opportunity to acquire information and to discuss matters relating to sexuality, roles, relations between the sexes, violence and HIV/Aids.
- To combat *genital mutilation of women* Sida is supporting an organisation, Rainbo, that channels Swedish funds to small projects in Africa that are working to combat gender mutilation. Another organisation, Tostan, receives grants from Sida for informal education of women in villages in Senegal.
- Through Sida's support to UNICEF and the Swedish Afghanistan Committee, *girls in Afghanistan* have been given the opportunity to attend school.
- Sida and other donors are supporting the International Network on Gender and Energy (ENERGIA), which is working with *energy issues from a gender equality perspective*. The network is a resource centre that provides advice to authorities and donors, holds courses and runs research programmes.
- With the aid of grants from Sida, the African Women's Development and Communications Network (FEMNET) is supporting a number of *African NGOs* in their work on gender equality and legal issues. FEMNET also functions as a resource base for Sida.

Apart from the regular courses on gender equality that Sida holds for both Sida staff and consultants, sector-adapted courses were also held in 2002. Sida also co-financed an initiative for global equality in health, which resulted in a book on gender equality and health in developing countries, *Engendering International Health*.

Overview of operational areas

Sida's operational areas in the policy area International Development Cooperation include: democratic governance and human rights; social sectors; infrastructure, private sector development, urban development and financial systems; natural resources; economic reforms; research cooperation; humanitarian assistance and conflict prevention; non-governmental organisations; and other operational areas.

The work on Sida's new approach to poverty, "Perspectives of Poverty", and the multidimensional poverty concept had an impact in all operational areas during the year. Powerlessness is an important component in the multi-dimensional poverty concept and Sida therefore gave prominence during the year to the need of making analyses of power that describe, among other things, the formal and factual power structures and power relations in the country. The multi-dimensional poverty concept also underlines the need of free and accessible communication as well as the necessity of giving more consideration to the ecological and cultural situation. Therefore, during the year, a number of documents were produced, for example a health policy, guidelines for HIV/Aids, and rights in education programmes. All these documents further develop the importance of the role played by the social sectors in development.

Where cooperation with partner countries is concerned, research in several disciplines has been concentrated to the same geographical area in order to combine aspects relating to social sciences, biology and the economy. A stronger social science orientation has also been noted in the international research that focuses on developing countries, performed by the World Health Organisation (WHO) and the Consultative Group on International Agricultural Research (CGIAR), and goals have been formulated in terms of poverty reduction.

Sida's strategy to make programmes of development cooperation more efficient with the aid of working methods that require fewer resources also had a strong impact on Sida's work during the year. This is reflected in, for example, the increase in the number of programmes of sector support or similar contributions. In the social sectors in particular, support has gradually adopted the form of broad and

highly integrated programmes and sector support programmes in the health and education sectors.

Research cooperation has also moved towards programme support in order to build up strategies for local postgraduate studies.

The increase in the number of programme support contributions and similar forms of cooperation has also intensified the need for a policy dialogue with the partner countries concerned and other donors. Due to the absence of an independent legal system in several partner countries, Sida's support for work for human rights mainly concerns contributing to increasing awareness and to putting the issues on the political agenda.

The increasing interest in reforms for decentralisation in the partner countries also works in the same direction. This trend creates new demands for a dialogue between the sectors and not least for an analysis of the importance of the social dimension for the access by the people to all the institutions of society, both formal and informal, and the possibilities available to them to use these institutions. Therefore, Sida continued its internal studies of social development in 2002 and is now discussing measures that will improve expertise and the utilisation of resources in country strategy processes, contributions and the dialogue.

In the field of infrastructure, private sector development and urban development, a considerable proportion of Swedish cooperation focused on support to policy reforms and institutional development at sector level. A clearer focus on contributions intended to create requisite institutional and structural conditions for private parties is being sought, while contributions that contribute directly to commercial activities are being reduced. Accordingly, during the year there was an increase in contributions for

mobilising private capital for investments in infrastructure. The rapid growth in world trade has led to a continued focus on trade policy matters and contributions for strengthening the capacity of the partner countries to work with these issues.

During the year a large number of broad programmes were also implemented to make sustainable development possible for poor people in rural areas. The decentralisation of the public administration and the administration of resources, and the integration of poor small farmers into the cash economy and associated development of markets and trade are important components in these programmes.

In southern Africa water is a finite resource and regional cooperation is absolutely necessary to create efficient and sustainable use. The work on joint administration and use of shared rivers in southern Africa was therefore further consolidated during the year.

Where cooperation in respect of economic reforms is concerned, all contributions were provided for the first time in the form of budget support. The reasons for this are the processes under the Heavily Indebted Poor Countries (HIPC) initiative and the production of national strategies for poverty reduction, the Poverty Reduction Strategies (PRS), which have contributed to a situation in which cooperation has now assumed a long-term perspective with a focus on poverty reduction.

In 2002 humanitarian assistance had to adapt to drastic changes in ongoing crises at the same time as new and complex situations arose. In Afghanistan, a change in focus towards reconstruction was started in earnest and programmes of development coopera-

tion with a long-term character were initiated. In Angola the cease-fire led to a dramatic increase in humanitarian assistance. Israel's occupation of the West Bank and Gaza led to a dramatic increase in the need for external humanitarian support, and in southern Africa the drought, in combination with political misrule and the HIV/Aids epidemic has resulted in a complicated crisis. Since armed conflicts lead to poverty, contributions that have a conflict prevention effect must be developed to a greater degree than hitherto in all operational areas.

In cooperation with the twelve so-called "frame organisations", Sida has worked to a great extent to improve the reports on the effects of support on civil society produced by these organisations. An instrument for organisational analysis has been drawn up as an aid in the production of these reports.

OUTCOME 2002

The total outcome for the operational areas, as well as the breakdown between them, is more or less unchanged in comparison with previous years. Support to democracy and human rights has increased somewhat, while support to infrastructure has decreased.

In line with Sida's strategic priority to make development cooperation more efficient both at home and in the field, the number of new contributions in 2002 continued to decrease and the average agreed amount per contribution increased. On the other hand the ambition to extend the period of agreements for new contributions has not yet had an effect. There are considerable variations in the size

Table 2. Overview of operational areas, costs in SEK million, per cent of outcome and number of contributions

	2002			2001			2000			2002 Antal insatser	2001 Antal insatser	2000 Antal insatser
	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%			
International development cooperation												
Democratic governance and human rights	1 774	1 726	16	1 559	1 520	13	1 390	1 354	14	1555	1543	1544
Social sectors	1 431	1 366	13	1 561	1 504	13	1 304	1 248	13	835	869	910
Infrastructure, private sector development, urban development and financial systems	1 607	1 551	14	2 124	2 035	18	1 961	1 874	20	978	1009	1032
Natural resources	959	902	8	973	929	8	832	791	8	589	599	598
Economic reforms	535	514	5	514	499	4	570	550	6	21	19	15
Research cooperation	915	846	8	886	828	7	781	727	8	358	372	370
Humanitarian assistance and conflict prevention	1 637	1 601	15	1 681	1 666	15	1 673	1 645	17	560	596	696
NGOs	907	896	8	905	876	8	964	954	10	109	121	119
Other operating areas	1 624	1 525	14	1 700	1 581	14	493	387	4	499	438	484
Total	11 390	10 927	100	11 903	11 437	100	9 966	9 529	100	5504	5562	5768
Total number of contributions*										5397	5476	5644

* Shows the total number of actual contributions. A contribution can refer to two or more operational areas, which has the effect that the total is larger than the actual number of contributions.

of the contributions between the different operational areas. The explanation for this is that forms and

channels for support vary between the operational areas.

Table 3. Report required: Internal efficiency, operational areas

Operational area	Average agreed amount per new contribution SEK '000			Average duration of agreement per new contribution, no. of months			Average outcome per contribution, SEK '000		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
Democratic governance and human rights	2 561	3 418	2 271	18	17	19	1 110	985	877
Social sectors	5 186	3 440	3 650	21	16	20	1 636	1 731	1 371
Infrastructure, private sector development, urban development and financial systems	4 399	8 197	5 103	19	19	22	1 586	2 017	1 816
Natural resources	6 196	4 544	2 483	18	17	18	1 531	1 551	1 322
Economic reforms	25 000	53 135	70 000	18	13	13	24 497	26 263	36 667
Research cooperation	6 949	6 644	7 088	24	26	24	2 364	2 225	1 965
Humanitarian assistance and conflict prevention	5 887	5 706	4 721	19	16	18	2 858	2 795	2 363
NGOs	29 264	10 566	7 831	18	19	16	8 216	7 239	8 013
Other operating areas	4 801	10 143	2 043	12	11	15	3 057	3 610	800
Total*	6 040	5 794	4 035	18	17	19	2 025	2 089	1 688

* A contribution can be included under one or several regions. No contributions or amounts have been included more than once in these figures.

[Picture removed]

Celebrations on the anniversary of independence in East Timor. Sida has the objective of promoting opportunities for poor people to participate in democratic processes.

Democratic governance and human rights

The operational area includes the sub-sectors of democracy including media, public administration and the legal system. Within the framework of the overall goal of poverty reduction, and taking the general tasks in the area into consideration, the objective of the operational area is to contribute to democratisation, to strengthening respect for human rights and protection and observance of human rights.

GENERAL

The number of democratic states in the world has increased. In theory, 140 of the states in the world are classified as democratic, i.e. among other things the countries have held reasonably free and fair elections. In practice, there are only some 80 countries that respect human rights, can be said to be states governed by the rule of law, and make it possible for poor people to exert an influence over decisions that

affect them. A third of the world's population still live in authoritarian states where the possibilities available to poor people and their security and power are considerably reduced. Global developments in respect of human rights have generally been characterised by increasing polarisation in the discussions and decisions in the UN's annual commission on human rights, and by new and complicated balances between the human rights and legal rights

of individuals on the one hand and the security of states in combating terrorism on the other. Most of the partner countries are still characterised by shortcomings in their respect for human rights.

Sida's contributions have the aim of promoting the opportunities, security and power of poor people and their right to a life in dignity by contributing to the development of democracy in the partner countries. Sida is trying to strengthen processes and values such as demands for accountability, participation, openness and the equal right and value of all men, women, girls and boys. The contributions are intended to strengthen political institutions, processes and the public administration. They are also intended to promote a democratic political culture, strengthen the rule of law and encourage the establishment of a child-friendly society and links between government and the organisations of civil society. The absence of an independent legal system makes it particularly difficult for contributions in this field to have a real and permanent impact. In such cases Sida's support mainly contributes to raising awareness and putting human rights issues on the political agenda. The internal guidelines for support to international NGOs working with democracy, public administration and human rights that were produced in 2001 have had the effect that the administration of support was more efficient during the year since the support to the organisations is now for longer periods and provides more support for their operations, and the composition of the portfolio is reviewed. Hitherto human rights organisations have predominated among those in receipt of support. Sida has started to identify more international organisations that work with democracy and the public administration.

Analysis of outcome

Mozambique remained the largest recipient partner country in 2002. South Africa is now in third position (second place in 2001) and the volume of contributions to South Africa decreased for the second year in succession, by 11 per cent in 2002. Tanzania is in second place. Volumes increased considerably, by 98 per cent, in 2002. The total number of contributions continued to decrease, while the number of major contributions (over SEK 15 million) also increased in 2002. Project support is still the predominant form of support. It accounts for 63 per cent of the total value. However, the number of programmes of sector support in the operational area increased in accordance with Sida's policy of channelling more resources with this method, which is often the easiest to handle for recipient countries. There are two major contributions of this type: one in Mozambique (support to the Ministry of State Administration) and one in Bolivia (support for the public sector reform, PRI). However, the volume of programmes of sector

support is more or less unchanged compared with previous years.

The outcome is higher than the budget forecast. The increase is mainly in Africa.

DEMOCRACY INCLUDING THE MEDIA

Performance analyses and evaluations

According to the performance analysis of development cooperation in Central Asia made in the spring of 2002, Sida's support for the project "Women in Politics" in Kazakhstan has increased awareness of gender equality issues in the government of Kazakhstan. The special commission for matters relating to families and women has been strengthened. The contribution has also led to the tabling of a government bill on violence against women in the home and on gender equality. A similar project is taking place in Kyrgyzstan but this project has not made as much progress.

Sida-financed cooperation between the administrative offices of the parliaments of Sweden and Vietnam was evaluated during the year. The programme has improved capacity in Vietnam to assist parliament, partly in the exercise of its control function and partly in respect of its information to the public. Debates and question sessions are now televised live on Vietnamese TV. The constitution has been amended with the effect that the balance of power has now been shifted in favour of parliament, even if the dominance of the Communist Party is still unmistakable.

Swedish Caritas is cooperating in Peru, Colombia and Paraguay with organisations associated with the Catholic Church. The programmes refer to popular participation, democracy, human rights and gender equality. An evaluation made in 2002 found that the programme fulfilled its goals to a large extent, particularly in respect of participation by women and organisation at grass root level. A training programme for local leaders was judged to be extremely relevant for strengthening democracy, while the strategy for the sustainability of the project was questioned.

Earlier project support given to Radio Bomboloma and Radio Pindjiuity in Guinea-Bissau was evaluated during the year. The stations enjoyed a great deal of confidence among their listeners. They broadcast programmes on issues relating to the environment and gender equality and broadcast live debates from parliament. According to the evaluation the support contributed to strengthening organisations of civil society in the unstable political, economic and social situation in the country.

Analysis and discussion of problems

Contributions that refer to the most central parts of a sovereign state's political life must, in order to be sustainable in the long-term, be based on thorough analyses of power structures, power relations, elites, traditions and loyalties that can impede or promote development, political determination and capacity. This conclusion can be drawn from the year's evaluations and performance analyses. Furthermore, cooperation should focus on political processes rather than on separate institutions. Support to parliaments, for example, could then be combined with support to the media, independent research institutes and audits, with the aim of increasing the possibility of making demands for accountability and for openness. The support given to the parliament in Vietnam is an example of this. Furthermore, goals and methods must be adapted to political determination to develop. Finally, it is important to have realistic time horizons – democratisation processes take a very long time, particularly in authoritarian and partly authoritarian states.

Methods and human resource programmes

The lack of power is an important component of the multi-dimensional concept of poverty. Therefore, in a methods project on political institutions, Sida has emphasised that country strategies should include analyses of power. What are the formal and actual power structures and power relations in the country? How is power perceived? How does this affect poor people and the possibilities available to them to participate in political processes? As part of the country strategy work in respect of Ethiopia an analysis of power in the country was made during the year. During the year a conference was arranged on democracy, power and partnership in order to strengthen Sida's work on methods and to disseminate experience gained. The conference was arranged by Sida in cooperation with the Collegium for Development Studies at Uppsala University. Among other things the participants discussed power as a dimension of democratisation and support for democracy, and power in combating poverty. The conference attracted some 60 Swedish and international researchers, decision-makers and practitioners. The Swedish resource base was well represented.

Furthermore, Sida financed a pioneering seminar on disabled persons and elections. The arrangers were the International Institute for Democracy and Electoral Assistance (IDEA) and the International Foundation for Election Systems (IFES). The seminar was held at the same time as the Swedish general election. Participants in the Global Workshop on Universal Electoral Rights of People with Disabilities were prominent representatives of the handicapped movement and election commissioners from all over

Example

The Swedish Institute for the Further Training of Journalists (FOJO) channels support to an extensive further education programme for journalists in cooperation with Birzeit University's media centre on the West Bank. The target group is professionally active Palestinian newspaper, radio and TV journalists. The further education programme is being run under difficult conditions with considerable restrictions on freedom of movement. All planning is of necessity short term. It has been necessary to cancel many of the courses or to replace them with courses in other subjects. It has only been possible to recruit the course participants, and the teachers, from the Ramallah/Jerusalem region. During the first nine months of 2002 FOJO and the media centre held 26 course weeks in ten different subjects for 174 participants on the West Bank and in Gaza. The subjects included editing, reportage, photography, Internet journalism, sound and camera technology, and journalism for children.

the world. The participants in the seminar adopted a bill of rights for citizens with disabilities – a unique, guiding document that shows how it is possible to facilitate the participation of the disabled in national elections and to enable the disabled to stand for elected office. Sida has benefited from the conclusions of the seminar in its methods work in the field of election monitoring.

During an evaluation of the Media Institute of Southern Africa (MISA) that was made in 2001, a request was made for better coordination of support among donors. Therefore, in 2002 Sida and other donors laid the foundations for joint funding and a strategic partnership with MISA.

In order to improve skills at Sida on the importance of the media for democracy, human rights and social development, seminars are arranged for members of staff. The theme for the seminars in 2002 were "Communication for Development" and "Nordic Public Service Radio and TV in Development Cooperation".

Analysis of outcome

The outcome for democracy programmes increased in comparison with earlier years. They mostly focus on support to institutions and processes such as Parliaments and greater openness, public insight and freedom of speech. The *direct* poverty reduction effects are therefore relatively small. However, *indirect* effects are possible through the target group for the programmes, for example by making it possible for poor people to participate – directly or via their representatives – in political processes and thereby acquire more power over decisions that affect their daily lives.

PUBLIC ADMINISTRATION

Evaluations and sector programme support

One deliberate strategy in Sida's programmes of development cooperation in the Western Balkans is to work in parallel at the central and local levels in order to improve communications, openness and insight, and to clarify the division of roles and responsibilities. Since 1997 Sida has provided support to a local organisation (FiNova) in Bosnia & Herzegovina in order to build up financial systems at municipal level. The programme was evaluated in 2002. One of the conclusions of the evaluation was that the system is well suited to local conditions and is considered to have improved public insight and openness in financial accounting and reports. A total of 22 of 110 municipalities participated in the project.

Sida is financing a contribution in Albania via the Council of Europe that is intended to assist the public administration when it implements the country's anti-corruption strategy. An evaluation of the contribution was made during the year. It established that an anti-corruption unit had been established under the prime minister's office. This office and representatives of various ministries follow up the implementation of the country's anti-corruption strategy. In this work random samples have been made of the public notary function in the country in order to provide recommendations on how the rules should be revised in order to reduce corruption in this body. Likewise a report has been produced that shows the disciplinary measures that the country's authorities have taken when personnel have been accused of corruption.

Sida's cooperation with the United Nations Development Programme (UNDP) for good governance in Honduras has been evaluated after five years' work. In reality the programme has consisted of several different projects that have been selected for different reasons. Therefore, according to the evaluation, it cannot be said that the programme has been fully

implemented. However, several of the projects demonstrate extremely positive results, primarily those relating to statistics, gender equality and local development. The value of UNDP's role and participation varies from one project to another. In some projects the UNDP has been far too passive, in others far too active. In cases where the project has concerned a sensitive political area, the UNDP's role has been very positive and important. According to the evaluation, Sida should continue to cooperate with UNDP in a more selective way and focus on projects in which the UNDP is doing something important. Furthermore, Sida should be more active in the identification and design of the projects.

Since 1996 Sida has given support to the South African statistical agency, Statistics South Africa – Stats SA, through the Swedish statistical agency, Statistics Sweden. In 2002 Sida evaluated the agency's organisational development and its production of statistics as a follow-up to a study made in 1999. The result shows that Stats SA has made considerable progress, both organisationally and in the quality and reliability of the statistics it produces, even if the objectives for the agency have sometimes been overly ambitious. This progress is of decisive importance in enabling South Africa to conduct population censuses and to supply decision-makers and the general public with regular statistical information.

Sida has had an evaluation made of its cooperation with the provincial administration in Eastern Cape Province in South Africa, prior to a planned continuation of the programme of support. Cooperation is taking place in the field of financial management with the Swedish Financial Management Authority as the Swedish counterpart, and in the field of personnel development with consulting firm SIPU as the Swedish partner. The evaluation discusses the goal fulfilment of the programme and reports on the two sub-projects that are being implemented by the South African provincial administration and the Swedish consultants. The report recommends the continuation of the programme in the area of personnel development and a slightly new focus for the programme of financial management.

This sub-sector includes a programme of sector support – the institutional reform programme (PRI) in Bolivia. The implementation of the reform programme, which as started in 2000 with support from Sida, has largely proceeded according to plan, even if some slight delays in implementation have occurred. However, after the presidential elections in 2002 the question of requisite political conditions for implementing the reform has arisen in relation to, among other things, the appointments of personnel in the government administration and particularly in the pilot institutions that have hitherto been included in the reform.

Example

The programme of support for the Africa Budget Project within the framework of the Institute for Democracy in South Africa (IDASA) was extended to French-speaking Africa during the year. Firstly, relevant cooperation organisations in civil society were identified. Later, it is intended that the organisations shall be training programmes on the analysis of budget processes from the perspective of poverty, children and gender equality. The aim is to make it possible for the organisations to spread information and contribute to debates, and to be a highly qualified source of information for the governments.

[Picture removed]

Young local politicians. Sida supports democratic political cultures and encourages links between the state and civil society.

Analysis and discussion of problems

In Sida's partner countries the trend is towards larger contributions. There is also the ambition to increase the proportion of sector programme support to develop public administration systems. Compared to the sub-sector for democracy and human rights, it is easier to implement sector support programmes in the public administration sub-sector since the partner in cooperation is usually only one or a few government agencies and ministries. Sida is still involved in major public administration reforms in Bolivia and Mozambique.

In the EU's stabilisation and association process for countries in the Balkans, the legal field has grown in importance as a priority to achieve development. In the region there are needs of support for the production of legislation and for strengthening the observance of national rules. One general problem in the Balkans is corruption, which permeates entire societies and government administrations, and affects the legal security of individuals.

Although public administration dominates Swedish support, Sida is a small actor internationally in this field where volume is concerned. Cooperation or coordination with other donors can therefore contribute to improving the efficiency and impact of cooperation. Several instruments for coordination of this type exist, for example sector programme sup-

port and budget support for reforms of the public administration. If several donors are engaged in a specific reform, Sida can also participate through so-called silent partnership, which means that Sida participates in the financing of a programme with funds that are administered by another bilateral donor on behalf of Sida, while in other cases Sida can be the active partner. This instrument is still in the development stage. It can be more difficult for Sida to gain a hearing for its own values in programmes of cooperation of this type, for example the importance of a children's perspective and a gender equality perspective.

Methods

Sida has produced a proposal for new forms of cooperation with government agencies. The aim is to strengthen the skills and capacity of the Swedish agencies to enable them to work with programmes of support in the agencies' core areas, to clarify the roles of Sida and the agencies and thereby simplify cooperation, to guarantee full cost coverage and uniform standards for payments and to promote a uniform approach vis-à-vis the agencies. During the year Sida produced a system for negotiations on framework agreements and disbursements with, in the first place, Statistics Sweden, the National Police Board and the Swedish National Audit Office.

[Picture removed]

Girls in Guatemala on their way to school. One important goal of Sida's support in Latin America is respect for children's rights.

Analysis of outcome

Sida's support to the sub-sector increased in 2002 (by some 14 per cent), and public administration is still the largest sub-area in the overall operational area. The impact on poverty is primarily achieved through developing the public administration of partner countries to enable it to meet the rights of people and their access to social services, for example by using a children's perspective and a gender equality perspective in budget processes. Greater cost efficiency and less corruption can also release resources for other needs in society.

HUMAN RIGHTS

Evaluations

Sida has supported different types of activities in ombudsman offices in Latin America for about ten years and an evaluation of Sida's support was completed in 2002. It confirms the need of supporting institutions with the aid of training and working methods as well as strategic planning to enable them to perform their duties in a more effective way.

Sida's support to the ombudsman office for

human rights in Peru was evaluated separately during the year. The overall goal of the Sida-supported project has been to contribute to re-establish the rights that were denied to victims of the political violence and the persons who were affected by the anti-terrorist laws. Without exception, the results were positive which is partly due to the fact that the political situation has improved. The project has also had a positive effect on the situation of internally displaced persons. Sida's support has contributed to a stabilisation of the ombudsman institution itself by ensuring that new methods and approaches have been discussed in the institution. The project has contributed to the establishment of a Peruvian Truth and Reconciliation Commission. The evaluation also takes up some limitations. Gender equality, the strengthening of political institutions at local level and ownership issues needed a more specific and long-term focus.

An evaluation of Sida's support to the work being done by UNICEF and Save the Children in Latin America shows that the programme has promoted children's rights in Latin America – the overall goal of the programme. According to the evaluation, the regional dimension in the programme has not been achieved and cooperation between UNICEF and Save the Children has not functioned well, apart from certain national programmes, for example in Nicaragua.

During the year Sida evaluated two Ugandan human rights organisations that have received operating support for a number of years. The Human Rights Information Network (HURINET) is an umbrella organisation that has the aim of strengthening capacity of human rights organisations and cooperation with these organisations in Uganda and in the region. Over the years the number of member organisations has increased and now numbers 16 organisations. The evaluation makes the assessment that the operating support has contributed to strengthening HURINET. It has thereby also strongly contributed to enabling the organisation to achieve a degree of stability so that temporary fluctuations in grants from donors do not constitute a serious threat to the survival of the organisation. According to the evaluation, this stability constitutes a sound foundation for HURINET to administer the proposed local human rights fund for the small organisations that Sida finances via the fund.

The second Ugandan organisation that was evaluated, Foundation for Human Rights Initiative (FHRI), is the country's oldest human rights organisation. FHRI has succeeded well with its training programmes, which it runs in cooperation with the legal system and correctional treatment services, and with its publications and radio programmes. However, the evaluator is somewhat critical of internal

democracy and leadership in the organisation, which has contributed to the serious problems it now faces in continuing to finance a Human Rights House that was mainly built with the aid of Swedish funding.

Sida's support to the Asian women's organisation, Women's Information and Communication Service (ISIS), was evaluated during the year with the aim of assessing the efficiency, effects and relevance of the programme. The organisation is trying to maximise the use of its resources by cooperating primarily with regional organisations and secondly with national organisations. In the opinion of the evaluator, the work done by ISIS has provided support for other organisations that are working with and for women in the region. The main contributions made by the organisation include exerting an influence in international forums, disseminating information, networking, and providing expertise in fields such as gender equality and information technology, and gender equality and racism.

Sida has cooperated with the International Service for Human Rights in Geneva since 1993. This programme was evaluated during the year. In the opinion of the evaluation, the organisation has a great deal of knowledge of human rights in the UN system and has spread this knowledge in a cost-efficient way through training and by offering places to trainees in Geneva, mainly in connection with the annual commission for human rights, by organising courses in different parts of the world, and by regularly publishing analyses of human rights issues. However, in the opinion of the evaluation, the organisation should further strengthen its expertise and capacity in respect of management and financial management and thereby stabilise its successes.

In cooperation with the Norwegian Agency for Development Cooperation (NORAD) and the Finnish International Development Agency (FINNIDA), Sida has commissioned an evaluation of Human Rights Information and Documentation Systems (HURIDOCs), a human rights organisation that has its headquarters in Geneva. HURIDOCs develops systems and tools for documentation and reports on violations of human rights. The evaluation studied the relevance and quality of HURIDOCs' programmes, activities and products. The report indicates shortcomings in the strategic thinking and goal-orientation of the organisation, but emphasises that its activities are of considerable relevance and have great potential. The material produced by the organisation is in demand, but it can be improved and made more user-friendly. In the opinion of the evaluation, activities should be more goal-oriented and focus to a greater degree on the programmes and target groups. The activities should also concentrate more on capacity building and have a long-term perspective. HURIDOCs has welcomed the rec-

ommendations and has drawn up an action programme.

Analysis and discussion of problems

Making permanent and profound improvements in respect for human rights is a task which, in the long term, can be influenced by Sida's programmes of development cooperation. However, it should be borne in mind that Sida's contributions in this field often constitute a challenge to existing power structures, and a cautious approach with the aim of gradually increasing influence is a reasonable ambition. Despite this, Sida must remain faithful to its principles where human rights standards are concerned. Sida's support to ombudsman institutions has proved to require a great deal of time. In addition to organisational development, analyses and strategies are required to gain the support and acceptance of the political institutions in partner countries. Selective short-term measures can also be of considerable strategic importance in hard-pressed political situations. Sida's support for training, establishing standards and shaping opinion via international organisations can often be a viable approach.

Methods and human resource development programmes

Sida's methods in respect of matters concerning the disabled were developed during the year. The goal of this work was that aspects concerning the disabled should be taken into consideration and integrated in the planning of programmes of development cooperation. Development cooperation can contribute to the fulfilment of the rights of the disabled. According to one study, programmes that had disabled people as their target group increased from 17 to 47 between 1998 and 2001. Disbursements increased threefold, from SEK 20 million in 1998 to SEK 60 million in 2001. The programmes focus on Central and Eastern

Example

In Bosnia & Herzegovina Sida has supported the work of the Office of the High Representative (OHR) in producing proposals for holding trials of persons suspected of war crimes in Bosnia. The proposal contains a plan of action for the supreme court in Bosnia (BiH State Court) to enable the court to try these cases with impartiality and with the necessary professional expertise. It is important to gain local acceptance and support for the war crimes processes and to enable the citizens of Bosnia & Herzegovina to see that crimes against international humanitarian law are not merely cases for the international community, but can also be tried by local courts. If the process is successful, it can also strengthen the confidence of the people in the local legal apparatus.

Europe, Africa and the Middle East. In most of the contributions, considerable emphasis is given to the poverty objective, as well as the objective of democratic development. On the other hand, the gender equality goal has not had the same impact. During the year a specification was drawn up of contributions made to projects for the disabled in 2001. Sida contributed some SEK 54.4 million to projects via Swedish NGOs focusing on the disabled in 2001, out of a total amount of SEK 884 million.

A survey was made during the year of the work done on methods in 2002 to make children visible in programmes of development cooperation. For example, a survey was made of contributions made for the benefit of children. One conclusion was that most of the contributions focus on *poor* children between the ages of 10 and 18 years. Another conclusion was that many projects are implemented for, rather than with, children and young people. The projects would gain by being clearly based on a human rights perspective. This would make it easier to analyse discrimination and the participation of children. On the other hand, the point of departure of most projects was a gender equality perspective.

Analysis of outcome

Contributions for human rights increased by nine per cent during the year. As with the programmes for democracy, the media and public administration, these contributions mainly have an indirect effect on poverty reduction. The effect is mainly achieved by providing organisations in civil society with resources that make it possible for them to support the interests of women, children, ethnic groups and the disabled in having their rights fulfilled. In 2002, 31 international NGOs working with democracy, public administration and human rights and ten media organisations received support. Moreover, a certain amount of support was given for the work of UN agencies in this field. Where volume is concerned, human rights organisations are still predominant, but a certain increase can be discerned in the support given to organisations working with public administration and democracy.

Example

The Ministry of Justice in Vietnam made an analysis of the legal sector on its own initiative during the year. Sida contributed both financial support and expertise, and participated in the dialogue with the ministries concerned. It is intended that the analysis shall result in a strategy for the legal sector and an extensive programme of work to identify areas for cooperation in the legal sector between Vietnam and the donors concerned.

THE LEGAL SYSTEM

Evaluations and sector programme support

During the year an evaluation was made of Sida's support to the Ministry of Justice in Laos during the period 1991 to 2000. The study shows both shortcomings and positive results. The Swedish side should have been more knowledgeable and better informed of the legal and political system in Laos in the initial stages. Many of the changes introduced have been of a temporary nature and have not been firmly based on the national systems. The different parts of the programme evolved more or less independently of each other, without an overall and distinct framework. Even if there have been specific weaknesses in the project, Sida's contribution has not lacked value. In particular, today young, well-educated civil servants demonstrate an obvious change in attitude and openness for new experience and ideas. One of the conclusions of the evaluation is that future support to the present legal system is much more likely to be successful – provided that it is properly prepared.

In June a sector programme for the legal sector in Uganda was initiated – the only sector programme in this sub-sector. Sida has supported the planning phase since 2001. The programme includes the entire chain of justice – several ministries, courts, prosecutors, police and prisons are involved.

Analysis and discussion of problems

One major problem is that the formal legal system does not reach poor people in rural areas – they are mostly obliged to use informal legal structures such as the traditional administration of justice. Efforts are being made to combine the formal systems and the informal structures. This is a shortcoming that the expertise of Sida and the Swedish resource base merely touch upon the formal legal system.

Analysis of outcome

In terms of volume, the legal system is still the smallest sub-sector, even if there was an increase of 18 per cent last year. Compared to the other sub-sectors, contributions in the legal sector have a fairly substantial effect on poverty reduction. One reason for this is that many contributions also refer to legal aid for poor people.

REQUIRED REPORTS

1. *Sida shall complete the methods project that it started in 2001 which has the aim of developing performance reports on the development cooperation objective of democratic governance. The methods project shall intensify analyses of problems, provide specific descriptions of objectives, and select indicators that increase measurability over time.*

The year's assignment was a continuation of the project that started in 2001. The assignment was performed by an internal project group working in cooperation with external resource persons and stakeholders.

An external consultant was engaged to make a survey of work being done in this field by other actors, nationally and internationally. In addition the consultant was given the task of clarifying certain issues relating to concepts and methods and selection of approaches. A reference group participated in the discussions on the consultant's report. A seminar on the methods work was held in which other divisions at Sida and external parties participated.

It was established that performance reports should facilitate demands for accountability. This could be done by a higher level of responsibility either

- a) by providing an assurance that a system for evaluation is in place at a lower level of responsibility, or
- b) by demanding that lower levels of responsibility submit reports on results achieved to higher levels of responsibility by
 - b1) presenting detailed conclusions based on evaluations and/or
 - b2) presenting assessments based on a ranking system of one type or another, made up of indicators, ranking order, key data and suchlike.

The key term in the government assignment is "performance reports". For this purpose the methods project was divided into three components: "intensify analyses of problems", "specific descriptions of objectives", and "select indicators", which in turn has the aim of "increasing measurability over time". Accordingly, the focus of the assignment was on methods of the type that are based on goals and performance management (b2).

An activity can be measured at different hierarchical levels, from level of activity (low goal hierarchy) to overall development level (high goal hierarchy). Performance reports on different goal hierarchy levels require different methods. Where the lower level is concerned, it is suitable to have systems for management by objectives and performance that mainly relate to items of expenditure and activity descriptions. In research in this field, there is some scepticism as to whether these systems are suitable for providing credible results for complex social structures that are to be found at higher goal hierarchy levels. Higher up in the goal hierarchy it is more difficult to document results. What are needed instead are evaluations that contextualise and test probability based on the results at the lower levels. Evaluations are also the most suitable instrument for understanding social phenomena that are to be

Table 4.

Democratic governance and human rights, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
Mozambique	99 516	101 753	59 730
Tanzania	94 912	47 892	74 739
South Africa	89 659	100 870	125 367
Vietnam	71 934	79 712	82 343
Bosnia & Herzegovina	71 044	58 641	26 191
Sub-total	427 065	388 868	368 369
Other countries/regions	1 299 433	1 130 716	986 064
Total	1 726 498	1 519 584	1 354 434
Administrative costs	47 579	39 370	35 052
Total costs	1 774 077	1 558 954	1 389 485
Form of support			
Project support	1 088 745	943 542	891 327
Sector programme support	44 985	46 326	2 117
Pers. ass. incl. contract-financed tech. coop.	170 961	131 334	159 781
International training programmes	35 338	33 179	25 072
Credits	0	16 310	0
Guarantees	0	0	9 300
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	386 469	348 893	266 836
Total	1 726 498	1 519 584	1 354 434
Channels			
Multilateral organisations	334 394	328 288	213 678
Swedish NGOs	770 023	688 843	641 439
Organisations in partner countries	418 616	339 468	302 535
Organisations in other countries	133 932	101 141	144 037
International NGOs	69 533	61 843	52 744
Total	1 726 498	1 519 584	1 354 434
Total number of contributions			
<i>Of which: Agreements >SEK 15 million</i>	100	90	76
<i>Number of new contributions</i>	549	559	553

found at higher goal hierarchy levels. Accordingly, for reports of performance in respect of the development cooperation goal of democratic development (high goal hierarchy level), other factors than problem analysis, goal descriptions and indicators are important.

Today there are no uniform, generally recognised and tested systems used by other donors or stakeholders for management by objectives and performance where the goal of democratic governance is concerned. However, we know from experience that it is possible to evaluate a complex and elusive con-

Diagram 1. **Outcome**, expenditure in SEK '000



Table 5. **Poverty reduction**, per cent of the sub-sector's total expenditure

	Democracy incl. media			Public administration			Human rights			Legal systems			Other			Total		
	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000
Direct effect	6,4	3,7	3,7	9,2	8,0	4,6	10,3	5,7	3,3	24,8	26,6	17,6	0,0	64,7	0,0	9,9	7,7	5,0
Projects and programmes that include the poor	8,5	6,1	11,6	11,5	17,7	13,4	19,6	16,0	10,4	10,1	17,9	13,8	9,0	22,6	0,0	13,1	14,2	12,1
Indirect effects through policies and institutions	69,9	61,7	43,2	58,2	48,8	51,9	51,0	49,4	53,1	60,1	45,7	40,0	82,9	3,5	0,1	59,3	51,9	48,6
Indirect effects through national support	2,3	4,7	6,6	11,0	16,5	16,9	4,5	14,2	14,3	1,3	0,3	10,6	0,0	0,0	0,0	5,9	11,5	13,0
Other effects	12,9	23,9	34,8	10,1	8,9	13,2	14,6	14,8	18,9	3,6	9,5	18,1	8,1	9,2	99,9	11,8	14,8	21,3
Total per cent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

cept such as democratic governance. It is being done all the time, for example in the OECD countries.

However, in these cases the final report is merely the tip of an iceberg, and the evaluations must be interdisciplinary, participatory and given the time and resources they need. The evaluations in the OECD countries study changes but it is only very rarely, if ever, that specific causal relationships are established between activities and change.

One consequence of the discussion above is that performance reports on the development cooperation goal of democratic governance should be strengthened by further developing evaluation methods for complex and multi-dimensional phenomena. Forms and capacity for being able to communicate

complex results from evaluations in a way that is brief, relevant and easily understandable for stakeholders should be developed. Furthermore, a long-term approach to the evaluation instrument should be sought, including a greater focus on thematic evaluations. This also requires a greater emphasis on human resource development.

The performance report can also be improved by increasing the use of a democracy and rights perspective where, for example, the international human rights conventions can be used to clarify the links between the different goal hierarchy levels. Sida's methods projects (summarised in a synthesis report) provide further support for clarifying relationships of this type.

[Picture removed]

Health clinic. In 2002 Sida produced a new policy that gives special emphasis to the importance of health for economic growth.

Social sectors

This operational area includes the sub-sectors of health, education, and other social sector including culture. Within the framework of the overall goal of poverty reduction, and taking the general tasks of the area into consideration, the objective of the operational area is to make social services for all possible with the aid of a rights-based approach.

GENERAL

The social dimension in development cooperation, together with the political and economic institutions, has been given greater emphasis as a result of the Millennium Development Goals. Four of these goals consist of health and education goals and the multi-dimensional poverty concept, which underlines the importance of free and accessible communication and greater consideration of cultural and ecological conditions and possibilities. A number of documents were produced in 2002, for example: “Perspectives on Poverty”; Sida’s health policy “Health is Wealth”; guidelines for HIV/Aids and rights in education con-

tributions; ”Towards Cultural Citizenship” (an approach for the development of a culture policy) – all of which further develop the role of the social sectors for social development in a multi-dimensional perspective.

In countries where Sida has programmes of development cooperation, social indicators show both positive and negative trends. Regardless of the indicators selected, there is a great need for more and better contributions. According to the “Human Development Report for 2002”, produced by the United Nations Development Programme (UNDP), most of the countries are making progress where

social development is concerned but, at the same time, the poorest countries are growing poorer compared with the rich countries. In certain cases this is shown by negative trends. For example 85 countries, with 60 per cent of the world's population, have problems in fulfilling the objective relating to reducing child mortality. The proportion of students has increased to approximately 85 per cent but, at the same time, schooling is not available for over 100 million. The HIV/Aids situation has improved in Uganda and Thailand but it continues to deteriorate in most other countries, with large new areas at risk in China and South Asia.

In the light of this Sida has increased its contributions to programmes of sector support.

Two more programmes of sector support, one in Mali and one in Rwanda, were added to the five ongoing programmes. This facilitates ownership and makes an impact possible. In 2002, Sida established a secretariat for its work on HIV/Aids with field staff in Africa and Asia. The growing trend of decentralisation reforms in the partner countries necessitates a dialogue over sector borders and not least an analysis of the importance of the social dimension in terms of people's access to – and their possibilities of using – the social institutions of society, formal and informal, as a resource and a right. With the aim of meeting the need for better analysis and a broader approach, Sida continued its internal studies of social develop-

ment in 2002. Sida is now discussing measures that could lead to greater expertise and a better use of resources in country strategy processes, contributions and the dialogue.

Analysis of outcome

The total outcome for the operational area decreased by more than SEK 137 million. The largest reduction was in the health sector and is due to the fact that the multilateral support of SEK 160 million provided to UNFPA is shown under Other Operational Areas. This means that there has not been a real change in volume; in fact there has been a slight increase. The largest single contributions in the social sectors are the programmes of sector support to primary education in Tanzania, of some SEK 90 million, and the West Bank and Gaza, of SEK 40 million. Tanzania and the West Bank and Gaza were also the countries that received most support and the largest increases in the social sectors.

HEALTH

Performance reports, evaluations and sector programme support

An evaluation was made in 2002 of Sida's support to health reforms in Central America. The evaluation demonstrates the difficulties of measuring progress

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Participation in decisions and a "bottom-up" approach are important components in Sida's methods development work for its support to the health sector in Vietnam.

where access to health services is concerned. On the other hand, good results are shown by process indicators, for example the strengthening of local capacity at local government level.

An extensive Mid-Term Review was made of programmes of support in Kenya. The review mainly calls attention to the fact that the central project secretariat should strengthen its role vis-à-vis the districts in the country to enable these to be given better support. The secretariat's regular monitoring activities should also be consolidated.

The first performance analysis of the regional HIV/Aids programme in Mekong was produced. Among other things, the report recommends that Sida should continue to provide support, and that the sustainability of the project and the responsibilities of the local post-holders should be strengthened. The report and regular monitoring activities have provided guidance for future work. One conclusion of the report was that reforms and methods work must be linked to an increase in access to services and that long-term reform work must be combined with contributions that directly improve the situation of poor people.

Sida has evaluated its support to an information project, FEMINA, which is a broad sex information campaign based on a magazine for young people. The evaluation recommends a continuation and extension of support as well as its integration into the education support and the Lake Victoria project.

The final report on Combating Sexual Abuse and Sexual Exploitation of Children clearly demonstrated the need of further Swedish contributions in this field. The report clearly shows an increase in awareness in municipalities in all countries of issues relating to the sexual exploitation of children. The support provided by the project to strengthen education capacity has contributed to increasing the capacity of the national organisations. However, the various countries need further support for education and direct support for the children affected and their families.

During the year Sida also made a study of the work, results and functions of the United Nations Drug Control Programme (UNDCP). The report indicates that the organisation has structural weaknesses, mainly in its management and financing systems. The report recommends that Sweden continues to support UNDCP and that the Swedish contribution should strengthen the objectives and focus of the organisation in a more explicit manner.

Sida has participated in the three ongoing sector programmes in the health sectors in Zambia, Uganda and Bangladesh. Follow-ups show that forms of cooperation with other donors and with the governments concerned have gradually improved. The performance reports have also become more appropri-

Example

In 2002 Sida participated actively in the establishment of a new funding mechanism for global health: "The Global Fund to Fight Aids, Tuberculosis and Malaria". The fund has already approved support amounting to USD 616 million for programmes in 40 countries. This has made it possible to increase available global resources for these three health problems by 50 per cent. Sweden participated in the work of the board of the fund and assisted the temporary director of the fund during the first six months of the year.

ate. During the year Sida participated in discussions on further sector support – in Ethiopia, Burkina Faso and Malawi.

Analysis and discussion of the problems

Over a period of several years Sida has gradually changed the focus of its health-related support from so-called vertical programmes to broader, integrated forms of support for district health care or for sector programmes. Our assessment, and that of several other donors, is that this is correct. It leads to an increase in ownership at national level and makes it possible to give priority to issues that are most urgent and cost efficient. It should also lead to a reduction in transaction costs for both donors and recipients. Finally, it makes it easier to combine reforms and institutional development with improved access to services.

Methods, policy changes and human resource development programmes

In 2002 Sida completed its work on producing a new policy framework for health and development: "Health is Wealth". The policy gives prominence to the role of health issues in a broad development perspective and, in particular, to the importance of health for economic growth. One new feature of the policy is its emphasis on public health issues and the importance of issues relating to the environment and life styles. The policy also emphasises the right of people to basic health care, with a special focus on the needs of poor people.

The introduction of the policy has been accompanied by both internal and external training programmes and regional seminars. The joint development conference arranged by Sida and the Ministry for Foreign Affairs in October focused on links between poverty reduction and improvements in health. The conference, which was directed towards a broad public of experts and administrators working with development cooperation in the health sector, also offered a training opportunity for Sida's programme officers.

During the year Sida also participated in the work of producing a new policy for Health and Poverty Reduction within the framework of DAC's POVNET. This had the effect that Sida gained a hearing for its view of health as a broad development issue that must be tackled by a cross-sector public health approach.

One important document in Sida's methods work on health and human rights was the special report produced by Sida during the year that had the aim of providing information on the conventions and international agreements that stipulate that reasonable health and medical care is a human right.

During the year Sida hosted international seminars, for example "Engendering International Health, The Challenge of Equity" at the Caroline Institute and the meeting on child health, arranged together with the WHO, that was held in Stockholm in March. These two seminars, which attracted a large number of international participants, also constituted important human resource development programmes for programme officers at Health Division.

Analysis of outcome

The total amount for health contributions in 2002 is considerably lower than the corresponding figure for 2001. The reason for this is that last year the contribution to UNFPA was reported under Health in the operational area Social Sectors. This year the contribution is reported under Other Operational Areas. Even when this correction is taken into consideration, the outcome is still lower than in 2001.

Sida's health contributions have a 95 per cent focus on poverty, both direct and indirect. In recent years this level has been stable, although there was a marginal decline in 2002. During the year contributions continued to focus on increasing and guaranteeing fair and equitable access to health and medical care.

EDUCATION

Sector programme support

The programme support method was further developed in the education sector in 2002. This has led to a greater degree of harmonisation between donors and the integration of HIV/Aids in sector programmes

In Mozambique and Tanzania further steps have been taken in the sector programme support process. Five donors have signed a Memorandum of Understanding (MOU) on a common pool for the funding of support to the sector. In Mozambique the pool has the effect that donors now coordinate their support to Mozambique's strategic plan for the education sector. In Tanzania the funds are channelled directly

via Tanzania's government budget. HIV/Aids issues are integrated in the sector plan and Sweden has been asked to be the coordinator and to lead the group of donors in this matter.

According to reports on support to education in Cambodia, the development of a programme of sector support has continued to make good progress. The Ministry of Education has a clear policy and a well-developed sector plan that is supported by most donors. Cooperation between the ministry, donors and NGOs functions well. In September 2002 the first joint annual review was held under the leadership of the Ministry of Education. The implementation of the sector plan has thereby been given a positive start and clear ownership.

The programme approach is also used in the support provided to most regional and global organisations. In 2002 a decision was made to provide programme support to UNICEF's programme for the education of girls and to UNESCO for the follow-up of the international agenda "Education for All".

The education sector is the sector in which Sida supports most sector programmes. Sida's work with sector programmes in the partner countries has the aim of increasing the ownership of the countries. This is achieved by donors providing joint support for the countries' own plans for the education sector. Another aim is to achieve the internationally agreed objective of education for all.

During the year new agreements for sector programme support were signed with Rwanda and Mali. New programmes of support with a sector emphasis were initiated in Laos and Burkina Faso.

Sector programme support or forms of programme support were implemented during the year in the following countries: Bolivia, Mozambique, Namibia, Mali, Tanzania, Cambodia, Eritrea and Rwanda.

Analysis and discussion of problems

Reports produced by the World Bank and UNESCO state that some 40 countries will have difficulties in achieving international goals (Education for All and the Millennium Development Goals) prior to 2015. In addition to the problem of a lack of funds, shortcomings in capacity and institutional development have been given prominence as major obstacles. In addition, the donors' own institutional frameworks for the harmonisation and coordination of their support are regarded as obstacles to the implementation of sector programme support. This analysis was taken further in "Education for All Global Monitoring Report", published by UNESCO in 2002 with support from the Department for International Development (DFID) and Sida. In initial phases of programmes of sector support, where silent partnership is used as a method, the division of roles and responsibilities between the

silent and active partners and between the field and headquarters has been unclear in some cases. The programme support approach has also been used in Sida's support to organisations where the method has been shown to be equally appropriate. Last year's focus on the achievement of the Millennium Development Goals can have the effect that the broader concept of basic education for all, including non-formal education and adult education, will diminish in importance and that all additional support will focus on primary education.

Methods, policy changes and human resource development programmes

During the year Sida further developed its methods for working as a silent partner in programmes of sector support. Being a silent partner means that Sida channels its support via another donor organisation. This means in turn that the partner country has contact with fewer parties. Through silent partnership with a limited level of activity, the number of active donors is reduced which facilitates the coordination activities of the ministry in question. The method makes it possible for Sida to provide support to more countries – which is advantageous in view of the increase in the amount available for development cooperation without a corresponding increase in the appropriation for the administration of development cooperation.

During the year Sida worked on producing new methods and further developing analyses in different areas with the aim of transforming the policy for education cooperation into practice. Reference papers were produced for adult education and life-long learning, education in disasters, teaching aids, the right to education for children and adults with disabilities, pre-school education, secondary education and higher education. The work on the reference papers has led to a deeper understanding of each sub-area and of current research in the field. Several seminars and discussions have been held with a broad circle of reference persons.

Checklists were developed for the work with HIV/Aids and democracy and human rights. Sida published three new documents in the Education Division Documents series.

An organisational change was made in Sida's Education Division. This has had the effect that the work is now organised in two working groups: one group which works with the integration of democracy and human rights in education, and one group which develops analyses of education systems. The groups develop tools and instruments to facilitate and improve analysis and dialogue in assessments, evaluations and follow-ups of programmes of education cooperation.

In September a conference was held for Sida's

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A school for ethnic minorities in Laos.

education programme officers that had the aim of developing the learning process of all persons working at Sida in the education field. Other aims of the conference were to discuss how Sida's policy could be transformed into practice, and to analyse trends and develop a common strategy for education cooperation. The evaluation made of the conference showed that most of the participants had acquired a common understanding of the policy and how the concept of life-long learning is included in "Education for All" and the "Millennium Development Goals".

Analysis of outcome

Support to education increased by SEK 78 million, or more than 18 per cent. This increase is due to the

Example

Agreements on silent partnership in the education sector have been concluded in Rwanda and Mali. In Rwanda, the government, DFID and Sida have produced forms for Sida's support for that part of DFID's budget support that is linked to the development of the education sector. The aim of the budget support is to increase efficiency in the use of government expenditure in the education sector. This is a development towards a sector programme based on poverty reduction. In Mali there is a ten-year plan for the development of the education sector. At the beginning of the year Sida entered into a three-year agreement with the Netherlands on budget support for the implementation of the plan. The literacy programme in Eritrea, which is supported by Sida, has proved to be successful. According to reports from the ministry, 52 000 adults participated in the literacy programme in 2002. Of these persons, 90 per cent were women and 72 per cent successfully completed the programme. The literacy programme is being run in eight local languages. In 2002 the programme received UNESCO's prize for the best literacy programme in the world in 2001.

fact that education support was started in two new partner countries in the form of silent partnership with Rwanda and Mali. There has also been an increase in sector programme support for Mozambique and Tanzania. Thus silent partnership and sector programme support make increases in volumes possible in a different way than traditional project support.

The proportion of education support that has a poverty focus, direct or indirect, increased once again and is now at a level of 98.5 per cent. The proportion of indirect support increased as a result of the fact that Sida now gives more support to sector programmes.

OTHER SOCIAL SECTORS INCLUDING CULTURE

Evaluations

An evaluation of cultural cooperation with Mozambique was published in 2002, as was an evaluation of cultural cooperation with South Africa.

The conclusions of the evaluation of cooperation with South Africa were that the programme had played an important role for the country's cultural sector and that a broad contact network had been created between cultural institutions in Sweden and South Africa.

Examples

At a seminar in South Africa in April 2002, in which all participants in the programme of cooperation participated, there was a discussion of the evaluation of cultural cooperation, a feasibility study for a cultural fund, and new methods for cultural cooperation. The seminar can be seen as a breakthrough towards an increase in ownership and participation on the part of the cultural agencies in South Africa. The feasibility study proposed that a joint fund should be administered by the cultural councils in both countries. Accordingly a programme of cooperation has been initiated with the Swedish National Council for Cultural Affairs in the preparations for establishing a joint cultural fund with its counterpart in South Africa.

Sida's support to a regional organisation, Eastern Africa Book Development Association, has the aim of promoting a reading culture among children and young people by developing various functions in the book sector – from authorship and publication to distribution and reading. Most of the activities focus directly on children and young people from underprivileged environments in rural and urban areas. Examples of ongoing projects are school libraries, reading tents and annual book weeks. In order to promote reading, teachers are being trained in librarianship. Teachers from 50 schools in Tanzania were trained in 2002.

The result of the evaluation of cooperation with Mozambique showed that most projects were relevant to identified needs and for Mozambique's cultural policy and priorities, as well as for Swedish objectives and its principles for support to Mozambique.

Analysis and discussion of problems

The human rights perspective is an important aspect of cooperation in the culture and media sectors. It gives prominence to the rights of individuals in respect of freedom of speech, freedom of expression and their own cultures. The multi-dimensional approach to poverty makes the role of culture possible in development cooperation. The lack of opportunities is an example where cultural cooperation in East Africa in the form of reading promotion activities for children and young people, can be linked to support in the education sector for investigative journalism at the regional level. In the long term this can contribute to the establishment of networks and a richer civil society. The lack of security is another field where cultural contributions in conflict areas, for example the West Bank and Gaza, can be of great importance for the opportunities available to individuals in the future. In these areas, children and young people are an important target group. In the field of HIV/Aids, cultural cooperation offers many good opportunities for reaching individuals with information and for influencing attitudes. In the programme of music cooperation in South Africa, examples are given that cultural cooperation has the potential to reach and engage poor children.

It is urgent that analyses that have their point of departure in a poverty perspective further define what the multi-dimensional aspect can involve. What does it mean, for example, to be powerless? In order to use the concepts, good knowledge of the actual situation in the partner countries is necessary. This good knowledge should lead to future country-based analyses in the cultural field. In this context, culture should be regarded as a dimension of development cooperation rather than an instrument to achieve specific goals with the aid of cultural means of expression.

Methods, policy changes and human resource development programmes

As part of Sida's work on methods and development of the Swedish resource base, a programme of cooperation with the National Heritage Board was initiated and formalised during the year. This has the effect that the National Heritage Board, as a Swedish government agency in the cultural heritage sector, shall be a source of reference for Sida's work with issues relating to cultural heritage, examine applications for support and channel support. In the same spirit, a pilot phase was initiated for future institutional coop-

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School of speech and drama, "The Lab", at the Market Theatre in Johannesburg. Cultural cooperation with South Africa has been important for the cultural sector in South Africa and has created a broad contact network between cultural institutions in South Africa and Sweden.

eration between the East Africa Theatre Institute and a network of Swedish theatre organisations.

An earlier evaluation made by Sida of the African Books Collective (ABC) forms the basis of a strategic partnership with this organisation. During the year an agreement was concluded with ABC on a strategic five-year programme of support. A long-term perspective and donor coordination were thereby achieved.

The report "Towards Cultural Citizenship" was published in October. It is the result of a network project on international policy development in the cultural sector between Sida, the Ministry of Culture, the Bank of Sweden's Tercentenary Foundation, the Swedish Institute, the Dag Hammarskiöld Fund and the Swedish UNESCO council. The report was presented at an international seminar at the Swedish Delegation in Brussels in November. During the year Sida took over the chairmanship of the cultural network.

As part of its efforts to develop human resources at Sida, a cultural seminar was arranged in September entitled "Culture in Development", to which resource persons from Africa and Finland were invited.

Furthermore, a conference was arranged in Sep-

tember for ten cultural programme officers from embassies in Africa, Asia and Central America. The HIV/Aids problem and the rights perspective were in focus, as were reports from the different countries. In connection with the conference, a one-day seminar was arranged with the Swedish partner institutions on the poverty perspective in cultural cooperation. Some 50 persons participated.

Sida participated in the year's Book Fair in Gothenburg. Sida had a stand on International Square and participated actively in large and small seminars. The major issues at the seminars were HIV/Aids, violence against women and literature in Africa.

A programme for human resource development was implemented. It included regular theme meetings that took up various cultural fields in depth and visits to Swedish cultural institutions.

Analysis of outcome

The outcome of Other Social Sectors including Culture increased by SEK 17 million to SEK 180 million, i.e. by ten per cent. However, support for cultural cooperation decreased by four per cent compared to

2001 (a planned increase in the regional appropriation for Africa was withdrawn as a consequence of the increase in humanitarian needs in southern Africa and Afghanistan). On the other hand, support to other social sectors, excluding culture, increased by 50 per cent though a large individual contribution to the West Bank and Gaza.

The forms for cooperation have been changed, primarily through the establishment of long-term institutional cooperation

REPORTS REQUIRED

Sida shall report on its work of contributing to the fulfilment of the Millennium Development Goals, including the social indicators.

Two of the Millennium Development Goals refer specifically to education:

- the right of everyone to primary education
- equal rights for girls and boys to primary and secondary education.

The Millennium Development Goals are included in the Education for All declaration that has been adopted by most countries in the world and which is the point of departure for Sida's policy for cooperation in the education sector. During the year Sida supported the work being done by UNESCO to follow up the declaration and goal fulfilment. Furthermore, support is currently being arranged for the production of a follow-up report on how countries have followed the education goals. Of Sida's total support for education, 47 per cent is allocated to primary education.

Thereafter, the World Bank presented the so-called Fast Track Initiative (FTI) which has the aim of developing a mechanism for accelerating the implementation of education for a group of countries that are in danger of not being able to achieve Education for All. FTI is being developed and implemented together with a broad group of donors, including Sweden. In order to achieve the goal of equal rights for girls and boys to primary and sec-

Diagram 2. **Outcome**, expenditure in SEK '000

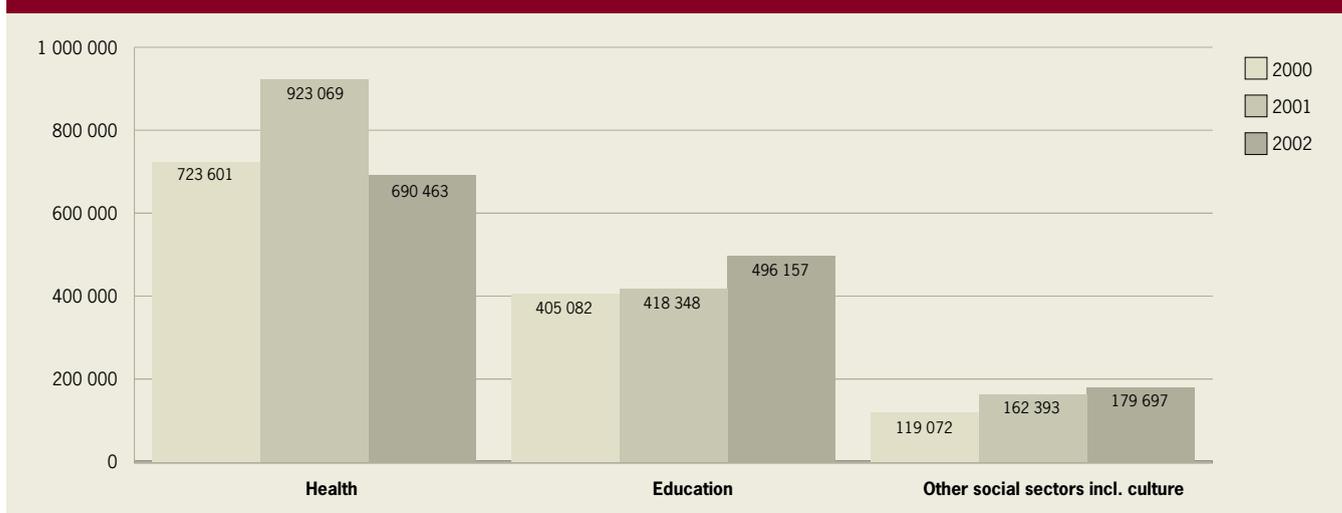


Table 6. **Poverty reduction**, per cent of the sub-sector's total expenditure

	Health			Education			Other social sectors incl. culture			Total		
	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000
Direct effect	13,5	12,0	9,6	11,9	16,7	14,5	6,4	5,9	2,0	12,0	12,6	10,4
Projects and programmes that include the poor	39,5	17,4	23,2	31,9	39,4	40,5	12,9	24,0	22,2	33,3	24,2	28,7
Indirect effects through policies and institutions	39,9	62,6	57,9	37,8	33,7	33,4	32,5	30,7	30,3	38,2	51,1	47,3
Indirect effects through national support	1,5	3,7	4,5	16,8	7,5	7,9	25,7	3,6	5,8	10,2	4,7	5,8
Other effects	5,5	4,3	4,9	1,5	2,8	3,7	22,5	35,7	39,6	6,3	7,3	7,8
Total per cent	100	100	100	100	100	100						

ondary education, Sida is currently assessing a new, extensive programme of support to UNICEF's global programme for the education of girls. The programme is within the framework of the organisation's strategic plan for 2002–2005 and of Sweden's strategy for support to UNICEF. Sida is also supporting the Forum for African Women Educationalists (FAWE), which is supporting the African countries in their work of developing their national capacities to give girls and women education of good quality at all levels.

Three of the Millennium Development Goals and one of the sub-goals refer specifically to health:

- reducing child mortality
- improving maternal health
- combating HIV/Aids, malaria and other diseases
- making essential drugs available at affordable process in developing countries in cooperation with pharmaceutical companies.

Sida has supported WHO's programmes for children's health and women's reproductive health for many years. In 2002 this support was maintained at unchanged levels. Both these programmes have increased knowledge of what needs to be done and how programmes with a focus on integration can be implemented in the partner countries.

In recent years Sida has increased the total amount of health support – from SEK 892 million in 1998 to SEK 1 099 million last year. A large proportion of the resources are allocated to district and primary health care where health care services for mothers and children are important components. Where the survival of children is concerned, targeted programmes for breast-feeding are also financed.

Contributions for the reduction of maternal mortality include support for the training of more midwives in order to improve the quality of maternity care. Contributions of this type are now being provided in four countries and support is also being given to regional programmes in Africa. Contributions that have the aim of reducing rates of maternal mortality due to abortions are also of great importance. In 2002 Sida approved two new contributions of this type. Sida also actively pursued this issue in both the Swedish and international debate during the year.

There was a further increase in HIV/Aids-related contributions during the year, primarily in Africa, but also in Asia and in Eastern Europe. The establishment of the Global Fund has also generated considerable additional resources. Sida has financed malaria-related contributions.

Sida contributes to improving access to basic drugs, primarily through support to district health

Table 7.

Social sectors, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
Tanzania	139 642	96 663	74 082
West Bank and Gaza	90 239	45 761	72 257
Mozambique	79 020	48 412	42 987
Zambia	76 432	61 787	73 612
Bangladesh	69 874	104 382	130 358
Sub-total	455 207	357 005	393 296
Annual grants to UN agencies	911 110	986 804	854 460
Other countries/regions	–	160 000	–
Total	1 366 317	1 503 809	1 247 756
Administrative costs	64 397	56 902	55 820
Total costs	1 430 715	1 560 711	1 303 575
Form of support			
Project support	919 960	1 004 307	799 930
Sector programme support	359 698	316 438	244 531
Pers. ass. incl. contract-financed tech. coop.	32 089	23 675	29 309
International training programmes	23 825	24 893	27 542
Credits	0	23 700	20 600
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	30 745	110 796	125 844
Total	1 366 317	1 503 809	1 247 756
Channels			
Multilateral organisations	340 910	587 815	478 839
Swedish NGOs	255 218	290 882	273 336
Organisations in partner countries	584 967	493 942	436 543
Organisations in other countries	141 180	90 962	47 509
International NGOs	44 042	40 208	11 529
Total	1 366 317	1 503 809	1 247 756
Total number of contributions			
	835	869	910
<i>Of which: Agreements >SEK 15 million</i>	98	86	94
<i>Number of new contributions</i>	247	276	306

care and sector programmes. However, the Swedish contribution to the Global Fund has also generated improvements. During the year Sida continued to cooperate with the WHO on issues related to drugs. Sida has approved additional grants for work in Africa on quality controls (national pharmaceutical authorities) and improved systems for procurement and distribution.

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The private sector is important for generating resources for poverty reduction.

Infrastructure, private sector development, urban development and financial systems

This operational area includes the sub-sectors infrastructure, urban development and housing, private sector development and trade and financial systems. Within the framework of the overall goal of poverty reduction, and taking the general tasks in the area into consideration, the goal of the operational area is to contribute to making sustainable growth possible.

GENERAL

To contribute to making sustainable growth possible, a considerable proportion of cooperation in this operational area has focused on support for policy reforms and institutional development at sector level. Another important task is to finance the development of infrastructure. Apart from direct transfers of resources for investments in infrastructure, a growing

number of contributions are being made to mobilise private capital for investments of this type. The rapid expansion of world trade and the growth in importance of the World Trade Organisation (WTO) have led to a continuation of the focus on trade policy matters and to contributions designed to strengthen the capacity of developing countries in this respect. In all the above-mentioned areas Sida is participat-

ing in a number of initiatives for international cooperation between donors and in the dialogue with the partner countries.

Sida has started an extensive programme for the development of policies and methods in different parts of the operating area. These include, for example, private sector development, trade, micro-finance, climate, transport, and water and sanitation. Sida has also run a human resource development programme (the INEC Academy) in strategic fields relating to methods and subject areas in the operational area.

Analysis of outcome

The total outcome for the operational area amounted to SEK 1 551 million, which was SEK 485 million less than in 2001. The reason for this is, almost exclusively, that the outcome in respect of concessionary credits for the financing of infrastructure projects was lower than in 2001.

Concessionary credits are pronounced demand-driven instruments where external parties such as government agencies and government-owned companies in the partner countries as well as project exporters are the leading parties involved. The amounts of individual credits are often very high and are often disbursed in the form of a lump sum at the start of the project cycle. Therefore the charge on the appropriation can vary considerably from year to year.

INFRASTRUCTURE

Performance analyses and evaluations

A performance analysis of the rehabilitation of road ER 510 in Nampula Province in Mozambique was made five years after completion of the work. The rehabilitation of the road has had positive effects for both economic and social activities. A performance analysis was made of rural electrification, also in Nampula Province in Mozambique. As a result of electrification, the cotton factory in Ribaue has increased production by 30 per cent, the milling price has fallen by up to 50 per cent, and the availability of fresh meat and fish has improved.

An evaluation of rural electrification projects in Botswana, Ghana and Lesotho shows that far more consumers could be connected to the network if the electricity corporations were more service-minded and market-oriented. The fee charged for connection is definitely an obstacle to poor consumers. The problem could be solved with an arrangement whereby consumers could pay the fee in instalments.

Analysis and discussion of problems

Today some two billion people lack access to modern sources of energy. This results in burdensome work,

long working days and high costs to meet energy needs. The lack of electricity means that telephones and the Internet cannot be used and that possible productive activities are impeded. The lack of rural roads has the effect that poor people cannot reach hospitals, schools and markets. Access to modern energy services and efficient communications and transport systems in rural areas is of decisive importance for economic and social development in most of Sida's partner countries. To achieve this access, contributions at all levels of society are necessary, for example amendments to legislation, reforms, establishment of new agencies and institutions, mobilisation of investment capital, and the development of appropriate technologies and new organisational forms. Sida is working at several of these levels in several countries. In Tanzania, for example, Sida has provided support for the production of a new energy policy and is now supporting the implementation of this policy. At the same time support is being provided for the extension of the electricity network in rural areas and the development of a market for solar energy solutions. Sida is also providing support for the privatisation of the electricity corporation, Tanesco.

Methods and policy changes

Sida started to produce a transport policy in 2002. Two studies were made in 2001 that constitute the basis of the policy. One conclusion was that labour-intensive road construction is often the most economical method where minor roads are concerned. The reform and decentralisation of the roads sector, as well as results-based contracts with entrepreneurs, are important components that make good use of labour-based methods of this type. The study on transport and poverty includes a discussion of the direct and indirect effects of the transport sector.

Analysis of outcome

The outcome of the sub-sector Infrastructure was lower than in 2001. The variation between the years

Example

In Laos, as in most other developing countries, the state lacks resources to construct and maintain roads in rural areas. In the Swedish programme of road sector support, work is being done to find a system that will enable districts and villages to participate in road construction and maintenance. It will be a system that is based on experience gained from private roads and road associations in Sweden. The Ministry of Transport in Laos approved principles for this in 2002.

is largely due to the fact that large disbursements for investments in a project can be made in one year while the project has a duration of several years. This applies particularly to credit-financed investments.

Infrastructure contributions are investments in, for example, roads and power stations. These types of projects often have an indirect effect on poverty.

URBAN DEVELOPMENT AND HOUSING

Evaluations and sector programme support

Sida gives financial support to the Cities Alliance and is also a member of the steering group. Cities Alliance is an alliance of bilateral and multilateral donors and global associations of local authorities. An evaluation has shown that there is a considerable amount of international support for the Millennium

Development Goal of improving the living conditions of 100 million people living in slums by 2015. Several comprehensive initiatives have been taken to create political consensus on the right to housing and land in slum areas and to create funding mechanisms based on the resources of the people living in the slums.

An evaluation has been made of a fund in Guatemala. The goal of the fund is to develop strong local financial institutions that offer good housing credits to poor people in urban areas and loans to micro-businessmen. Sida has supported the fund since 1999 and the project was evaluated in the autumn of 2002. The conclusions show that the fund has, in particular, an important function for giving the institutions access to capital for housing credits and that Sida should provide support for the development of new products that reach poor customers.

Sida's support to the Water Utility Partnership, a network that has the aim of improving the efficiency of municipal water corporations in Africa, was evaluated in 2002. The evaluation showed that the partners in cooperation in Africa have demonstrated considerable interest in improving the efficiency of their operations. There has been a lack of clarity in the project organisation and it has been inefficient in some respects. These deficiencies should be remedied in the proposed second phase.

According to an evaluation of UNICEF's combined training programme in water, sanitation and hygiene in Guatemala, El Salvador and Honduras, the contributions have been relevant in relation to the problems and needs in the field. It has not been possible to verify the effects of the programme where changes in behaviour and improvements in health are concerned since no information is available on the situation at the start of the project. The evaluation recommends that further support to the programme in Guatemala should have specific strategies for institution development and capacity building. In addition there should be a greater focus on participation and training in hygiene.

The municipal partnership project between South Africa and Sweden was evaluated in the autumn of 2002. The cities included in the project are Port Elizabeth, which has Gothenburg as its partner, and Kimberly, which cooperates with the Swedish towns of Falun and Borlänge. The evaluation that was made at the end of the first three-year period arrived at the following conclusions: the poverty focus should be overall goal of the partnership and the most important instruments in this context are transfer of know-how and human resource development. The partnership should be extended to include universities and trade organisations. Some indicators should be developed to enable assessments to be made of performance and results, and Sida's engagement

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In Laos a system is being developed that will enable districts and villages to participate in road construction and maintenance activities. It is based on experience gained from private road associations in Sweden.

should be reduced, thereby making future cooperation between the cities more independent.

Analysis and discussion of problems

The framework for Sida's work with urban development is partly the goal of the Millennium Declaration on a halving of poverty in the world by 2015, and partly the goal for urban areas. The goal for urban areas is that 100 million people shall no longer be classified as poor. Sida participates actively in the international dialogue for the realisation of these goals.

Urbanisation leads to negative consequences for the environment but also has positive effects in the form of opportunities for democratic and economic development.

Methods and policy changes

During the year Sida worked with a strategy for water and sanitation for both rural and urban areas. The strategy underlines the importance of economical management of scarce water resources with the aid of stricter pricing policies, and the need for a stronger focus on health through improving sanitation in slum areas. In addition consideration must be given to the integrated aspects of the contributions for water and sanitation.

The protection of the cultural environment has been given special attention through the production of guidelines for the conservation of historical buildings. In the guidelines emphasis is given to the preservation of historical buildings and making it possible for people living in environments of this type to stay there and to develop their environments.

Analysis of outcome

After a considerable increase during the last four years, the outcome of the urban part of the operational area decreased by 18 per cent between 2001 and 2002. This decrease can be seen in all sub-sectors (water and sanitation, housing, local energy supplies, urban transport etc), with the exception of integrated urban development programmes. The reason for this is mainly that disbursements via credits have decreased, and that some major investment projects have been phased out (wastewater treatment in China, housing in the Balkans) or have not started (wastewater treatment in Gaza).

Urban contributions are highly relevant for poverty reduction

PRIVATE SECTOR DEVELOPMENT AND TRADE

Evaluations and sector programme support

An evaluation was made in 2002 of Sida's support to national quality infrastructure in Namibia.

Example

In June 2002 the City of Stockholm, together with Sida and others, arranged an international conference and exhibition on Stockholm Partnerships for Sustainable Cities. The cornerstone of the conference was information on sustainable urban development from 250 projects in 53 countries. Several projects supported by Sida were among the projects that received prizes.

The application of international standards and the observance of existing legislation, civil law regulations and purchasing agreements are of major importance. In order to increase efficiency in production, simplify international trade and increase confidence in products and services in the countries in the world. Where individual enterprises are concerned, the use of standards provides a competitive advantage.

A three-year programme to develop a national quality infrastructure was started in 1997 in order to increase international confidence in Namibian products and services and thereby promote the country's exports. The Ministry of Trade and Industry was responsible for the programme.

The evaluation showed that the overall goals of the contribution had been achieved within the budget of SEK 5 million. However the programme had been delayed by one year, and there was a lack of ownership on the part of the ministry, which had not, to a certain extent, been the driving force it should have been.

Within the framework of the Swedish programme of support, the Namibian government has approved a proposal for a national quality policy and an overall plan for the implementation of the policy. The policy has formed the basis of three laws, one on standardisation, one on accreditation and one on meteorology. A unit for standardisation and quality matters has been established in the Ministry of Trade and Industry, personnel have been trained, and the Namibian Standards Institute has been founded and will start operations in 2003. The contribution has also led to the establishment of the National Association of Laboratories and existing laboratories have been developed and can now perform tests.

Analysis and discussion of problems

The importance of the private sector as the driving force for growth that will provide resources for combating poverty is given prominence in Sida's poverty policy. A robust private sector and efficient markets and institutions constitute the foundation of growth and redistribution. Sida's role is to support the establishment and development of institutions and mar-

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Rural electrification in Mozambique.

kets. Economic development in enterprises is primarily achieved by commercial financing. Special support can be given to training programmes and the transfer of technology.

Access to international and global trade is of decisive importance for economic growth. An increasing amount of support is being given to develop the capacity and skills of the partner countries in trade policy matters.

Methods, policy changes and human resource development programmes

The extensive evaluation of Sida's support for private sector development that was made in 2001 had the

Examples

Sida has supported the forest and timber industry in Bolivia since the mid 1990s. An amount of SEK 28 million has been disbursed. One of the goals of the programme was to certify the ten largest forest industries. Environmental certification shall guarantee that sensitive virgin forest is felled in a sustainable manner.

Bolivia is best at "green forests" since it has succeeded in environmentally certifying one million hectares of forest land. This certification has had the result that the Bolivian forest owners' association has been awarded a prize by the World Wildlife Fund (WWF) for having contributed to world survival.

effect that the focus and forms of the support were reviewed in 2002. A project, involving the entire agency, which has the aim of producing a policy for Sida's support for the development of the private sector in the partner countries, was started during the year. The intention is that policy will be approved during the first part of 2003. Today a more specific focus is being placed on contributions that have the aim of creating the requisite institutional and structural conditions for private parties, while activities that lead to direct participation in commercial activities are being reduced.

Together with the Swedish National Board of Trade, Sida made a study of Sweden's trade policy commitments in its programmes of development cooperation. The study predicts that trade policy contributions – bilateral, regional and global – will increase. Contributions to promote trade will continue, with a focus on strengthening institutions and rules. The administration of contributions in the so-called "Start" programmes has been taking place at the Swedish National Board for Industrial and Technical Development on behalf of Sida since February 2002.

Special attention was given in 2002 to sector and trade policy analyses within the framework of the country strategy work. Further education programmes in trade policy matters were held for Sida staff.

Analysis of outcome

The outcome for private sector development and trade is unchanged. There has been a shift towards fewer, but larger, contributions, and more contributions with a focus on trade development.

FINANCIAL SYSTEMS

Sector programme support

In 2001 Sida started a programme of cooperation for the development of the financial sector in Uganda. The programme, which is a three-party programme with the governments of Uganda and Germany as the other parties involved, is an example of the type of innovative, sector-programme form of cooperation that Sida is seeking to develop in its partner countries. The programme of sector support is expected to facilitate the dialogue on changes in policies – not least in areas that reduce the gap between the informal and formal parts of the financial sector. Among the results achieved in 2002, mention can be made of the following: production of a government bill on capital markets and a model for an early warning system for the finance market, and a plan for the introduction of charge cards.

Example

During the year Sida made an assessment of a contribution amounting to USD 20 million for the Emerging Africa Infrastructure Fund (EAIF). The fund has the aim of promoting private investments in physical infrastructure in sub-Saharan Africa. The Fund's capital – in total USD 150 million provided by Great Britain, the Netherlands, Switzerland and Sida – will make it possible for the Fund to borrow USD 300 million on the international capital market. All in all, it is estimated that EAIF will be able to contribute, directly or indirectly, to investments amounting to USD 1–1.5 billion.

Analysis and discussion of problems

Developing physical infrastructure and making it more efficient plays an important role in Sida's efforts to increase economic growth and reduce poverty in the partner countries in southern Africa. For a long time the lack of long-term capital has been identified as an insurmountable obstacle – not least to stimulate private investments – to development of this type. This deficiency can, in turn, be traced back to problems in covering political and commercial risks in the countries in question and the difficulties in mobilising capital on the relatively undeveloped domestic capital markets. Sida is trying to eliminate some of these problems by supporting the development of investment funds for physical infrastructure in cooperation with other donors and with the aid of the new guarantee instrument.

Methods work, policy changes and human resource development programmes

An extensive project involving the entire agency started at the beginning of the year to produce guidelines for Sida's future work in the field of micro-finance (MF), which is being increasingly referred to as "pro-poor financial services" – PPFS. Furthermore, rural and housing finance with a focus on poor households and micro-entrepreneurs was studied with the aim of producing practical guidelines for developing Sida's work in these two sub-areas.

As a basis of the work of producing a policy for private sector development, Sida reviewed experience gained from support for risk capital projects in the partner countries. The review showed that it is extremely difficult to make venture capital funds profitable in environments that have serious deficiencies in the rules and climate for entrepreneurship.

In connection with an assessment made in 2001 of support to a micro-finance corporation, AfriCap Microfinance Fund, it was established that there is a growing interest in ethical investments in Sweden. In

Table 8.

Infrastructure, private sector development, urban development and financial systems, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
Tanzania	112 229	102 437	99 114
Bosnia & Herzegovina	111 024	138 290	79 611
Mozambique	89 988	94 749	140 158
Laos	85 531	74 002	63 247
Kosovo	81 317	78 910	79 023
Sub-total	480 089	488 388	461 153
Other countries/regions	1 070 627	1 547 065	1 412 981
Total	1 550 716	2 035 453	1 874 134
Administrative costs	56 700	88 107	85 992
Total costs	1 607 416	2 123 560	1 960 127
Form of support			
Project support	889 329	992 846	1 100 438
Sector programme support	59 287	53 470	10 818
Pers. ass. incl. contract-financed tech. coop.	75 223	51 641	68 796
International training programmes	58 330	53 870	75 004
Credits	208 044	663 209	464 676
Guarantees	384	583	619
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	260 118	219 836	153 783
Total	1 550 716	2 035 453	1 874 134
Channels			
Multilateral organisations	263 487	327 280	199 906
Swedish NGOs	655 245	928 150	852 092
Organisations in partner countries	348 411	534 514	535 375
Organisations in other countries	147 194	131 196	217 195
International NGOs	136 379	114 312	69 567
Total	1 550 716	2 035 453	1 874 134
Total number of contributions	978	1009	1032
<i>Of which: Agreements >SEK 15 million</i>	135	134	115
<i>Number of new contributions</i>	231	236	264

2002 Sida commissioned a group of consultants to produce a basis for a strategy to mobilise and channel ethical/philanthropic capital to commercial activities in developing countries.

Sida is working continuously on programmes of human resource development in the micro-finance field for its own staff and the so-called Swedish resource base. Three seminars were arranged on rural and housing financing. Sida co-financed courses in micro-finance for nine representatives of the resource base.

Analysis of outcome

The outcome for financial systems increased somewhat compared to 2001. Support to the financial sector accounts for eight per cent of the costs of the operational area. Just over half of the funds were used for supporting micro-finance contributions, which have a direct effect on the poor, through better provision of financial services.

REPORTS REQUIRED

For each type of guarantee, Sida shall submit a report on the total guaranteed capital debt, any guarantee reserves, expenditure and income in respect of guarantees and the accumulated risk-valued capital.

Reported on in appendix 3.

Diagram 3. Outcome, expenditure in SEK '000

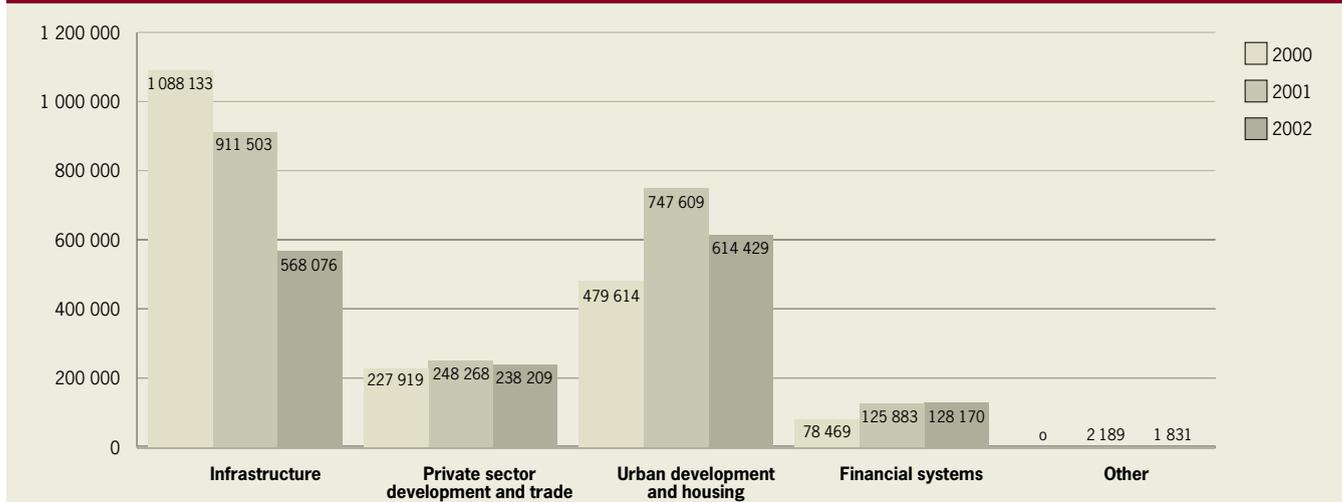


Table 9. Poverty reduction, per cent of the sub-sector's total expenditure

	Infrastructure			Private sector development and trade			Urban development and housing			Financial systems			Other			Total		
	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000
Direct effect	5,3	9,3	5,1	2,8	2,4	2,7	31,6	33,9	37,0	32,2	17,0	42,7	1,1	4,1	-	17,6	18,0	14,5
Projects and programmes that include the poor	21,2	23,4	25,8	6,1	8,6	5,8	8,7	11,0	12,6	21,0	33,0	33,8	0,0	0,0	-	13,9	17,6	20,3
Indirect effects through policies and institutions	19,1	5,6	7,5	67,0	46,6	38,7	41,8	14,8	18,1	35,2	16,9	22,1	0,0	0,0	-	36,8	14,7	14,6
Indirect effects through national support	41,5	55,6	55,8	15,6	36,2	36,6	12,1	24,6	6,4	7,3	1,7	-4,4	98,9	95,9	-	23,1	38,5	38,3
Other effects	12,9	6,2	5,7	8,5	6,3	16,3	5,8	15,7	25,9	4,2	31,3	5,8	0,0	0,0	-	8,7	11,2	12,2
Total per cent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	-	100	100	100

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Training in the use of ploughs in Kenya. Kenya is one of the countries in which, in 2002, Sida implemented broad rural development programmes for the sustainable use of natural resources that can create economic growth for poor small-scale farmers.

Natural Resources and the Environment

This operational area includes natural resources, pollution and forms of protection for the environment. Within the overall framework of reducing poverty, and taking the general tasks in the area into consideration, the goal of the operational area is to create the requisite conditions for growth and better living conditions through long-term, sustainable and productive use of natural resources.

GENERAL

In the operational area Natural Resources and the Environment, Sida has further increased cooperation in respect of programmes that have the aim of creating the requisite conditions for sustainable growth for poor people living in rural areas. Large and broad rural development programmes with this objective were implemented during the year in Cambodia, Nicaragua, Tanzania, Mozambique, Kenya, Uganda and Ethiopia.

All these programmes include the decentralisation

of the public administration and the administration of resources, broad participation by the target group in all phases of the programmes, and a greater focus on the role of civil society and the private sector in the implementation of the programmes. The point of departure of the programmes is usually in the sustainable use of natural resources as a foundation for economic growth for poor small farmers.

However, actual cooperation is increasingly focusing on capacity building and institution development at all levels. One characteristic of this is a clearer link

between the implementing level and policy and institution building, regionally and nationally. During the year Sida increased its contributions in southern Africa in respect of rivers shared by countries. Water is a limited resource in the region and regional cooperation is necessary to create integrated, efficient and sustainable use. Sida is now actively participating in processes relating to three rivers: the Zambezi, Pungue and Okavango.

Analysis of outcome

The main activity in the operational area consists of long-term programmes of cooperation to reduce poverty in rural areas. Therefore the volume is large and the periods covered by the agreements tend to be long. No drastic changes thus take place between years where the major partner countries are concerned. Their internal ranking order may vary between years on account of the position in the policy cycle they happen to be in, but it is a question of the same countries.

The total outcome for the operational area increased considerably between 2000 and 2001, while the planned expansion for 2002 was not possible. The outcome for 2002 was more than SEK 100 million lower than planned. The reason for this is delays in the assessments of several major contributions, above all for Asia.

In line with Sida's strategic priorities, disbursements in respect of sector programme support

increased during the year. The increase in cooperation in the operational area in Europe, primarily in the Balkans, had the effect that personnel assistance, in the form of contract-financed technical cooperation, also increased during the year.

Efforts were made during the year to reduce the number of small contributions. This work has had an effect on the total number of contributions, which was reduced, while the effect on the number of small contributions, which has hitherto been marginal, will first be visible in some years' time.

NATURAL RESOURCES

Performance analyses, evaluations and sector programme support

The performance analysis of support to small farmers in Zambia shows that methods have been developed which, in many cases, can increase harvests twofold or threefold. The methods have been widely disseminated and are now being recommended officially in Zambia as the methods that should be used in the future. Small farmers have also gained access to better seeds through the establishment of a network between seeds research, seeds companies and seed cultivation at farmer level. Food security has benefited through the use of several food crops (rather than one – usually maize). Thousands of small farmer households have been introduced as

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Plant nursery in Vietnam. Sida's environmental fund has financed 80 small projects in Vietnam. The fund has been successful in reaching women, men and children at grassroots level in different parts of society in Vietnam.

participants on the commercial market through a market-oriented programme of support targeted at small farmers.

A performance analysis has been made of the first phase of the major Amhara programme (SARDP) in Ethiopia. The programme of support has included the financing of development funds and different contributions to develop capacity. Decisions on the use of the development funds are made at the local level.

The performance analysis of the long-term programme of support to the faculty of forestry at Wondo Genet shows that an institution has been created which can offer both undergraduate courses and higher education in the forestry sector.

The evaluation of the Water Research Fund for Southern Africa (Warfsa) established that the fund had built up an efficient regional mechanism for research financing of integrated water resource management. The fund also has an important function as a mechanism for flexible financing of small projects.

An evaluation was made of Sida's environmental fund in Vietnam. The fund was in operation during the period 1997 to 2001. It had a total budget of SEK 3.5 million and financed 80 small projects. The basic idea of the fund was to support individual initiatives in the field of environmental protection, and to support the emergence of a civil sector with NGOs. The evaluation showed that the fund was very successful since it reached the grassroots level: men, women and children in different parts of Vietnam and from different parts of society. The fund also worked with a broad spectrum of society: local administrations, governmental mass organisations, schools, universities and research organisations, journalists and others.

An evaluation was made of the Change Agent Programme (CAP), a programme that has constituted a small but important component in Sri Lanka's efforts to reduce poverty in rural areas. The programme was started in 1978 and received support from Sida during the period 1987 to 1998. CAP has constituted an important foundation for learning that has helped other development programmes in rural areas. The method that was developed for group processes and for the strengthening of empowerment has been used by other programmes in Sri Lanka. The programme has been successful since it has led to an improvement in the potential for survival, and has increased the independence and confidence of poor people living in rural areas. Above all the position of women has been strengthened at village level, and there has been an increase in the participation of women in various decision-making contexts.

Sida has channelled support to the Africa Network for Agroforestry Education (ANAFE) through a research body, the World Agroforestry Centre (ICRAF). ANAFE is an African network for education

Example

A regional programme for sustainable management of natural resources in Central America was drawn up during the year. The programme, which is being implemented in cooperation with various regional institutions and organisations, has the objective of contributing to reducing poverty and reducing ecological vulnerability. The objective will be achieved with the aid of a combination of training activities, research and methods development in the field, institutional support for policy-making bodies at regional level, and, whenever relevant, implementation of regional projects. Specific projects are identified and assessed as a process over time, as far as possible in cooperation with other donors or international organisations.

and training in the field of agroforestry (relationship between annual and perennial plants and livestock), which includes educational institutions in eastern, southern and western Africa and the Sahel area. An evaluation made in 2002 showed, among other things, that education is considered to be the foremost link between research and development work, and that most of the programme's objectives have been achieved.

An evaluation was made of the Resources Policy Support Initiative (REPSI), a project with a research network in Southeast Asia. The aim of the initiative is to improve sustainability in the use of natural resources in the highland areas of Southeast Asia through policy work and by actively trying to exert an influence on decision-makers. The network consists of some 45 organisations in Southeast Asia (including China) and some organisations in Scandinavia and the USA. The evaluation established that the project has successfully established a network, published relevant material and, in various ways, made itself known externally, but that the effects of the initiative on the formulation of policies cannot be assessed yet.

In 2002 Sida decided formally to support Proagri, a sector programme for agriculture and rural development in Mozambique. Sida is participating as both a discussion partner and financier, together with a large number of donors. In 2002 the degree of ownership of the Ministry of Agriculture increased substantially and Proagri is now well established as a planning and financing mechanism in all provinces and districts.

Analysis and discussion of problems

The overall goal of the operational area is to reduce poverty in rural areas.

This means improving incomes, health, and education, reducing vulnerability and increasing influ-

ence, in a way that reduces relative poverty and increases equality within the framework of long-term sustainable use of natural resources. This holistic approach can be achieved if farming households make priorities and integrate different aspects of the approach.

Poverty analyses, private sector analyses and environmental impact assessments are examples of instruments used by Sida in its assessments of cooperation projects. The outcome of these analyses constitutes the basis of what the programmes shall focus on, and this allows different operational areas to be called in for implementation purposes, both at Sida and in the partner country.

A holistic thinking process during the planning phase, with the livelihoods of small farmers in focus, requires better coordination in the assessment of contributions, both internally at Sida and in the partner country.

To achieve local ownership and local priorities, Sida has supported national decentralisation processes in a number of countries in recent years. This type of support has the effect that power and resources, often in the form of local development funds, are transferred to the local level. The performance analyses show that this type of support has contributed to establishing effective structures for decentralisation and to increasing the powers and confidence of poor people.

The performance analyses have also shown that the link between local methods development projects and the national policy level is extremely important. Changes that are shown to contribute to sustainable growth for poor farming families are disseminated and have an impact.

All in all, the results analyses show that Sida must increase its capacity for analysis and dialogue on strategic issues at the national level. This conclusion has been drawn previously and has resulted in an increase in the number of sector programmes, but it can now be said to be generally applicable to all cooperation in the operating area.

Methods and policy changes

During the year Sida appointed a programme group for the marine initiative. The assessment of support for regional marine environmental and fishing organisations for Latin America and the Caribbean, East and West Africa and South Asia is taking place in line with the recommendations made by the Johannesburg conference.

Within the framework of the Nile Basin Initiative (NBI), Sida has started a procurement process for studies of the rivers Kagera, Mara, Sio, Malaba and Malakasi. The rivers cross national borders and the aim of the projects is to create forms of cooperation between countries in order to improve the living con-

ditions of people in the area and, at the same time, to protect the environment. Regional steering committees for the projects have been established, with the East African countries involved as participants. These projects have made most progress in the assessment phase and have thereby been of importance for the decision-making structure and form of funding that will be used in the NBI.

Sida has worked on producing a strategy for further work on the initiative for sustainable use of water resources in southern Africa. In the consolidation phase that the initiative is now entering, greater focus is being given to support for projects for regional cooperation in respect of water resources that are shared by countries in the region. Within the framework of the initiative, Sida produced a review in 2002 of the potential and need for an extended regional engagement where the shared basin of the Okavango is concerned.

Sida has made a study of so-called Area Development Projects (ADP) with the aim of establishing how interventions of this type can be made more effective in terms of poverty reduction, institutionalisation and sustainability. The Sida-supported rural development programmes in Cambodia, Zambia and Ethiopia formed the basis of the study. The conclusion drawn was that ADPs will also have an important role as an instrument for Sida in the future, above all in order to gain an understanding of and experience from practical activities in the field, that can then be used on a larger scale in broad programmes of sector support, PRS processes and the like.

Analysis of outcome

The outcome for 2002 is at approximately the same level as 2001. There was an increase in the proportion of the total costs of contributions that have a direct effect on poverty.

POLLUTION AND PROTECTION OF THE ENVIRONMENT

Evaluations

Sida's support to a journal on the climate, *Tiempo*, was evaluated in 2002. One part of the evaluation was a questionnaire in which readers were asked for their reactions to the journal. The journal is distributed to 4 300 persons and institutions – of whom 350 responded. The results show that a majority of the respondents had a positive attitude towards the content of the publication and considered that the material was relevant. The publication also has a website which was given a positive response.

Analysis and discussion of problems

The negative effects of industrialisation and urbanisation in developing countries not only affect the

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The River Zambezi in Mozambique. A new strategy for southern Africa focuses on regional cooperation for the sustainable use of shared water resources.

opportunities available to the poor to make a living and to enjoy good health, they also threaten the very foundations of production. Climate and ozone issues, together with the right to clean air, water and sanitation in slums, are fields to which Sida gave priority in 2002.

The negative impacts on the environment from urbanisation will increase as a result, for example, of global climate change, pressure on natural resources, traffic problems, energy production based on fossil

fuels, and poor sanitation methods that have a negative effect on the health of people. Sida is therefore focusing its work on reducing pollution and improving the protection of the environment in contributions that contribute to environmentally sustainable development in the transport and energy sectors.

The rate of urbanisation in Africa is the fastest in the world. Problems relating to the environment and poverty have also become acute in many rapidly growing cities in Africa.

Example

The programme Regional Air Pollution in Developing Countries (RAPIDC) supports human resource development and network building in respect of the air environment in countries in southern Asia and the SADC countries in southern Africa. The aim is to produce data and to involve various parties for the long-term reduction of air pollution. The programme, which is financed by Sida, is being implemented by the Stockholm Environment Institute.

Environmental issues are in focus in Sida's work in Asia. The link to exports of Swedish expertise has also been emphasised. In 2002 Sida established the Swedish Environment Secretariat for Asia (SENSA) in Bangkok to create more synergy between environmental contributions in the region and to put more focus on them.

Environmental issues are global in character. Sida is therefore working at the overall level, by participating in the international policy dialogue, and with concrete contributions. The ambition is that these two levels shall mutually reinforce each other.

In the ozone field, Sida has worked actively in support of the Swedish line in the Montreal Protocol by financing contributions to build up the capacity of the developing countries to phase out ozone-depleting substances.

Sida's environmental cooperation with the countries in the Balkans started in 2002. The environmental problems are greatest in respect of water, waste management, emissions from the energy industry, the mining industry and other heavy industries, erosion, and a reduction in biological diversity. One factor that the countries have in common is that their institutional capacity in the environmental field is very small and their awareness of the environment is limited.

Methods, policy changes and human resource development programmes

Sida developed a climate policy in 2002. Sida also built up an internal network that is intended to stimulate the inclusion of climate issues as a natural component in other issues. Sida is participating in the Swedish climate work led by the Government Offices. A number of internal training programmes on climate issues were implemented.

Analysis of outcome

The outcome for 2002 for contributions in the field of pollution and protection of the environment was halved in comparison with 2001. This is due to the fact that the support provided has focused increasingly on contributions that have the aim of policy change and human resource development instead of

direct contributions and investments in towns and enterprises. In a long-term perspective, this change in focus towards policies can have considerable positive consequences for the poor. As a result, support for contributions that directly involve the poor decreased.

REPORTS REQUIRED

1. *Sida shall submit a report on what was done in 2002 to follow up Sweden's commitments in the development cooperation field within the framework of the global environmental conventions, in particular the Climate Convention, the Convention on Biological Diversity and its biosafety protocol, the Basle Convention, the Stockholm Convention on Persistent Organic Pollutants, the Montreal Protocol on substances that deplete the ozone layer and the Convention on Desertification.*

The Convention on Biological Diversity including biosafety

During the year Sida established an international programme for biological diversity in cooperation with the Centre for Biological Diversity, which is attached to the Swedish University of Agricultural Sciences and Uppsala University. The programme will work with the following fields: integration of aspects of biodiversity into the analysis and implementation of contributions in Sida's international development cooperation, provision of advisory services to Sida in connection with the administration of Sida's contributions and its own contributions; provision of advisory services via Sida to the Government Offices, and the development of a Swedish resource base.

In order to integrate aspects of biodiversity and their consideration into Sida's work, checklists on biodiversity and biosafety have been included in the guidelines for environmental impact assessments (EIA). Sida's new EIA guidelines, which were produced during the year, strengthen these aspects. Biological diversity is also included as a part of Sida's environmental courses. During the year Sida participated in the Swedish delegation to the sixth meeting of the parties to the Convention, which took place in The Hague.

Sida provided support to a number of environmental organisations in connection with the World Summit on Sustainable Development (WSSD), with the aim of strengthening the dialogue on issues relating to biodiversity. These organisations included the Third World Network (TWN) which, prior to Johannesburg, produced a number of studies, for example in the field of genetically modified organisms (GMO) and intellectual property rights related to biological resources.

During the year Sida implemented a large number of contributions that can be related to the Convention. New contributions of this type have been

approved for organisations such as the World Conservation Union (IUCN), World Resources Institute (WRI), the North-South programme of the Swedish Society for the Conservation of Nature (SNF), the World Wildlife Fund (WWF) and others. Sida also entered into an agreement with the Stockholm Environment Institute on a programme relating vulnerability and poverty, which takes up issues such as resilience and matters relating to biosafety. Sida is also supporting other activities that contribute to making it possible for developing countries to implement the intentions of the Convention, for example where their environmental authorities are concerned. In addition to this, Sida is also supporting country programmes in which the sustainable use of natural resources has a positive effect on the preservation and sustainable use of biological diversity.

Where support related to the biosafety protocol under the Convention is concerned, Sida reached a decision in 2002 to renew its support to the East African Regional Programme and Research Network for Biotechnology, Biosafety and Biopolicy (Bio-Earn), which builds up capacity on biosafety matters to promote better policies and the creation of rules in East Africa. An African biopolicy institute, ACTS, will also receive further support for a study of the conditions for the application of biosafety in research into biotechnology in some countries in Asia. Support is also being given to the publication and distribution of a periodical "Biotechnology and Development Monitor". During the year Sida provided support to NGOs active in the field, for example to TWN for its work in establishing national institutions and mechanisms for the implementation of the biosafety protocol.

Climate Convention

In 2002 Sida worked with a project, which involved the entire agency, for the production of a draft proposal for an approach to climate-related issues and their importance for development cooperation.

Within the framework of the so-called Kyoto group, representatives of several Sida departments participated in the preparations for various climate-related meetings in connection with the Climate Convention and the future Swedish climate policy. Sida also contributed documentation to and participated in the Swedish delegation at the meeting of the parties to the Climate Convention in Delhi in the autumn and at the preparatory meeting in Bonn in the spring. Sida participated actively in policy discussions on the role of donors in supporting adaptation to and reducing effects on the climate system in developing countries.

Sida reached a decision to support special contributions in the climate field, for example with the aim of strengthening the participation of developing countries in the further work of formulating the

Table 10.

Natural resources and the environment, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
Ethiopia	78 762	78 296	59 248
Zambia	53 775	49 237	54 893
Tanzania	51 674	56 880	38 044
Vietnam	32 820	61 770	29 106
Cambodia	31 833	39 685	33 092
Sub-total	248 864	285 868	214 383
Other countries/regions	652 750	643 015	576 225
Total	901 615	928 883	790 608
Administrative costs	57 355	44 432	40 740
Total costs	958 969	973 316	831 348
Form of support			
Project support	625 949	673 601	547 360
Sector programme support	132 846	94 289	105 423
Pers. ass. incl. contract-financed tech. coop.	61 452	30 667	36 734
International training programmes	49 790	50 714	47 984
Credits	0	50 000	41 100
Guarantees	-	-	-
Economic reforms	-	-	-
Humanitarian assistance	-	-	-
Research	-	-	-
Support to NGOs	31 578	29 612	12 008
Total	901 615	928 883	790 608
Channels			
Multilateral organisations	193 742	217 340	176 714
Swedish NGOs	221 064	242 938	218 401
Organisations in partner countries	347 649	270 314	233 769
Organisations in other countries	73 539	128 838	110 674
International NGOs	65 620	69 453	51 051
Total	901 615	928 883	790 608
Total number of contributions	589	599	598
<i>Of which: Agreements >SEK 15 million</i>	67	55	53
<i>Number of new contributions</i>	172	172	206

future global climate regime. The contributions vary a great deal in scope and content – identifying and promoting the elimination of obstacles to the use or renewable sources of energy in Southeast Asia, a workshop on biofuels in the Kyoto protocol's clean development mechanism (CDM), or intensifying cooperation between parties working with water resource management and climate change.

Montreal Protocol

With the active participation of Sida, a network between agencies in Southeast Asia, Sweden and

Australia was started ten years ago, with Nordic cooperation as the model. The aim was to achieve the efficient phasing out of ozone-depleting substances through the exchange of experience between the countries involved. With Sida's support, the Swedish National Environmental Protection Agency acted as the host for the year's main meeting in Stockholm. To celebrate the tenth anniversary, a seminar was held on how networks between countries can be used to implement multilateral environmental agreements. A new publication that describes the development of the network, the way in which it has spread to other geographical areas, and the potential offered by this way of working in international environmental work was presented at the seminar. In Sweden's bilateral ozone programme, which is coordinated on behalf of Sida by the Stockholm Environment Institute, there is a project on cooperation between customs agencies.

Convention on Desertification

During the year Sida participated actively in the work on the Convention on Desertification, for example by participating in meetings within the framework of the EU. As a result of a proposal made by Sida and the Ministry for Foreign Affairs, a Swedish representative has been made a member of the expert group in the Convention's committee for science and technology (CST). The special meeting on the application of the convention (CRIC) was monitored by Sida, as was a seminar on the same theme in Denmark. Discussions have been held with UNDP Drylands Development Center, IUCN, CILSS and other organisations on the application of the convention and possible future support from Sida for programmes in dryland areas. A national report that describes Swedish support of relevance to the Convention on Desertification and Sweden's views on the application of the Convention was produced by Sida.

Sida gave financial support to a large number of contributions of relevance to the Convention on Desertification, mainly in the fields of rural development, decentralisation, water resources and integrated community forestry. Special support was given to the Convention's global mechanism that is responsible for simplifying donor support for contributions against desertification.

Other conventions

Sida did not make any contributions in 2002 that were directly linked to the Basle Convention on transportation of environmentally hazardous waste. The Rotterdam Convention on reports on hazardous chemicals (PIC) has not yet entered into force. Work is being done at Sida on producing action plans for both the above-mentioned conventions and protocols and for the Stockholm Convention on Persistent

Organic Pollutants (POPs) and the Wetlands Convention (Ramsar). The intention is to strengthen, in various ways, the work being done on these conventions and, above all, to attempt to integrate the important subject issues that they represent into regular programmes of development cooperation.

2. *Sida shall submit a report on the contributions that concern plant-genetic resources, including research, which can be referred to the Global Plan of Action within the framework of the international undertaking on plant genetic resources (FAO-IUPGR).*

Plant genetic resources

Sida is making a number of contributions in respect of plant genetic resources, for example it is providing support to the consultative group for international agricultural research (CGIAR) for the collection, classification, analysis, refinement and sustainable use of genetic material. Sida is also providing support to NGOs working with the conservation and sustainable use of genetic resources, for example the Genetic Resources Action International (GRAIN) and the Community Biodiversity Development and Conservation Programme (CBDC) for their efforts to strengthen the work being done by small farmers on the conservation and sustainable use of the genetic resources. Support is also being given to the International Centre for Trade and Sustainable Development (ICTSD) for strengthening the negotiating capacity of developing countries for revisions of the WTO agreement on intellectual property rights. New programmes of support that were approved during the year were, for example, for Crucible II, which works with policy development in respect of genetic resources, and for the regional network for gene resource issues in East Africa (AEPGREN).

3. *Sida shall submit a report on what it has done in 2002 to integrate consideration of the environment into the different development cooperation sectors.*

Sida's action programme for sustainable development lays down that environmental aspects shall be integrated in all Sida's activities. Some important actions taken during the year:

Sida actively participated in a special EU/DFID/UNDP study on poverty and the environment prior to the UN meeting in Johannesburg on the environment and development.

A study made by a consultant formed the basis of further work on the integration of the environmental conventions into programmes of development cooperation.

Sida drew up, and presented to the Government, action plans in respect of the most important environmental conventions. Sida also produced directives for green procurements, guidelines for environmental

indicators in development cooperation, guidelines for strategic environmental analyses in connection with the country strategy work, and a manual for the integration of environmental aspects in connection with programmes of sector support. The former guidelines for environmental impact assessments were revised during the year. An agreement was concluded with the Stockholm Environment Institute (SEI) on support for the work on vulnerability matters, and a report on shrimp farming and its consequences for the environment was produced.

Two of the support functions established by Sida for the administration of environmental issues in programmes of development cooperation were further consolidated. One of these is the support function for environmental impact assessments in projects and programmes at the EIA centre at the Swedish University of Agricultural Sciences in Uppsala, and the other is the support function for strategic environmental analysis and the integration of aspects of the environment in country strategy work at the Environmental Economics Unit at Gothenburg University. The agreements with the Swedish National

Environmental Protection Agency and the National Chemicals Inspectorate, for similar support functions in Sida's work, were extended. An agreement on a further support function at the Centre for Biological Diversity at the Swedish University of Agricultural Sciences was concluded during the year.

A large part of the year's activities were characterised by the preparation for the above-mentioned UN conference in Johannesburg. Sida participated actively in the preparatory work and at the conference itself. A special input at the summit meeting was intended to show the work being done in relation to Lake Victoria in which Sida is participating.

The integration of aspects of the environment into Sida's activities has been developed. Important instruments for this work, which the Environment Policy Division participated in producing, are Sida's approach to poverty reduction and its operative section Sida at Work. The year's information campaign on poverty and health shed particular light on the important issue of the environment and health. This was also the theme of one of three seminars at the year's conference on poverty.

Diagram 4. **Outcome**, expenditure in SEK '000

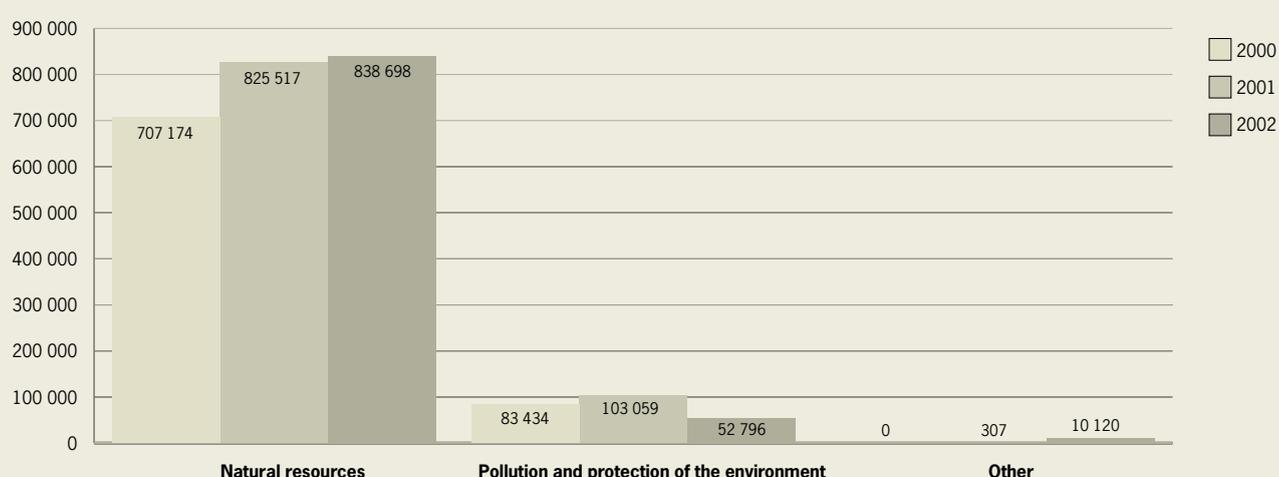


Table 11. **Poverty reduction**, per cent of the sub-sector's total expenditure

	Natural resources			Pollution and protection of the environment			Other			Total		
	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000
Direct effect	24,7	16,3	12,5	0,9	2,9	0,0	5,3	0,0	-	23,1	14,8	11,2
Projects and programmes that include the poor	20,9	25,7	38,8	1,9	48,5	6,0	85,9	83,1	-	20,6	28,2	35,4
Indirect effects through policies and institutions	35,7	36,1	28,9	55,1	10,5	2,5	7,8	0,0	-	36,5	33,3	26,1
Indirect effects through national support	10,5	12,1	9,8	29,9	22,5	74,9	0,0	0,0	-	11,5	13,3	16,7
Other effects	8,2	9,7	10,0	12,2	15,6	16,5	1,0	16,9	-	8,4	10,4	10,7
Total per cent	100	100	100	100	100	100	100	100	100	100	100	100

[Picture removed]

Fulani women at the market in Ambiri in Mali. During the year Mali presented a national strategy for poverty reduction within the framework of the Heavily Indebted Poor Countries Initiative. The aim of debt initiative is to release resources that can be used to reduce poverty.

Economic reforms

This operational area includes balance of payments support, budget support and debt relief, and support for capacity development in respect of debt management and debt strategies. Within the framework of the overall goal of poverty reduction and, taking the general tasks in the area into consideration, the objective of the operational area is to support countries that implement economic reform programmes to promote economic growth, combat poverty and contribute to sustainable development.

GENERAL

Support for economic reforms has gradually proceeded from balance of payments support and debt relief to general budgetary support for the partner countries' government budgets. In 2002 all contributions consisted of budget support. There are two

main development processes behind this trend – the Heavily Indebted Poor Countries Initiative (the HIPC Initiative), which has involved extensive debt relief for the poorest countries, and the work of the countries concerned to produce national strategies for poverty reduction, the so-called Poverty Reduction

Strategies (PRS). These processes have contributed to a situation in which programmes of support are undergoing a process of change from relatively short-term support for macro-economic stabilisation to support for poverty reduction of a long-term character in which the focus is placed on financing the government budget.

Hitherto 26 countries have been included in the HIPC Initiative and, of these countries, six have completed the entire process. This means that the countries will have their debt burden reduced to what has been defined as a sustainable level. Five of these countries – Uganda, Bolivia, Mozambique, Tanzania and Burkina Faso – receive support for economic reforms from Sida. Burkina Faso is the latest country to reach the final point in the HIPC Initiative.

The countries concerned shall use the resources made available through debt relief to reduce poverty in accordance with widely supported strategies for poverty reduction. Progress has been made in producing strategies of this type and, in 2002, Ethiopia, Malawi, Mali, Rwanda, Vietnam and Zambia, among others, presented their strategies.

EVALUATIONS

No general evaluations were made in 2002 of the programmes of support for economic reforms. However, Sida has closely followed the extensive evaluation of budget support that was made by the British development cooperation agency, DFID. This evaluation is relevant to Sida since there are many similarities between Swedish and British budget support. Some conclusions that have been drawn hitherto are that budget support often tries to reach too many different goals at the same time and that the positive effects of budget support rarely arrive automatically. Budget support provides incentives in the right direction but it has to be supplemented with other contributions, for example contributions to strengthen the administrative capacity of the partner countries.

Sida makes a continuous follow-up of its support for economic reforms at country level with a focus on the implementation of the countries' government budgets and Poverty Reduction Strategies. In those countries where donor coordination is effective, the donors also normally perform a major annual follow-up in cooperation with the governments of the countries.

ANALYSIS AND DISCUSSION OF PROBLEMS

Economic reforms in poor countries have had the effect that the former large macro-economic imbalances have been reduced. In many countries that have pursued a consistent reform policy, GNP growth has increased and poverty has been reduced some-

what. At the same time it can be stated that economic growth needs to improve and an active policy for poverty reduction needs to be pursued in order to have a significant effect on poverty. Economic growth is an important prerequisite, if not fully adequate in itself, for long-term poverty reduction. However, many of Sida's partner countries are in a serious economic situation due to the weak growth in the world economy, falling commodity prices, drought and the effects of the HIV/Aids epidemic, which inhibits growth.

Debt relief has the effect that considerable resources are made available in the government budget for poverty reduction in the countries concerned. In those countries included in the HIPC Initiative, social expenditures have increased in both nominal terms and as a proportion of the budget and GNP.

The national strategies for poverty reduction that are being produced in the poor countries have led to higher priority being given to poverty reduction. However, this work involves a number of challenges for both the countries themselves and for Sida and other donors. The partner countries must strengthen their capacity to implement the strategies. One important challenge is to make the link between priorities in the poverty strategy, allocations in the government budget and actual disbursements function properly. Further reforms must eliminate the obstacles that stand in the way of people participating in the economy and being able to increase their incomes. Donors must adapt their support to the priorities and budget processes of the partner countries and enter into long-term commitments to a greater degree than before. One issue of central importance is how budget support can be organised in such a way that the responsibility of the partner country for its development policy is strengthened at the same time as better results are achieved in respect of poverty reduction.

Example

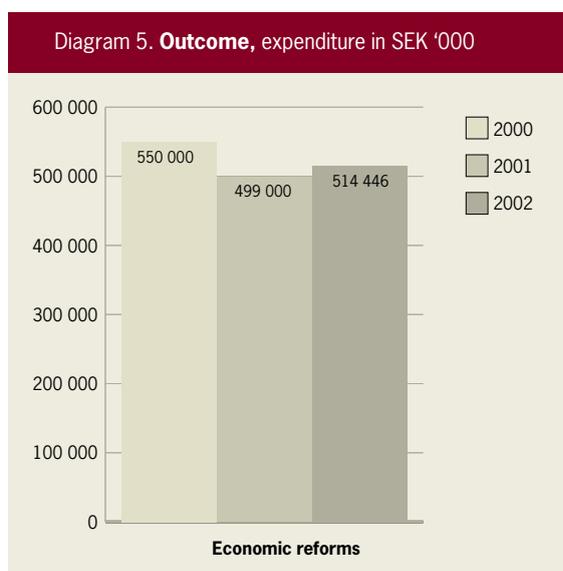
In Burkina Faso in 2002, a joint budget support arrangement, linked to the implementation of the country's PRS, was drawn up with the participation of the EU Commission and five bilateral donors of budget support, including Sida. The aim of this coordination is that all donors shall have the same disbursement and follow-up mechanisms. The agreement has been documented in a memorandum that has been signed by the government of Burkina Faso and the donors. A joint annual follow-up will be held in connection with the presentation by the government of Burkina Faso of its annual report on the implementation of the PRS.

METHODS AND POLICY CHANGES

The change in the focus of support in favour of budget support necessitates a considerable amount of work on policy and methods development and makes partly new demands on Sida. Questions that concern the countries' PRS and government budgets will be increasingly in focus in assessments of support and in monitoring processes. More importance will have to be attached to analyses of poverty strategies and assessments of the quality of the countries' public financial control systems. In 2002 a special project group worked on the promotion of programme support (budget support and sector programme support) as a form of development cooperation and further developed methods and procedures for this type of support. The group produced, for example, a proposal for an approach to public financial management. Sida is working to improve its knowledge of public financial management, for example through training programmes. Other important method issues for Sida are how the conditions for support shall be formulated and how the results of the support shall be measured and followed up.

During the year the instructions for Sida's assessments of budget support were improved. The instructions focus on analysis of the countries' PRS and public financial control systems.

The work on strengthening donor coordination in respect of budget support continued. Donor coordination has the effect that administrative resources are released in the partner country. It also facilitates dialogue and monitoring. Support for economic reforms has normally had a duration of one year. In order to facilitate long-term budget planning in the partner countries, Sida intends to increase the number of agreements on budget support that extend over several years.



[Picture removed]

Health checks of schoolchildren in Uganda. The objective of the support poor people to have their fundamental rights, such as to health care and

ANALYSIS OF OUTCOME

In 2002, budget support to Tanzania increased to SEK 120 million, which had the effect that Tanzania became the largest recipient of support for economic reforms, followed by Mozambique, Uganda, Nicaragua and Rwanda. The group of countries in receipt of most budget support usually varies somewhat from year to year. In 2002 it was possible to resume Swedish support for economic reforms in Nicaragua, as a consequence of the positive political developments in the country and of an agreement with the International Monetary Fund (IMF) on a programme of economic reforms. However, other countries, including Bolivia and Honduras, experienced problems in the implementation of the reform programmes. Since an IMF reform programme is a condition for support for economic reforms, Sida froze disbursements to these countries.

In 2002 the total outcome amounted to SEK 514 million, which is somewhat higher than the outcome in 2001. Most of the support was allocated to countries in Africa (SEK 425 million). Where channels are

[Picture removed]

provided for economic reforms is to improve the possibilities available to education, met.

concerned, it can be noted that, to a greater extent than before, support was disbursed directly to the government of the partner country concerned and to a lesser extent through co-financing arrangements with multilateral organisations.

Support to economic reforms has, by definition, an indirect effect on poverty reduction.

Each year the Swedish Government specifies a budget framework within which Sida can propose contributions to be submitted to the Government for approval. For 2002 the Government provided a budget framework of SEK 650 million. Sida submitted proposals for contributions amounting to SEK 529 million. The Swedish Government approved contributions amounting to SEK 374 million. The outcome for 2002 is higher than this amount, partly due to the fact that the Government had previously approved support covering several years for certain countries, and partly due to a backlog in disbursements from previous years.

Table 12.

Economic reforms, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
Tanzania	120 000	80 000	160 000
Mozambique	100 360	100 000	100 000
Uganda	65 000	55 000	55 000
Nicaragua	60 000	0	0
Rwanda	50 000	40 000	60 000
Sub-total	395 360	275 000	375 000
Other countries/regions	119 086	224 000	175 000
Total	514 446	499 000	550 000
Administrative costs	20 400	15 362	20 131
Total costs	534 847	514 362	570 131
Form of support			
Project support	–	–	–
Sector programme support	–	–	–
Pers. ass. incl. contract-financed tech. coop.	–	–	–
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	514 446	499 000	550 000
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	–	–	–
Total	514 446	499 000	550 000
Channels			
Multilateral organisations	20 095	124 000	170 000
Swedish NGOs	–	–	–
Organisations in partner countries	485 000	375 000	380 000
Organisations in other countries	360	–	–
International NGOs	8 991	–	–
Total	514 446	499 000	550 000
Total number of contributions	21	19	15
<i>Of which: Agreements >SEK 15 million</i>	19	18	14
<i>Number of new contributions</i>	8	10	11

Table 13. Poverty reduction, per cent of the sub-sector's total expenditure

	Economic reforms		
	2002	2001	2000
Direct effect	0,0	27,9	0,0
Projects and programmes that include the poor	0,0	0,0	0,0
Indirect effects through policies and institutions	1,8	28,1	0,0
Indirect effects through national support	98,2	44,1	100,0
Other effects	0,0	0,0	0,0
Total per cent	100	100	100

[Picture removed]

Francis Lumueno works at a small, privately owned bakery in Kinshasa. Sida supports studies of energy supplies in cities in southern Africa. A better energy policy leads to the establishment of more small enterprises which, in turn, can generate economic growth.

Research cooperation

This operational area includes support for multilateral and bilateral research cooperation and support for research into developing countries in Sweden. Within the framework of the overall goal of poverty reduction, and taking general tasks in the area into consideration, the objective of the operational area is to strengthen the research capacity of developing countries and to promote research that focuses on sustainable development and poverty reduction.

GENERAL

Research cooperation underwent several changes during the year, including a transition from project support to programme support. The programmes of support for universities have changed direction – from focusing on research capacity of academic teachers to supporting strategies for building up local postgraduate programmes. This has started to give results, for example in Uganda and Tanzania (see

example on business administration below).

Where country cooperation is concerned, research in several disciplines has focused on the same geographical area. This gives broader knowledge of the potential for and obstacles to development, which was confirmed, for example, in the programme of cooperation with Bolivia. In Bolivia, studies of the language of the Aymara, their culture, history and settlements, were combined with research into water

supplies and pollution due to mining operations. The local authorities in the area are extremely interested in this coordinated approach, which contributes to the university's social engagement.

An increase in the focus on social sciences has also been noted in that part of international research that focuses on developing countries. Both the WHO's health research programmes and the international agricultural research programmes of the Consultative Group for International Agricultural Research (CGIAR) have formulated goals that relate to poverty reduction and focus increasingly on interdisciplinary approaches, in which light is also shed on aspects relating to the social sciences.

Research cooperation with Eritrea came to an end during the year in accordance with Swedish foreign policy. However, during their ongoing postgraduate programmes, 25 postgraduate students from Eritrea have been granted support up to their next examination, in most cases at licentiate level.

The expansion of research cooperation in recent years has partly taken place through an increase in appropriations for ongoing programmes and partly through the establishment of new programmes of cooperation. A number of system audits have been made to ensure that the organisations concerned have the capacity to administer the funds and the activities. While this has made the follow-up process easier, the system audits themselves have been time-consuming.

EVALUATIONS

According to the evaluation, research cooperation with Vietnam has included several contributions that have given impressive results. Forest research has led to improvements in tree species. These are now being used in a forest programme that will provide rapidly growing timber of high quality. Agricultural researchers have produced biogas facilities that are now being used by 15 000 households. Marine research has found new, sustainable ways of cultivating seafood as an alternative to environmentally hazardous shrimp farming. The evaluation emphasises that these results have taken a long, but reasonable, time to produce.

Since 1998 Sida has provided support for the construction of computer and IT networks at four universities in Sri Lanka. The programme was evaluated in 2002. The evaluation shows that Sida's support has been important. The working methods, the skills acquired and the networks make further contributions possible, which the universities in Sri Lanka have expressed their preparedness to finance. The evaluators are also of the opinion that postgraduate programmes in IT should be assembled at one university in order to create stronger research groups.

An evaluation of the programmes of cooperation

with two of the medical programmes, reproductive health and HIV/Aids, at Muhimbili University College of Health Sciences (MUCHS) in Tanzania, was completed in 2002. The researchers considered the focus on increasing research capacity as somewhat of an obstacle to results-oriented research. However, the evaluation recommended a further focus of this type. It emphasised, among other things, the importance of employing more teachers and younger teachers at the university in order to improve recruitment to research programmes. In addition it was proposed that the development of the library should receive further support and support should also be given to improve tutor capacity. It is proposed that MUCHS should create a rewards system for research productivity for those who have gained a doctor's degree, for example through promotions.

A network for research in the field of reproductive health in eastern and southern Africa has been estab-

Examples

Postgraduate programmes in business administration are important components in the programme of cooperation with the University of Dar es Salaam. Knowledge about small enterprises, and particularly about conditions for women entrepreneurs, provides an important contribution to the development of trade and the private sector in Tanzania. Two researchers have defended their doctoral theses in the programme, which has been running since 1997 in cooperation with the School of Economics in Umeå. A local postgraduate programme has been developed in Tanzania in parallel with the postgraduate programmes in Umeå. From the autumn of 2002 this programme has been run in its entirety by Tanzanian teachers and tutors. Both the Tanzanian and Swedish senior researchers are participating in the formation of a network for African business economists. The aim is to improve the undergraduate programmes and conditions for research and to enhance the possibilities of applying research results in African trade and industry.

The network for research into energy policy in southern Africa, AFREPREN, has studied energy supplies in urban areas. The high cost of connection to the network contributes to reducing the coverage of the electricity system. Poor people spend up to 30 per cent of their income on electricity. Standardisation can reduce the costs as well as legalisation of informal electricity distribution. With a reduction in costs it should be possible to see a marked increase in the number of informal electricity companies, which will provide a large number of new job opportunities for poor people. Strong sources of light that provide lighting for up to 300 houses are among the alternatives being analysed. A number of articles from the network were presented in 2002 in a special issue of the prestigious publication, *Energy Policy*.

lished through Sida's contributions to research of this type in Mozambique, Tanzania, Zambia and Zimbabwe and to exchanges of experience between researchers in these countries in cooperation with Swedish researchers. A centre was established at the University of Zimbabwe in 1999. It was intended that it would be responsible for the activities of the network and for the coordination of courses in the region. An evaluation of the reports made showed that the network activities had declined after the establishment of the centre, mainly due to a lack of staff and a lack of continuity.

In 2002 Sida completed an evaluation of its support to the Network for Research and Training in Parasitic Diseases at the Southern Cone of Latin America (RTPD). The evaluation found an impressively high degree of scientific production and an active postgraduate programme, which guarantees sustainable development of both research and higher education in the region. However, the considerable differences between the countries in the network justify further support for education, with a strong focus on the weaker countries. Support to basic research in the stronger countries will end.

Sida has contributed for many years to international programmes that support the basic sciences. The International Sciences Programmes (ISP) support, in cooperation with Swedish universities, researchers in poor developing countries in chemistry, physics and mathematics. The organisations linked to UNESCO, the Third World Academy of Sciences (TWAS), the Third World Women in Sciences (TWOWS), and the International Centre for Theoretical Physics (ICTP) award scholarships to researchers who are active at institutions in developing countries. In 2002, an evaluation was made of the effects of the programmes at institutions in Tanzania and Uganda. While ISP and TWOWS have focused their programmes on the poorest countries, TWAS and ICTP have allocated their appropriations in competi-

tion, which has had the effect that researchers from developing countries with well-established research programmes have been favoured. This was confirmed by the evaluation, which also showed that the contributions from ISP and TWOWS had clearly had visible effects at the institutions, while this was not the case for the contributions from TWAS and ICTP. Further support to TWAS and ICTP will be earmarked for applicants from poor developing countries.

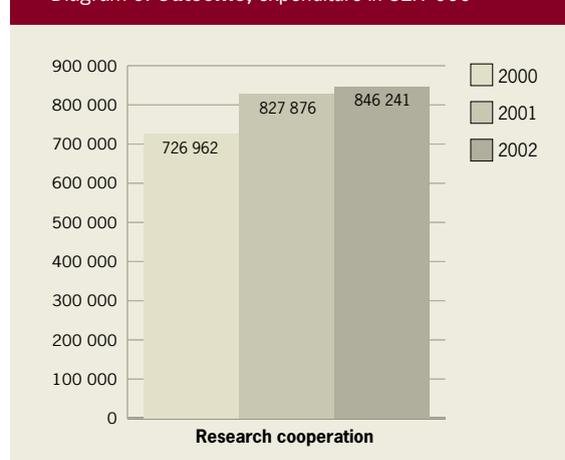
One evaluation made during the year gave a positive picture of the African network for energy research AFREPREN, for example in respect of its dissemination of research results. However, the evaluation proposed elements of a social science character and a strengthening of the peer review process in the network. Furthermore, a proposal was made for an extension of the research agenda to allow it to include energy technology and climate changes. This is being taken into consideration in the assessment of further support.

In 1990 a programme of research cooperation was initiated on the theme of women and housing in southern Africa: Gender Research on Urbanisation, Planning, Housing and Everyday Life (GRUPHEL). Over the years the programme has taken up issues relating to the law, settlement patterns and the division of work in households. The programme combines research and capacity building through an effective network between six countries.

An evaluation made in 2002 found profound African ownership of the programme. The programme has exerted a great influence in making people aware of the importance of gender issues in housing policies, both in university environments and where decision-makers are concerned. However, the evaluation recommends that the planning process is modified from being based on individuals to being based more on institutions.

The Union for African Population Studies (UAPS) is the only Pan-African research network that focuses on population issues from a social science perspective. UAPS' administration, methods, decision-making procedures and communication systems were reformed in 2002. An evaluation showed that, with few exceptions, the reforms had functioned well. A new scholarship programme for young researchers has been launched and the publication of reports has been made more efficient. The network of nation-based contact persons that was established earlier has been reactivated. The evaluation underlined that UAPS had made valuable contributions to the analysis of economic, political and social problems in the region. Furthermore, it was emphasised that UAPS is very open to change and that financial support for the ongoing reform processes could be of vital importance for the further existence of the organisation. However, the evaluation stated that, with the exception of South Africa, there are still small possi-

Diagram 6. **Outcome**, expenditure in SEK '000



bilities for the organisation to receive contributions from African governments.

ANALYSIS AND DISCUSSION OF PROBLEMS

A review of the situation of higher education in Mozambique compares support for the country's central university, Universidade Eduardo Mondlane (UEM) with the request for support for higher education in other parts of the country. However, earlier evaluations have shown that research at UEM is still highly undeveloped. The growing external supply of education services constitutes a real threat to universities in poor countries. Therefore it is important that each country invests in the development of at least one research university in order to build up local analytical and negotiating capacity. In the light of this, Sida plans to continue its assessment of contributions that focus on the development of central universities with the capacity for postgraduate programmes.

METHODS AND HUMAN RESOURCE

DEVELOPMENT PROGRAMMES

As part of the follow up of Sida's internal audit of research cooperation, an extensive amount of work on methods took place during the year in the areas of assessments, follow-ups and organisation and internal control, with the aim of quality assurance of research cooperation. Revised forms have been produced and a residential administrative workshop for the follow-up of the work on change was held during the year.

ANALYSIS OF OUTCOME

Most of the support for research cooperation is allocated to countries in Africa. Support to Uganda has increased considerably, which is reflected in the fact that activities have now reached their planned level. A new agreement on extended cooperation has been signed with Ethiopia.

The volume of research cooperation increased somewhat in 2002. Where selection of channels is concerned, this increase was allocated in more or less the same way as in previous years. However, it should be noted that the outcome in respect of organisations in the partner countries was lower than in 2001, which can be explained by the fact that cooperation with Eritrea and Zimbabwe was terminated.

The number of new contributions decreased during the year and the number of large contributions increased. These changes indicate that the ambition of concentrating resources has had a certain effect. Research cooperation contributions generally have an indirect effect on poverty reduction.

The total volume of research cooperation is almost in exact line with the budget forecast.

Table 14.

Research cooperation, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
Uganda	44 628	15 656	7 065
Tanzania	42 625	50 006	43 179
Mozambique	27 217	29 045	26 868
Ethiopia	22 921	15 838	13 736
Nicaragua	21 279	23 009	20 503
Sub-total	158 670	133 554	111 351
Other countries/regions	687 571	694 322	615 611
Total	846 241	827 876	726 962
Administrative costs	68 811	58 568	53 394
Total costs	915 052	886 443	780 356
Form of support			
Project support	–	–	–
Sector programme support	–	–	–
Pers. ass. incl. contract-financed tech. coop.	–	–	–
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	846 241	827 876	726 962
Support to NGOs	–	–	–
Total	846 241	827 876	726 962
Channels			
Multilateral organisations	80 760	60 811	61 675
Swedish NGOs	316 660	285 774	252 138
Organisations in partner countries	169 182	198 357	147 800
Organisations in other countries	94 000	88 888	66 325
International NGOs	185 639	194 046	199 024
Total	846 241	827 876	726 962
Total number of contributions			
<i>Of which: Agreements >SEK 15 million</i>	49	42	34
<i>Number of new contributions</i>	97	116	91

Table 15. Poverty reduction, per cent of the sub-sector's total expenditure

	Research cooperation		
	2002	2001	2000
Direct effect	1,7	1,5	2,6
Projects and programmes that include the poor	1,0	1,7	1,8
Indirect effects through policies and institutions	93,2	89,9	90,6
Indirect effects through national support	1,7	3,3	2,3
Other effects	2,4	3,6	2,6
Total per cent	100	100	100

[Picture removed]

Afghan girls at school in Kabul. A large part of Sida's humanitarian activities consists of contributions for education.

Humanitarian assistance and conflict prevention

This operational area includes humanitarian assistance, conflict prevention and peace-building. Within the framework of the overall goal of poverty reduction, and taking the general tasks in the area into consideration, the objective of the operational area is to meet urgent needs and to relieve the consequences of armed conflicts, systematic violations of fundamental human rights, and natural disasters. At the same time long-term sustainable solutions shall be sought whenever possible, for example through local capacity development.

GENERAL

In 2002 the humanitarian system had to adjust to drastic changes in ongoing, long-term crises, while new complex situations arose. For Sida this meant using funds flexibly in order to provide an appropriate response. In Afghanistan the adjustment from humanitarian activities to reconstruction and long-term development cooperation was started in earnest

with the emergence of a transitional government recognised by the rest of the world. Existing coordination mechanisms were transformed or replaced when donors and the new authorities tried to find forms to manage this complicated process of transition.

Where Sida is concerned, two-thirds of the

increase in support to Afghanistan in 2002 consisted of support for reconstruction. In Angola the unexpected ceasefire led to a dramatic increase in the number of people in acute need of help since it became possible for the humanitarian organisations to reach people who had previously lived in inaccessible areas. Sida channelled an extra contribution through the Office for the Coordination of Humanitarian Affairs (OCHA) and participated actively in the dialogue between the parties involved and the Angolan authorities.

A serious humanitarian crisis arose on the West Bank and in Gaza as a result of Israel's occupation of Palestinian areas. The civil population rapidly became increasingly dependent on the outside world for supplies and this led to a considerable dilemma for humanitarian organisations and donors. In southern Africa, political mismanagement, the serious HIV/Aids epidemic, and the drought that began in 2001 led to a crisis that was far more complex than that caused by the drought in the beginning of the 1990s. In both cases Sida responded with humanitarian support and an extended field presence.

EVALUATIONS

During the year Sida had an evaluation made of its mechanism for rapid response to sudden emergencies. This mechanism has the effect that funds are placed at the disposal of a number of Swedish NGOs and the Swedish Rescue Services Agency (SRV), which can be used for emergency contributions based on certain guidelines and a simple decision-making procedure. The evaluation shows that the mechanism functions efficiently but needs continuous monitoring in the field in order to provide effects and results of a more permanent nature.

Sida also made an inventory and analysis of all Sida's contributions that had conflict management as a specific objective. No fewer than 17 of Sida's 22 most important partner countries are in the throes of a conflict or have just emerged from a conflict. Of the 240 contributions in question, it was shown that most refer to activities during or immediately after an armed conflict, while only a small proportion could be regarded as having the goal of conflict prevention.

ANALYSIS AND DISCUSSION OF PROBLEMS

Since armed conflicts clearly lead to poverty, it is Sida's conclusion that the various operational areas must focus on developing programmes that have a conflict prevention effect by tackling the structural reasons for armed conflicts.

Sometimes humanitarian organisations are faced with a situation in which they are in danger of reliev-

ing government agencies or armed movements of their responsibilities, under international law, for the civil population and thereby release resources for other activities, a phenomenon that is usually referred to as fungibility. In 2002 this type of dilemma has been unusually evident in several cases.

According to international law, an occupying power has the responsibility of meeting the needs of food and medical services of the people living in the occupied area and of facilitating the work of humanitarian organisations in all other ways. On the West Bank and in Gaza, an extremely large part of the civil population is being supplied with food and other basic needs by humanitarian organisations. This is being financed by external donors, including Sida. Since the Palestinian drivers employed by the United Nations are not permitted to pass through the roadblocks set up by the Israeli army and leave the occupied areas, the UN organisation for Palestinian refugees (UNRWA) and the World Food Programme (WFP) have requested assistance from the Swedish Rescue Services Agency, with Sida funding, to make both drivers and trucks available for regular transports. At the same time, the work of humanitarian organisations has been made extremely difficult in various ways.

In Angola the fungibility problem has the effect that a country with considerable – but largely undeclared – oil incomes is also a recipient of extensive humanitarian assistance. The international finance institutions have estimated that the non-reported revenue exceeds by far the costs incurred by the donor countries in supplying humanitarian assistance. In 2002, under the chairmanship of Swe-

Examples

In 2002 Sida supported the regional UN appeal for southern Africa that was launched in July 2002. Sida's support has been divided between WFP, OCHA, FAO and UNICEF. Since other foreign support has largely focused on food support, the Swedish support has mainly been used for other purposes. It has been used, for example, for logistics support and coordination purposes in order to ensure that the food reaches those who need it. Furthermore, special contributions were made to meet the needs of those affected by HIV/Aids.

In the opinion of Sida, it is not only urgent to relieve the acute effects of the food crisis. With the aim of making it easier for people dependent on emergency assistance in rural areas to start to make a living once again, Sida gave support to the FAO's activities, for example those in Zimbabwe. The support has had the effect that seeds and tools were distributed to 48 000 families living in rural areas in Zimbabwe.

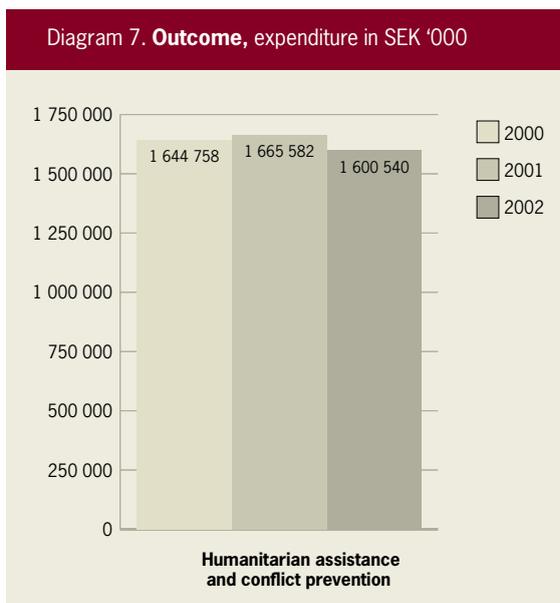
[Picture removed]

A Palestinian man searches for his belongings in the ruins of what was once his home in the refugee camp in Jenin. On the West Bank and in Gaza a large number of civilians are now being supplied with basic necessities by humanitarian organisations, financed by Sida and other donors.

den, some of the ambassadors of the leading donor countries formed a group in support of the United Nations Development Programme (UNDP) in Luanda in order to intensify the dialogue with the Angolan

government on responsibilities for supporting the civil population in what is perhaps the most serious humanitarian crisis in the world.

In both these cases it is important that humanitarian support – or the threat of withdrawing humanitarian support – is not used as a means to bring pressure to bear, but that political instruments are used to find solutions to what is basically a political problem.



METHODS, POLICY CHANGES AND HUMAN RESOURCE DEVELOPMENT PROGRAMMES

A considerable proportion of Sida's humanitarian activities consist of contributions for education in crises. Sida has found that education is an important instrument for creating a measure of normality in the lives of the children affected. Schools also function as a form of protection for children against recruitment as child soldiers or exposure to sexual abuse. During the year Sida drew up guidelines for education contributions in its programmes of humanitarian assistance. The guidelines emphasise that organisations that establish more or less temporary schools must follow curricula that can easily be adapted to the

regular school system and, as far as possible, engage teachers and other human and material resources from the civil population affected by the crisis. An inventory was made of the needs of Sida's programme officers of methods for assessments of how contributions can influence or be influenced by conflicts in the recipient country. The results of the inventory led to a project to draw up methods that are adapted to Sida's needs. A short training programme for staff from Sida and the Ministry for Foreign Affairs on how support influences or is influenced by conflicts was held during the year. A pilot training programme was also held for Sida and the Ministry for Foreign Affairs in cooperation with the Swedish National Defence College on the design of programmes for the disarmament, demobilisation and reintegration of the parties involved after an armed conflict – one of the most important forms of support for building peace.

ANALYSIS OF OUTCOME

Support to Afghanistan increased in comparison with 2001, in accordance with the country strategy that the Government approved in January. With the fall of the Taliban regime and the installation of an internationally recognised government in Kabul, it became possible to start a number of contributions of a reconstruction and development character. The humanitarian needs remained considerable, particularly since the return of refugees from Afghanistan's neighbouring countries was much larger than expected.

The doubling of disbursements to Nicaragua is due to the delay, in 2001, of a major reconstruction project in the roads sector.

The large increase in support to the West Bank and Gaza is due to the serious humanitarian crisis created by the reoccupation by Israel of the West Bank and the limitations imposed on the opportunities available to Palestinians to earn a living.

Support to Angola in 2002 was unchanged in comparison with 2001. The lower outcome is mostly due to the repayment of grants disbursed earlier.

The increase in support to Sudan is partly related to the fact that in 2002 the peace process improved the conditions for providing humanitarian assistance. This had the effect, for example, that Sida was able to finance a new contribution for the demobilisation of child soldiers via Save the Children.

It is difficult to make a comparison with the budget forecast since there was no budget for the operational area Humanitarian Assistance and Conflict Prevention.

Table 16.

Humanitarian assistance and conflict prevention, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
Afghanistan	214 657	182 454	90 680
Nicaragua	149 451	74 023	137 687
West Bank and Gaza	100 157	22 407	22 587
Angola	92 489	102 162	100 430
Sudan	75 595	65 067	95 576
Sub-total	632 348	446 113	446 959
Other countries/regions	968 192	1 219 469	1 197 799
Total	1 600 540	1 665 582	1 644 758
Administrative costs	36 233	14 948	27 629
Total costs	1 636 773	1 680 530	1 672 387
Form of support			
Project support	38 981	36 609	52 283
Sector programme support	3 200	–	–
Pers. ass. incl. contract-financed tech. coop.	5 288	16 795	1 550
International training programmes	305	4 204	3 674
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	1 548 622	1 586 216	1 575 157
Research	298	–	–
Support to NGOs	3 847	21 758	12 093
Total	1 600 540	1 665 582	1 644 758
Channels			
Multilateral organisations	535 388	483 874	458 648
Swedish NGOs	575 574	686 046	730 854
Organisations in partner countries	65 793	116 885	48 554
Organisations in other countries	55 608	51 624	91 052
International NGOs	368 178	327 153	315 651
Total	1 600 540	1 665 582	1 644 758
Total number of contributions	560	596	696
<i>Of which: Agreements >SEK 15 million</i>	55	46	44
<i>Number of new contributions</i>	234	220	246

Table 17. Poverty reduction, per cent of the sub-sector's total expenditure

	Humanitarian assistance and conflict prevention		
	2002	2001	2000
Direct effect	51,3	41,2	36,6
Projects and programmes that include the poor	22,4	14,3	19,0
Indirect effects through policies and institutions	6,6	7,6	7,9
Indirect effects through national support	10,9	17,5	23,5
Other effects	8,8	19,5	13,0
Total per cent	100	100	100

REPORTS REQUIRED

1. *Sida shall submit a report on experience gained from its work of promoting the broad use of Swedish expertise and Swedish resources, particularly in contributions coordinated by the UN:*

Two Swedish organisations have played a particularly prominent role in the contributions coordinated by the UN in 2002, namely SRV and Save the Children. In 2001, Sida concluded an agreement with the Swedish Rescue Services Agency (SRV) under which Sida gave the SRV a framework grant for the implementation of acute humanitarian programmes commissioned by the UN. In 2002, the SRV implemented a number of assignments of this type on the West Bank and in Gaza, for example, rendering unexploded ammunition harmless in the refugee camp in Jenin, transport assignments for UNRWA, and logistics support, including vehicles and drivers, for WFP. The close cooperation between Sida and the SRV has given the UN the opportunity to make rapid use of a Swedish resource with very high levels of expertise.

Save the Children has maintained an emergency force, financed by Sida, since 1994. The emergency force, consisting of a pool of 20–25 persons is put, in the first place, at the disposal of the UN's High Commissioner for Refugees (UNHCR) to perform short-

term assignments in the form of social programmes for women, children and young people in acute refugee situations. In 2002, nine assignments were implemented in Pakistan, Afghanistan, the Republic of the Congo, Guinea, Sierra Leone, the West Bank and Gaza, South Africa and Zimbabwe. An evaluation made in 2000 established at the emergency force fulfils and important task. The large demand from UNHCR for its contributions resulted in an additional decision in 2002, which made possible further assignments in the Côte d'Ivoire where an internal armed conflict in the autumn resulted in a large number of internally displaced persons.

2. *Sida shall submit a report on the focus of its support and the experience gained from the support to each of the countries which received humanitarian assistance exceeding SEK 50 million in the budget year, and for which the Government has not approved a country strategy, corresponding guidelines or special framework decisions.*

There are Government decisions, corresponding guidelines or special frame decisions for all countries that received more than SEK 50 million in humanitarian assistance. See table 18.

[Picture removed]

Queuing for food in Angola. The humanitarian crisis in Angola is possibly the most serious in the world. Under Swedish chairmanship, the UNDP is conducting a dialogue with the government in Luanda on responsibilities for providing support to the civil population.

Diagram 8. Total use of funds by region, expenditure in SEK '000

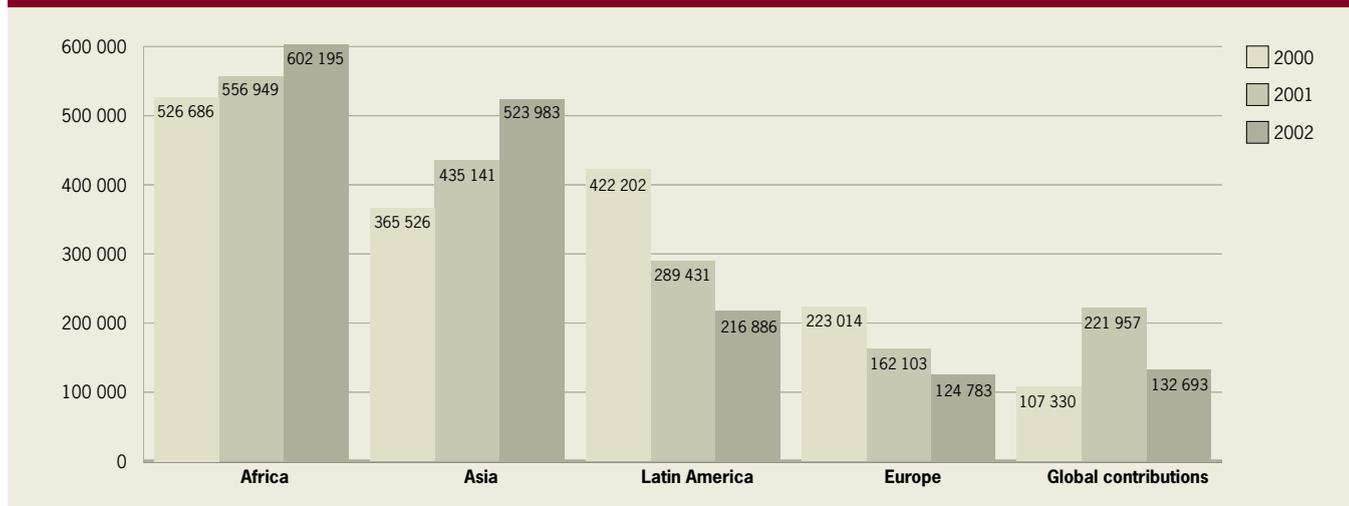
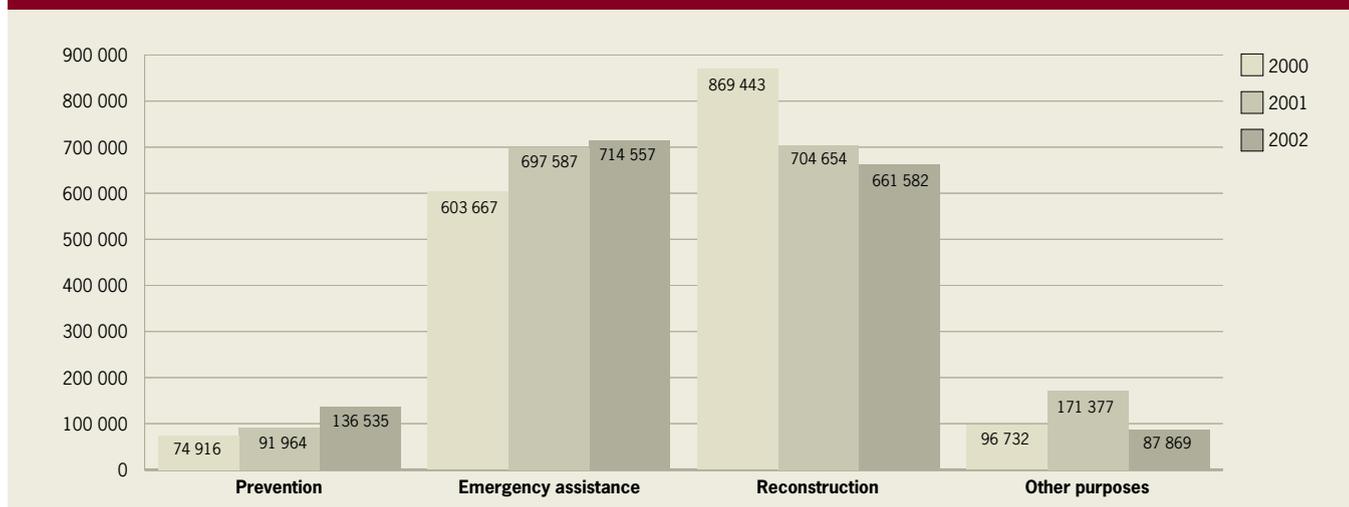


Diagram 9. Total use of funds by purpose, expenditure in SEK '000



3. *At least once every quarter, Sida shall submit a report to the consultative group for humanitarian assistance on its use of appropriations, and a forecast for the remainder of the year in respect of Appropriation item 8: Humanitarian Assistance and Conflict Prevention. Sida shall submit a report the total use of funds for the operational area broken down by geographical area and purpose in its annual report.*

The total use of funds for the operational area, broken down by geographical area and purpose, is shown in diagrams 8 and 9.

Table 18. Humanitarian assistance > SEK 50 million, expenditure in SEK '000

	2002
Afghanistan	214 657
Nicaragua	149 451
West Bank and Gaza	100 157
Angola	92 489
Sudan	75 595
Ethiopia	60 680

[Picture removed]

A women's group holding a meeting in a village near the capital of Pakistan, Lahore. The group is part of Pak Swedish Women's Forum, which has the objective of looking after the interests of women and giving prominence to gender issues. The support provided by the Swedish NGOs to their local partner organisations covers a wide range of different activities.

Non-governmental organisations

This operational area refers to grants to non-governmental organisations financed by appropriation item 7, non-government organisations. Within the framework of the overall goal of poverty reduction, and taking the general tasks in the area into consideration, the objective of the operational area is to promote the development of a robust and democratic civil society and to strengthen local partner organisations in developing countries.

GENERAL

To achieve the goal of promoting development of a robust and democratic civil society, Sida cooperates with twelve Swedish NGOs with which Sida has so-called framework agreements (frame organisations). Five of the organisations channel grants to member organisations and other small Swedish NGOs.

Sida gives support to the frame organisations' own activities. It is a central principle for the operational

area that priorities in respect of activities, choices of partners in cooperation and countries are made by the organisations themselves, and that these choices should not be governed by Sida.

During the year, in a dialogue with the frame organisations, Sida worked to a greater extent to ensure that the organisations consolidated their reports on how civil society is developing in the countries and regions in which they are active. Sida

encourages the Swedish frame organisations, for example in its formal decisions, to analyse the effects of capacity building activities at the local partner organisations and the effects that support has on civil society. In support of this, Sida finalised a methods development project during the year, which had the aim of producing an instrument for organisational analysis, the so-called Octagon. Several of the frame organisations are now using this method in their analyses of their partner organisations.

In several of the frame organisations, work is being done to draw up policies for strengthening their partner organisations. In addition more methods development work is taking place in different fields, above all with a focus on reports on the effects of support on civil society.

Swedish NGOs have also received grants for their information campaigns in Sweden. During the year Sida arranged human resource development seminars within the framework of a forum for organisations that receive information grants from Sida. The target group consisted of people working with communications and information at the NGOs in receipt of grants, and the seminars took up, among other things, evaluations as a learning process and communication activities related to the Millennium Development Goals.

EVALUATIONS

During the year an evaluation was made of the activities of the Swedish Mission Council (SMR): "Evaluation of the Partnership of the Swedish Mission Council". The evaluation established that, in recent years, SMR had worked in a commendable manner on an internal process of change in respect of its routines and internal organisational development. One conclusion of the evaluation was that many of the programmes supported by SMR are characterised by an isolated project approach in which there are deficiencies in its relations with other parties and projects. The evaluation recommends that SMR, in a dialogue with Sida and its member organisations, tries to ensure that its work is characterised by a larger number of contacts other parties and projects, and that it focuses on thematic and national programmes. Furthermore, attention was drawn to the need of reviewing its forms of partnership.

A synthesis study was made during the year of NGOs' evaluations of programmes of development cooperation implemented with Sida's support.

ANALYSIS AND DISCUSSION OF PROBLEMS

The basic problem where support to civil society is concerned is the diversity of organisations and activities – which is also, at the same time, its strength.

Since the promotion of independence among the organisations involved is an important sub-goal, there are complicated considerations for Sida where controls are concerned. This is illustrated, for example, by the evaluation of SMR. On the one hand, the evaluation points out that the development effects would be clearer if the projects of the various NGOs could be coordinated within the framework of an overall programme. On the other hand, cooperation is based on the active engagement in contacts between the partner in Sweden and the partner in the partner country in each individual contribution. Overall programme priorities for many contributions could end up in conflict with the specific priorities for each contribution.

METHODS, POLICY CHANGES AND HUMAN RESOURCE DEVELOPMENT PROGRAMMES

During the year Sida drew up criteria for the selection of frame organisations. Among other things, these criteria will form the basis of assessments of new Swedish NGOs that apply for frame organisation status.

A network has been established by Sida to discuss

Examples

The development cooperation activities of NGOs with local partner organisations cover a wide range of operational areas. Some organisations try, together with their partners, to exert an influence in normative issues, for example on human rights or children's rights. Others work together with local organisations that give direct support to vulnerable or marginalized groups, for example in the fields of health or education.

The group of frame organisations includes a wide spectrum of civil society in Sweden. It includes a children's rights organisation, Save the Children; solidarity movements such as the Africa Groups of Sweden and Training for Development Assistance (UBV); the trade union organisations represented by the LO/TCO Council of International Trade Union Cooperation; the cooperative movement represented by the Swedish Cooperative Centre; the working class movement represented by the Olof Palme International Center; the Organisation of Handicapped International Aid Foundation (SHIA); and the church organisations: the Swedish Church, Diakonia, the Pentecostal Movement (PMU Interlife) and the Swedish Mission Council. The Swedish NGO Centre for Development Cooperation (Forum Syd) is a cooperation organisation with a membership of more than 130 organisations. Forum Syd also administers applications for grants for development cooperation for certain Swedish organisations that are not included under the other frame organisations.

[Picture removed]

A partially blind man plaiting a mat. The Zanzibar National Association of the Blind is cooperating with its Swedish counterpart within the framework of Sida's cooperation with SHIA.

questions that concern the role of civil society, and Sida's cooperation with NGOs.

Increasing importance is being attached to reports of effects and results. Therefore a project group has been appointed with the specific assignment of supporting the methods work being done by NGOs on the development of systems for planning, follow-up and reports on effects.

In cooperation with Uppsala University, Sida arranged a course on civil society and poverty reduction in the autumn. In addition, the World Alliance for Citizen Participation (CIVICUS) was invited to provide information on its development of an index for measuring the potential of civil society in a development perspective. The course was directed towards staff at Sida and Swedish NGOs. In total 30 persons participated.

As a follow-up of the conference on the theme of the role of NGOs in communities in transition, which took place in August 2001 with the aim of increasing contacts between Sweden and countries in Asia, a questionnaire on the conference was distributed in the spring of 2002. The responses received emphasised that the conference had led to intensified relations between Swedish and Asian organisations and had contributed to a change in attitude towards the potential role of NGOs in civil society.

ANALYSIS OF OUTCOME

In comparison with 2001, the outcome for the operational area increased in 2002, but was somewhat lower than the budget forecast.

Most of the support is channelled to Africa. A change has taken place among the five largest countries: the Democratic Republic of the Congo replaced Zimbabwe. South Africa continues to be the largest recipient of support through NGOs.

REPORTS REQUIRED

1. *The report on the activities of NGOs shall include a breakdown of grants by frame organisations, sectors and countries and the proportion of foreign partners in cooperation per frame organisation. Where relevant, the number of Swedish organisations included in the activities of the frame organisation shall be reported.*
Shown in tables 19 and 21 and in appendix 1:2.

2. *Sida shall report and assess the results of evaluations, capacity studies and system audits made by Sida*

During the year Sida commissioned two system audits, one of the Swedish Church and one of the Olof Palme International Center.

The system audit of the Swedish Church states that the information on projects submitted to Sida reasonably reflects the actual situation. The control systems of the Swedish Church are relevant and reliable, and there is a strong active interest and a preparedness to assume responsibility, combined with both formal and informal support structures. The consultant recommends that the Swedish Church should concentrate to a greater extent on the effects of programmes of development cooperation and that decisions on goals and priorities for future activities should be based on documented results and experience gained. In accordance with the consultant's recommendations, the Swedish Church has been requested that its reports to Sida should contain more discussion of the effects of its programmes, for example from the poverty perspective, and its role in the work of contributing to the development of democratic civil societies.

The plan of action drawn up by the Swedish Church on the basis of the recommendations of the system audit appears, in the opinion of Sida, to be relevant and will be followed-up.

The system audit of the Olof Palme International Center showed that the Center's systems and routines for management and control of activities are, in general, satisfactory and are adequate for the fulfilment of Sida's requirements in respect of agreements and directives. However, the system audit underlined the need for the Center to introduce an integrated quality system.

The board of the Olof Palme International Cen-

ter has adopted a plan of action. Sida makes the assessment that this plan is relevant and it will regularly follow up the work done by the Center on implementing the plan.

Moreover, a synthesis study was made during the year of the frame organisations' evaluations of programmes of development cooperation implemented with the aid of support from Sida. The study included 171 evaluation reports covering the three-year period from 1999 to 2001. The sectors evaluated were mainly education, health, organisation development, and democracy and human rights.

Among other things, the study states that terms of reference were lacking for a considerable number of evaluation reports, that in many cases the target groups had not been identified, and that qualitative and quantitative goals had not been specified, which had led to difficulties in measuring results and effects. Furthermore, it was established that the evaluations had a strict project focus and lacked links to changes taking place in the outside world, in a wide sense of the term.

All frame organisations have started to attach much greater importance to implementing evaluations and to using them as strategic instruments in project and programme planning. It is Sida's hope that the above-mentioned project work group, with its focus on systems for planning, monitoring and reporting of effects, will constitute a form of support for the organisations in this work.

3. *In respect of support to the information activities of NGOs, Sida shall submit a report on the number of approved information grants.*

During the year slightly less than SEK 90 million was disbursed to twelve organisations for information activities in Sweden on development issues. All in all 14 grants were approved of which eight were programme grants and six were cooperation grants.

4. *Sida shall submit a report and make an assessment of the methods used by the agency to guarantee that support to Swedish NGOs contributes to the development of a sustainable and democratic civil society in the developing countries.*

During the year Sida started a series of evaluations of the effects that the organisations' activities have, for example on the development of sustainable and democratic civil societies.

Moreover, in connection with the annual assessment of the organisations' budget requests and annual reports, Sida started a project to develop methods of making uniform assessments. The focus shall be shifted from the assessment of applications to qualitative assessments of results of activities in the field in relation to the specified goal of the support. For this purpose, an analysis of all annual reports received in

Table 19. Support through NGOs, disbursements

	Approved grants to NGOs	No. of foreign partners	No. of Swedish NGOs included in the frame organisation's activities
Approved grants			
Swedish NGO Centre for Development Cooperation (Forum Syd)	128 151	347	193
Swedish Mission Council	120 411	140	155
Swedish Save the Children Federation	105 000	215	0
PMU Interlife	98 786	63	89
Church of Sweden	71 542	64	0
Diakonia	66 000	270	0
Swedish Cooperative Centre	62 500	91	0
LO/TCO Council of International Trade Union Cooperation	62 000	225	160
Olof Palme International Center	35 000	13	73
Africa Groups of Sweden	26 500	53	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	26 310	95	25
Training for Development Assistance (UBV)	14 294	65	35
Total	816 494		
Non-requisitioned funds	-10 907		
Repayment of previous years' grants	-21 553		
Other programmes			
Information programmes via study associations etc	89 582		
Support to international organisations, seminars, studies etc	10 674		
Support to youth organisations	7 983		
Other programmes, audits etc	3 312		
Total	895 585		

Table 20. Organisation development, percentage allocation to organisation development

Proportion of the grants approved for the frame organisations that was allocated to organisation development	2002	2001	2000
Organisation development, principal objective	22%	21%	21%
Organisation development, significant objective	28%	23%	21%

Table 21. Sector breakdown NGOs

Breakdown by sector	2002
Human rights and democratic governance	170 864
Social sectors	208 651
Infrastructure, private sector development and urban development	32 927
Natural resources	96 111
Information programmes in Sweden	89 837
Other sectors	297 186
Total	895 577

Table 22.

Non-governmental organisations, expenditure in SEK '000

	2002	2001	2000
The five largest partner countries			
South Africa	32 354	38 187	37 401
Tanzania	31 748	33 893	21 923
India	25 501	23 482	20 656
Bangladesh	23 187	25 491	25 414
Democratic Republic of the Congo	22 808	19 666	23 649
Sub-total	135 598	140 719	129 043
Other countries/regions	759 979	735 248	824 477
Total	895 577	875 967	953 521
Administrative costs	11 893	28 617	10 283
Total costs	907 470	904 584	963 804
Form of support			
Project support	425	33 221	5 673
Sector programme support	–	–	–
Pers. ass. incl. contract-financed tech. coop.	7 195	–	–
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	887 957	842 746	947 848
Total	895 577	875 967	953 521
Channels			
Multilateral organisations	–	–	–
Swedish NGOs	894 606	848 510	949 798
Organisations in partner countries	–1 404	25 500	333
Organisations in other countries	2 025	1 575	2 439
International NGOs	350	382	950
Total	895 577	875 967	953 521
Total number of contributions			
	109	121	119
<i>Of which: Agreements >SEK 15 million</i>	5	3	4
<i>Number of new contributions</i>	39	61	69

Diagram 10. Outcome, expenditure in SEK '000

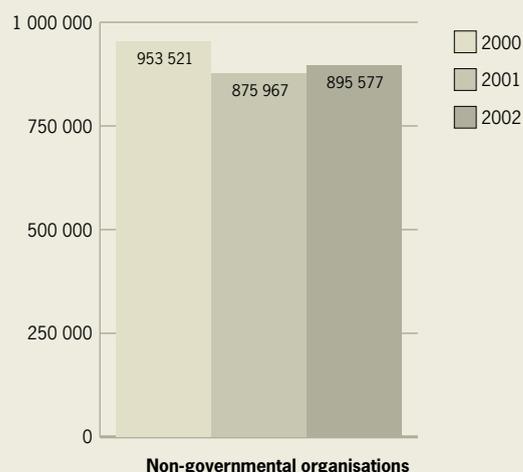


Table 23. Poverty reduction, per cent of the sub-sector's total expenditure

	Humanitarian assistance and conflict prevention		
	2002	2001	2000
Direct effect	5,0	31,2	31,3
Projects and programmes that include the poor	42,7	54,1	47,4
Indirect effects through policies and institutions	27,8	–0,1	10,7
Indirect effects through national support	10,0	10,1	9,5
Other effects	14,5	4,7	1,2
Total per cent	100	100	100

2002 has been produced. It focuses on the following areas: follow-up of results, organisation development, analysis of civil society, policy issues, and the capacity to create better coordination.

[Picture removed]

How is it possible to solve all the problems that can arise in the Third World? The Zenith development game at Sida's offices in Stockholm challenges the knowledge and prejudices of Swedish schoolchildren.

Other operational areas

Other operational areas include information activities, multilateral and bilateral recruitment, human resource development, and grants to UN organisations. The objective of information activities is, within the framework of the overall goal of poverty reduction, and taking the general tasks in the area into consideration, to increase interest in and knowledge of development cooperation and to promote discussion of development issues. The objective of recruitment, resource base development and training is, within the framework of the overall goal of poverty reduction, and taking the general tasks in the area into consideration, to work actively to increase the numbers of qualified Swedish personnel in the international organisations given priority and in the EU's institutions, and to extend, train and increase the use of the Swedish resource base in bilateral and multilateral development cooperation.

INFORMATION

General, performance analysis and evaluations

In order to improve understanding of and interest in development cooperation, Sida implemented a number of programmes during the year. Information

given to the Swedish general public was based on the Millennium Development Goals – primarily halving poverty by 2015.

To ensure that information activities have their desired effect, Sida focuses on annual themes. In the spring of 2002, the theme was education. After the

annual conference on October 17, World Poverty Day, the theme was changed to the role of health for poverty reduction.

In the media's coverage of development issues in connection with World Poverty Day, the emphasis was on contributions to the debate and on leader articles. It was possible to inform approximately two million potential media consumers with the aid of articles and features.

Information to the general public was directed towards personnel working in the health sector and persons with a greater than average interest in development questions. The message "Sweden is investing in better health – it makes the world richer" was spread via radio and TV, the specialist press, advertisements in the daily, trade and popular press, and with the aid of posters and brochures in all pharmacies in the country.

Follow-up measurements indicate that the programme reached a wide audience. Of the respondents, 47 per cent stated that they had noticed the information (44 per cent in 2001), which corresponds to more than 3.2 million Swedes. The measurements also show that there is a much greater understanding of the relationship between health and economic growth among those who had seen the information than those who had not. The difference is 12 per cent.

The long-term work of improving understanding of development questions in schools continued with further education days for teachers and study visits for principals and teachers. The programme for young people, Zenith, focuses mainly on upper secondary school classes. At Zenith the interactive game, together with events and debates, generated more than 12 000 visitors during the year.

Sida's website is an increasingly important channel for information to the general public. During the year more than 6.5 million hits were registered on

the website from more than 280 000 unique visitors.

During the year Sida's Information Centre published frequently asked questions and answers on the website. This has had the effect that an increasing number of people can find answers to their questions on development cooperation.

During the year Sida's magazine, *OmVärlden*, focused on news from the development sector. At the same time the magazine changed its format in order to reduce production times and to improve readability. During the year the number of subscribers increased by almost 30 per cent. The space devoted to debate has also been increased in order to allow more opinions to be expressed on important issues.

The human resource development programme for persons working with information in the development cooperation sector was consolidated during the year with an advanced course (20 points, equivalent to one term's full-time studies) in development communications in cooperation with Stockholm University. In addition the Global Academy continued to attract persons working with communication in the development sector to a number of open lectures and discussions.

Methods, policy changes and human resource development programmes

In order to combat poverty, Sida intends to increase interest and understanding of development cooperation. An integrated policy for the entire agency is needed in order to achieve the desired effect. In April the Director General approved Sida's new communications policy. This policy breaks down Sida's communications into four levels: the agency, departments and embassies, projects and programmes, and information to the general public.

The increasing amount of work being done by embassies on communications has had the effect, for

[Picture removed]

With the aid of this picture and the slogan "Sweden is investing in better health – it makes the world richer", Sida presented the importance of development issues to the Swedish general public. Measurements indicate that almost 50 per cent of people in Sweden were reached by the information campaign.

example, that the embassy in Nicaragua now states that the increase in its visibility has provided good support in the policy dialogue. In Honduras the planned communication activities have made Sida a visible participant in the public debate, for example on issues concerning democracy.

During the year eleven embassies and twelve departments have received support for developing their communication activities.

At the project and programme level Sida started working on methods for the development of instruments that can be used by the programme officers to analyse the type of communication needed in their contributions.

REPORTS REQUIRED

1. *Sida shall report the outcome of the opinion surveys/measurements that have been made of interest in and knowledge of development cooperation and development issues.*

Sida's annual surveys on Swedish attitudes to development questions show that the readiness to provide support is still high and that there is a considerable interest in the matter. Some 80 per cent of the population feel that it is important that Sweden contributes to development in poor countries. During the year three Swedes in four expressed an individual interest, for example by providing a donation or through voluntary work. Two-thirds discuss, occasionally or often, injustices between rich and poor countries.

At the same time the exaggeratedly negative picture of living conditions in poor countries persists. Far more than 50 per cent of the Swedish people believe, for example, that literacy rates in poor countries are below 30 per cent.

The point of departure of the question is that things are actually better. Child mortality has been halved and, at the same time, literacy and average life length have increased considerably. UN statistics show, for example, literacy rates of over 70 per cent.

Despite this, the year's survey shows a clear improvement in the picture of the developing world, but since the methods used in the survey were changed somewhat compared to previous years, the conclusions are uncertain.

In the opinion of the Swedes, Africa should receive most support. But they also want to give support through multilateral organisations and to provide contributions to Central and Eastern Europe.

As in previous years, the respondents consider that it is most important to focus on health and education: 85 per cent and 82 per cent respectively give priority to these fields. Some 55 per cent want to give support in cases of natural disasters, wars and conflicts and 50 per cent consider that it is important to

give support for democratic development.

The annual survey made by Statistics Sweden on the attitude of the general public to the size of the development cooperation budget shows that support is still strong. Compared to 2001 there is a clear decline in the proportion of negative attitudes. Only five per cent want to discontinue government support (eight per cent in 2001) and 19 per cent want the budget to be reduced (22 per cent in 2001). This is the lowest figure for 14 years. A further 15 per cent were "don't knows" (eight per cent in 2001), which is a considerable increase in the proportion of uncertain attitudes. In other words, there is a trend from negative to uncertain attitudes.

There have been a few small changes in the attitude of Swedes to the Millennium Development Goals. There is still a large majority, 90 per cent (93 per cent in 2001), who feel that it is important, or very important, that Sweden makes efforts to ensure that the goals are achieved. But even if there is considerable support for the achievement of the goals, optimism is limited and has diminished somewhat compared to 2001. Only 10 per cent (14 per cent in 2001) believe that the goals will be achieved.

2. *Sida shall submit a report on information campaigns broken down by target group, and contributions broken down by channels.*

Shown in table 24.

Table 24. **Information programmes**, broken down by target group and channel, disbursements, SEK '000

Target groups	
General public	36 598
Schools and young people	13 253
Development organisations	4 111
Journalists	1 481
Trade and industry	1 438
Others	582
Universities	390
Total	57 853
Channels	
Contact activities	20 289
Newspaper supplements and advertisements (incl. production)	13 570
Periodical (OmVärlden)	4 916
Printed materials	4 270
Sida's website (excl. OmVärlden and Globala Affärer)	3 930
Information Centre	3 622
Seminars	2 012
Mass media	1 481
Events	1 293
Public opinion surveys	1 271
NGOs	1 054
Newsletter (Globala Affärer)	145
Total	57 853

MULTILATERAL AND BILATERAL RECRUITMENT AND HUMAN RESOURCE DEVELOPMENT

General

In order to increase the Swedish presence in international organisations, work has focused on the UN agencies to which Sweden has given priority and for which Sweden, in close cooperation with the agency concerned, has drawn up strategies for cooperation. Two major recruitment visits were arranged: for UNDP and UNICEF. At present nine candidates are under consideration by UNDP and 43 by UNICEF.

The Junior Professional Officer (JPO) programme is still the largest resource base programme. There was a desirable increase of JPO posts in the field, including regional posts.

Sida gives the JPO programme active support to enable the participants to proceed to international appointments. Of the 45 JPOs who completed their contracts during the year, 27 were offered further employment in their organisations.

Both the JPO programme and its bilateral counterpart, the Bilateral Associate Expert (BBE) programme, are highly appreciated at Sida. Many proposals and requests for JPO and BBE posts are received from Sida's departments. This is well in line with the goals expressed in the Government Approval Document.

In the Government Approval Document for 2002, Sida was commissioned to increase the proportion of qualified Swedes working in EU institutions. Sida is implementing this assignment, for example by recruiting national experts to the European Commission. In the first place these experts are members of staff at Sida and the Ministry for Foreign Affairs. These are engaged as national experts in specific fields and serve for a period of three months up to a maximum of four years.

Sida's aim of recruiting and financing national experts to the European Commission is to contribute expertise to and to improve the quality of the EU's cooperation with Sweden, in particular with Sida and the Ministry for Foreign Affairs, to create broader interfaces between Sida and the European Commission, to improve insight into the EU's administration of development cooperation, and to make it possible to improve the EU's development cooperation. In addition to this, it can be mentioned that Sida regards the work of national experts as a suitable form of human resource development for its staff. The system of national experts also benefits the European Commission, which is given a form of expertise that is lacking in its organisation. At present nine persons are in service, three of whom were recruited in 2002.

Sida recruited six posts to the EU's delegations in the field for the period 2002 to 2004. The ambition was to spread the posts widely. The countries concerned are Bulgaria, Botswana, Israel, Mexico, Indonesia and Tanzania.

Sida allowed the exchange programme, Linnaeus-Palme, to be extended somewhat in 2002, but at a slower rate than was requested.

Interest in the Minor Field Studies Programme (MFS) and in Linnaeus-Palme has been considerable and has exceeded Sida's forecasts. In both programmes the number of scholarships applied for has far exceeded the number awarded.

On January 1, 2002 the administration of the MFS programme was transferred from Sida-Sandö to the International Programme Office (IP). IP is now administering the MFS programme and the Linnaeus-Palme programme on a trial basis. Three universities took over the preparatory training programmes. In terms of volume the MFS programme remained at approximately the same level as in 2001.

Methods

Seconding officers to international organisations given priority by Sweden is a way of exerting an influence and of developing skills. In order to improve the quality of the secondments and to simplify the administrative process, guidelines for secondments were produced. The guidelines also have the aim of achieving a uniform administration process.

In 2002 Sida revised the guidelines for the MFS programme, mainly to clarify the division of responsibilities between Sida, IP and the universities involved in the programme's new structure.

Changes and adjustments were also made on the basis of experience gained from the MFS programme. The increasing degree of globalisation and the new perspective on development have made it essential to emphasise the internationalisation aspect in the programme, i.e. the capacity of Swedish students and universities to contribute knowledge, understanding and awareness of developing countries in Sweden through cooperation in the academic field.

Interest in the Young Consultants programme increased considerably after reviews and adjustments of the guidelines and levels of remuneration.

The guidelines for the BBE programme were revised during the year. The learning component in the programme has been given prominence and is emphasised in the guidelines.

Guidelines for Sida's recruitment of national experts were produced in 2002.

REPORTS REQUIRED

3. Where multilateral recruitment is concerned, Sida shall report the number of recruitments (including out-comes) to international organisations and missions and trends in the JPO programme broken down by organisation and number of posts in the field.

A total of 121 persons are working on JPO assignments, of whom 26 per cent are serving at headquarters and 74 per cent at field offices. For further information see tables 25 and 26.

Table 25. Number of international recruitments

International recruitments	2002	2001	2000
Intermediate level	17	10	7
JPO programme	55	11	25
EU-JPOs	6	0	5
National experts	3	6	2
Total	81	27	39

Table 26. Trends in the JPO programme, broken down by organisation

	2002	2001	2000
WHO	1	2	2
WFP	6	8	8
UNOPS	2	2	4
UNICEF	14	11	9
UNHCR	11	9	10
UNESCO	2	3	3
UNDP	20	21	22
UNDCP	4	6	6
UNAIDS	4	3	3
ILO	9	9	9
UN Secretariat	8	7	6
FAO	2	7	7
EU	6	5	4
Other organisations	32	34	29
Total	121	127	122

Table 27. Bilateral Associate Experts, SEK '000

Embassies	12 846
Contract employees	4 334
Consultants	4 893
Other costs	1
Total	22 074

4. For the BBE (Bilateral Associate Expert) programme and the Young Consultant Trainee Programme, Sida shall report the costs broken down by sectors and countries. Where the MFS (Minor Field Studies) programme, the Linnaeus-Palme scholarship programme and practical training at international organisations are concerned, the number of scholarships and the breakdown by continent/organisation, gender and sector shall be reported.

See tables 27, 28 and 29.

Table 28. Trainee programme "Young consultants", SEK '000

Country	Costs
Laos	456
El Salvador	345
Russia	290
Lithuania	132
Botswana	53
Total	1 277

Table 29. Scholarships broken down by continent, gender and subject area

Continent	Linnaeus-Palme	Minor field studies (MFS)	Practical training at international organisations
	Number of scholarships		
Africa	62	252	20
Asia	51	177	13
Latin America	31	118	5
Europe	2	0	74
North America	0	0	31
Total	146	547	143
Number of women	–	389	37
Number of men	–	158	106
Subject area			
Agricultural sciences	1	69	
Art, design	7	7	
Accounting, management	9	30	
Education, teacher training	15	30	
Engineering sciences, technology	10	61	
Geography, geology	6	28	
Humanities	7	11	
Languages	3	0	
Law	3	24	
Mathematics	4	2	
Medicine, health care	39	25	
Natural sciences	9	8	
Social sciences	30	173	
Communication and information science	3	2	
Other study areas	0	77	
Total	146	547	

Table 30.

Other Operational Areas, expenditure in SEK '000

	2002	2001	2000
Sub-sectors			
Information	58 894	51 347	53 449
Recruitment	169 628	165 801	149 213
Annual grants to UN agencies	1 092 500	1 177 500	–
Other operational areas, excl. annual grants to UN agencies	204 398	186 487	184 363
Sub-total	1 525 420	1 581 136	387 026
Administrative costs	99 035	119 230	105 511
Total costs	1 624 455	1 700 366	492 537
Form of support			
Project support	1 380 204	1 435 979	227 982
Sector programme support	22 858	9 586	2 133
Pers. ass. incl. contract-financed tech. coop.	109 559	128 713	132 055
International training programmes	2 537	3 014	3 233
Credits	0	0	20 000
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	10 262	3 844	1 623
Total	1 525 420	1 581 136	387 026
Channels			
Multilateral organisations	1 214 042	1 369 938	166 363
Swedish NGOs	282 169	154 139	185 980
Organisations in partner countries	14 710	28 787	24 161
Organisations in other countries	11 397	25 870	8 935
International NGOs	3 103	2 402	1 586
Total	1 525 420	1 581 136	387 026
Total number of contributions	499	438	484
<i>Of which: Agreements >SEK 15 million</i>	26	24	15
<i>Number of new contributions</i>	216	160	202

5. Sida shall submit a report on costs that are included in the operational area in addition to information, recruitment and resource base development. Grants to UN organisations shall be shown separately.

See table 31.

ANALYSIS OF OUTCOME

The reason that the outcome for the operational area was lower than in 2001 is mainly that the annual grants to the UN organisations decreased by seven per cent. Where the other items are concerned – information, recruitments and other sectors – the costs increased. The reason for the increase in costs of recruitment are due to the fact that there was an expansion in the number of recruitments made to the scholarship programmes compared to 2001.

Table 31. Grants to UN agencies, SEK '000

Annual grants to UN agencies	2002	2001	2000
UNAIDS	52 000	47 000	–
UNDCP	38 500	38 500	–
UNDP	540 000	795 000	–
UNICEF	297 000	297 000	–
UNFPA	165 000	0	–
Sub-total	1 092 500	1 177 500	–
Other grants			
Natural science and technical research	1 980	2 298	17 773
Social science research	1 281	475	752
General – environment	15 563	9 606	8 055
Untied budget support	41 680	27 427	9 351
Coordination of humanitarian programmes	8 991	6 524	10 916
Other grants, excl. annual grants to UN agencies*	134 903	140 158	137 516
Sub-total	204 398	186 487	184 363
Total	1 296 898	1 363 987	184 363

* Studies, seminars, evaluations, consulting studies and some services financed by the development cooperation appropriation.

Diagram 11. **Outcome**, expenditure SEK '000

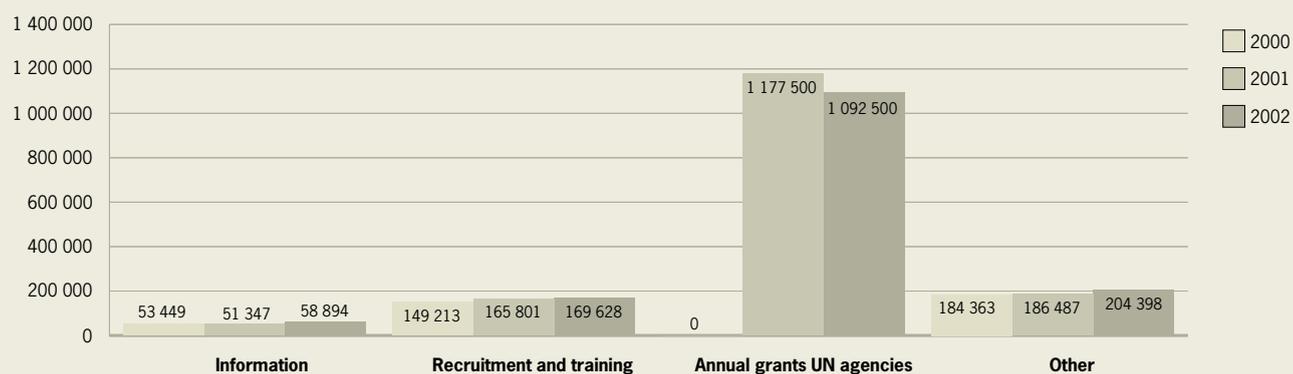


Table 32. **Poverty reduction**, per cent of the sub-sector's total expenditure

	Information			Recruitment and training			Annual grants UN agencies			Other			Total		
	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000	2002	2001	2000
Direct effect	0,3	0,3	0,0	0,9	0,2	0,0	0,0	0,0	-	0,6	0,4	7,9	0,6	0,4	4,4
Projects and programmes that include the poor	0,0	0,0	0,1	0,0	0,0	0,1	0,0	0,0	-	3,2	4,1	20,0	2,7	3,5	9,5
Indirect effects through policies and institutions	0,7	0,6	2,4	55,8	80,9	2,4	100,0	100,0	-	88,4	90,5	27,1	81,4	86,6	45,4
Indirect effects through national support	98,0	97,9	95,5	1,2	0,0	95,5	0,0	0,0	-	5,3	4,0	29,8	8,4	6,7	27,4
Other effects	1,1	1,3	2,0	42,2	18,9	2,0	0,0	0,0	-	2,5	0,9	15,3	6,8	2,8	13,3
Total per cent	100	100	100	100	100	100	100	100	-	100	100	100	100	100	100

Overview of cooperation with regions

The outcome in respect of the volume of operations for cooperation with regions and countries in 2002 was at approximately the same level as in 2001 (see table below). The rate of implementation corresponded to the planned rate and, where Sida's regional budget items are concerned, the outcome is very close to the resources that were made available. Compared with 2001 the outcome increased, above all for Africa, while that for Asia and Latin America decreased somewhat.

The intended change in the contribution portfolio towards fewer and larger contributions continues. Compared to 2002, the number of contributions decreased by approximately four per cent.

For the twenty largest partner countries (see table 35), the outcome, SEK 4.6 billion, was approximately the same as in 2001. Where individual countries are concerned, it can be noted that there was an increase for Tanzania, Nicaragua, Afghanistan and Rwanda, while the outcome decreased for Vietnam, Uganda and Bangladesh.

The following section describes cooperation in policy area 8 with four regions: Africa, Asia, Latin America and Europe. The description describes important political, social and economic events that took place in 2002 and the ways in which these events influenced and changed Sida's development cooperation in these areas.

One common feature is that a large number of countries have been affected by conflicts and economic crises, which have also affected Sida's operations in various ways. Furthermore, HIV/Aids is a problem that is growing at an alarming rate and is becoming an increasingly important area of cooperation for Sida in Africa, Asia and Europe. Another pattern is the greater degree of importance attached to the national Poverty Reduction Strategies (PRS) which constitute a central platform for country strategies, the dialogue with the countries, donor coordination, and forms of cooperation similar to programme support, including budget support.

Table 33. **Overview of the regions**, expenditure in SEK million, per cent of outcome and number of contributions

	2002			2001			2000			2002 No. of contri- butions	2001 No. of contri- butions	2000 No. of contri- butions
	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%			
International development cooperation												
Africa	4 089	3 906	40	3 683	3 515	34	3 757	3 574	38	2 007	2 085	2 177
Asia	2 162	2 064	21	2 523	2 416	24	2 299	2 195	23	1 013	977	1 089
Latin America	1 291	1 233	13	1 466	1 407	14	1 547	1 480	16	649	710	759
Europe	915	884	9	938	908	9	716	690	7	567	500	452
Global excl. annual grants to UN agencies*	1 839	1 748	18	1 954	1 855	20	1 648	1 591	17	1 267	1 309	1 286
Total	10 297	9 835	100	10 565	10 100	100	9 966	9 529	100	5 503	5 581	5 763
Annual grants to UN agencies**	1 093	1 093	–	1 338	1 338	–	–	–	–	6	5	–
Total incl. annual grants UN agencies	11 390	10 927	100	11 903	11 437	100	9 966	9 529	100	5 509	5 585	5 763
Total number of contributions***										5 397	5 476	5 644

* A specification of expenditure on Global is included as appendix 5.

** Annual grants to UN agencies, of which SEK 38.5 million to UNDCP, SEK 52 million to UNAIDS, SEK 165 million to UNFPA, SEK 297 million to UNICEF, and SEK 540 million to UNDP.

*** Shows the actual total number of contributions. A contribution can refer to two or more operational areas and thus the total is higher than the actual number of contributions.

Table 34. Report required: Internal efficiency, regions

Regions	Average agreed amount per new contribution, SEK '000			Average duration of agreements for new contributions, number of months			Average outcome per contribution, SEK '000		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
Africa	6 258	4 894	3 881	20	19	20	1 946	1 686	1 642
Asia	5 316	5 746	3 446	19	19	21	2 038	2 473	2 015
Latin America	4 740	4 407	4 980	20	16	23	1 900	1 981	1 950
Europe	2 726	2 894	2 600	17	16	16	1 551	1 816	1 526
Global	5 677	4 926	2 183	15	14	16	2 232	2 431	1 237
Total average*	6 040	5 794	4 035	18	17	19	2 025	2 089	1 688

* A contribution can be included under one or several regions. No contributions or amounts have been included twice in these figures.

Table 35. The 20 largest partner countries, expenditure in SEK million and number of contributions

	Utfall			Antal insatser		
	2002	2001	2000	2002	2001	2000
Tanzania	604	482	580	197	245	246
Mozambique	441	434	423	168	218	199
Nicaragua	376	230	293	123	138	162
West Bank and Gaza	272	224	296	117	121	121
Afghanistan	266	211	104	47	22	24
Bosnia & Herzegovina	262	296	215	142	130	137
Vietnam	239	354	339	227	178	228
Uganda	228	303	207	95	108	104
South Africa	213	267	297	270	263	314
Ethiopia	202	202	189	150	130	131
Zambia	188	176	173	118	108	106
Bolivia	163	207	170	86	84	66
Rwanda	151	87	133	52	42	44
Laos	149	122	135	55	61	50
Bangladesh	146	292	292	67	67	85
Kosovo*	144	177	202	86	78	67
Cambodia	141	175	154	69	70	67
Sri Lanka	141	188	152	65	62	74
Kenya	140	140	130	79	111	98
Angola	137	138	157	61	63	111
Total	4 603	4 706	4 641	2 274	2 299	2 434
*Federal Republic of Yugoslavia	274	347	291	213	176	124

[Picture removed]

The national poverty strategies drawn up by the partner countries are important points of departure for development cooperation.

Africa

OVERALL REPORT

The point of departure of Swedish development cooperation in Africa is the Government's policy for Africa. However, the concept of partnership, which dominates the Swedish policy for Africa, is not limited to development. One important element is the contributions that promote trade and investments and greater cooperation with civil society.

To a certain extent the hopes expressed in the Government's policy have been met by actual developments on the African continent, mainly through the establishment of the New Initiative for Africa's Development (NEPAD). NEPAD was established on African initiatives and has clear "ownership" on the part of the African leaders. One important feature of

the initiative is the so-called peer review mechanism (PRM), which is a self-imposed examination of development in the countries in a number of areas of central importance, for example, processes of democratisation.

The Poverty Reduction Strategies (PRS) drawn up by the partner countries are becoming an increasingly important point of departure for Sida's development cooperation. The production of a PRS is also a condition for the extended Heavily Indebted Poor Countries (HIPC-2) initiative. Since a number of Sida's partner countries have now been assessed to have a sustainable debt situation, earlier forms of debt relief have now been transformed into the more general form of budget support.

Development cooperation with West Africa is growing. The focus is mainly on Burkina Faso, Mali and Guinea-Bissau. In 2002 Sida started to produce a strategy for development cooperation in West Africa. The strategy will mainly focus on regional integration and extended economic cooperation. It rests on four foundations: development with a focus on poverty; human rights and democracy; sustainable development, and peace. Today, Sida's cooperation with West African countries, apart from the partner countries in the region, includes technical cooperation, credits, urban development, humanitarian support to the countries affected by the conflict in the River Mano area, and support for regional organisations.

During the year a strategy for regional cooperation for Sub-Saharan Africa was produced. Sida's work with the administration of shared water resources in southern Africa has previously covered two rivers, the Zambezi and Pungue, but during the year similar processes were initiated in respect of the Okavango delta, Lake Malawi and the Nile delta. These are politically sensitive processes that can also have a strong conflict-prevention potential.

The peace process between Eritrea and Ethiopia has made possible an increase in Swedish support to Ethiopia. During the year a country strategy was produced with food security as its main starting point. The strategy also contained a strong focus on civil society and development of the private sector.

Politically it is not possible to pursue long-term development cooperation with Eritrea at the present time. The democratisation process is proceeding in the wrong direction and a number of journalists and critics of the regime have been imprisoned. The possibility of conducting a political dialogue with the country is considered to be almost non-existent. For this reason Swedish bilateral development cooperation with Eritrea was phased out during the year.

Developments in Zimbabwe are still negative. International observers did not accept the result of the presidential election in March 2002. The mismanagement of the economy, the drought and the decline in agricultural production have had the effect that an estimated 6.7 million people are now threatened by famine. Sida's support which, in the light of the above, is being channelled via NGOs and UN agencies, has the aim of promoting democratic development and respect for human rights and of contributing to limiting the spread and effects of the HIV/Aids epidemic.

A new country strategy for development cooperation with Angola was completed during the year. In 2002 Swedish support mainly consisted of humanitarian assistance and most of this was channelled through the UN's consolidated appeals. The humanitarian programmes have achieved satisfactory, if

short-term, results where meeting acute needs of food, clothes, medical care, water and sanitation are concerned. In general, the programmes for maternity health care and child health care which, after humanitarian assistance, are the most extensive form of support where Sweden is concerned, made a certain amount of progress towards achieving their goals.

Cooperation between Sweden and Norway in respect of support to Malawi was initiated in 2002 and achieved good results. Among other things the foundations were laid for sector programme support in the health sector. The cooperation ensures a more efficient use of the skills and administrative resources of both Sida and Norad, and makes it possible for Malawi to coordinate international support. Similar arrangements are being discussed for Zambia and Ethiopia.

A number of programmes that have the aim of limiting corruption in the partner countries were implemented during the year. In Rwanda, with the aid of Swedish support, the Office of the Auditor General improved controls of government funds. This has contributed to reducing the risk of corruption in the government administration. In Mozambique the embassy's anti-corruption strategy is being revised since this issue received a great deal of attention in the political dialogue.

During the year Sweden and South Africa further intensified their broad cooperation. The point of departure has mainly been the Bi-National Commission, a joint platform for the discussion and intensification of cooperation in the economic, political and social fields. This has led to the establishment of a health forum with a focus on infectious diseases.

SIDA'S ANALYSIS AND DISCUSSION OF PROBLEMS

Despite the bright features where development on the African continent during the year is concerned, there are still many considerable problems that affect programmes of development cooperation and make them difficult to implement.

Poverty, wars and conflicts, and HIV/Aids are examples of destabilising factors. Approximately half of the population of Africa live in conditions of extreme poverty or have an income corresponding to less than one dollar per day. No other continent has such a high proportion of poor people. African poverty can be seen in a lack of material things, insecurity and powerlessness. It also leads to considerable problems in respect of resources and capacity, mainly in the public administration, as well as in other fields. Despite this, development cooperation can achieve positive results by supporting central reforms in the partner countries that have the aim of reducing poverty. Here the PRS processes and their expres-

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Fisherwomen in Mozambique are dependent on what the sea and lakes can provide. Sida's work with shared water resources was extended during the year and now also includes the Okavango delta, Lake Malawi and the Nile delta.

sion of the political determination to actively combat poverty play an important role.

The accelerating HIV/Aids epidemic also makes it difficult to combat poverty.

Today more than 28 million people are infected. The epidemic will result in considerable demographic changes since large productive groups in the ages of 15 to 40 will be completely eliminated. The epidemic will also put severe pressure on already strained and undeveloped social systems. It is also possible to see clear signs that possibilities of developing the education sector will be limited by the epidemic since large numbers of teachers are infected and falling ill. There are also similar forecasts for other widespread diseases, including malaria.

Therefore, several organisations, including UNDP, expect that GNP growth can decrease by one percentage point per year during the next 15 to 25 years. This considerably reduces the scope available for making major investments in programmes that promote development and reduce poverty, which will have the effect that it will not be possible to halve poverty by 2015. The consequence of this is probably that it will not be possible to achieve the Millennium Development Goals in Africa.

Development in the countries is affected by internal and international wars and conflicts. However, several conflicts on the continent came to an end

during the year. This was the case with the long civil war in Angola. Large parts of the population in Angola are living as internally displaced persons under terrible conditions. Other conflicts have been kindled. This applies mainly to the internal unrest in Eritrea. The unstable situation in the country can have consequences for the entire region and for other trouble spots in the Horn of Africa, particularly in Somalia and Sudan. On the other hand, progress has been made in the political reform processes, even if the picture here is somewhat divided. The parliamentary election in Burkina Faso in May 2002 was a success for democracy. For the very first time all political parties participated in the electoral campaign and the governing party won a small victory. Developments in Guinea-Bissau cannot be characterised as being as favourable since the president dismissed ministers on several occasions during the year. In November the entire parliament was dismissed. The parliamentary elections in Zambia in 2002 also led to extensive debates, and questions have been raised about the legitimacy of the president. The election in Kenya was a major victory for the opposition and, for the first time in 24 years, the country now has a new president. A new constitution is planned and there are great expectations that the new government will do something about corruption, which is a serious problem in the country.

In general it can be said that democracy, in the formal sense of the term, has made considerable progress on the African continent. Political pluralism has made progress and there is more openness. The ongoing decentralisation processes in, for example, Uganda and Ethiopia, have also led to an increase in popular participation. The emergence of civil society and its possibilities to participate in political life have also led to a greater awareness on the rights and privileges of citizens. Much work remains to be done, mainly in respect of leaving rhetoric behind and proceeding to the implementation of democratic reforms.

ANALYSIS OF OUTCOME

The volume of development cooperation increased somewhat in 2002. Tanzania accounts for the largest increase, SEK 122 million. This can be explained by an increase in support to economic reforms and to the education sector. The large increase in development cooperation with Rwanda is also due to the resumption of support for economic reforms. On the other hand, support to South Africa decreased somewhat during the year. The decrease can be regarded as a first step towards a reorganisation of the forms of Swedish development cooperation with the country. Where the operational areas are concerned, an increase can be discerned in support for Democratic Governance and Human Rights, which is totally in line with Sida's action programme for development cooperation with Africa. The outcome for the operational area Social Sectors also increased during the year. Here most of the increase can be referred to the increase in support for the education sector in Tanzania. Support for Economic Reforms also increased since the possibilities of providing this type of support improved in several countries. Where the forms of support are concerned, sector programme support continues to increase, in line with Sida's strategic priorities. A certain increase in the support of a traditional type can also be discerned. There was a decline in credits to Africa. This is a consequence of Sida's policy of not making credits available to countries that, in accordance with the HIPC programme, have an unsustainable debt burden. As in 2001, the number of contributions over SEK 15 million continued to increase, while the total number of contributions decreased during the year, in line with Sida's strategic priorities.

Table 36.

Africa, expenditure in SEK '000

	2002	2001	2000
The ten largest countries			
Tanzania	603 951	481 573	580 211
Mozambique	440 804	434 239	423 324
Uganda	228 071	302 920	207 461
South Africa	213 299	267 360	297 183
Ethiopia	201 501	201 742	189 118
Zambia	188 428	175 951	173 034
Rwanda	151 395	87 105	132 928
Kenya	139 821	140 025	129 810
Angola	137 256	137 983	156 660
Sudan	93 608	83 963	117 468
Sub-total	2 398 134	2 312 862	2 407 198
Other countries/regions	1 507 491	1 202 182	1 166 455
Total	3 905 625	3 515 045	3 573 652
Administrative costs	182 952	168 350	183 578
Total costs	4 088 578	3 683 395	3 757 230
Operational areas			
Democratic governance and human rights	639 526	444 557	426 877
Social sectors	684 829	570 219	498 313
Infrastructure, private sector development, urban development and financial systems	467 943	582 836	766 450
Natural resources	373 932	335 201	263 888
Economic reforms	425 360	355 000	430 000
Research cooperation	331 078	278 048	231 493
Humanitarian assistance and conflict prevention	602 195	556 949	526 686
Non-Governmental Organisations	301 772	301 884	348 952
Other operational areas	78 990	90 349	80 993
Total	3 905 625	3 515 045	3 573 652
Instruments			
Project support	1 543 256	1 430 954	1 490 111
Sector programme support	471 740	377 189	217 534
Personnel assistance incl. contract-financed technical cooperation	75 720	32 465	81 465
International training programmes	22 067	21 186	8 610
Credits	19 787	97 093	198 202
Guarantees	190	412	588
Economic reforms	425 360	355 000	430 000
Humanitarian assistance	590 745	550 101	519 655
Research	331 078	278 048	231 493
Grants to NGOs	425 682	372 597	395 994
Total	3 905 625	3 515 045	3 573 652
Channels			
Multilateral organisations	445 206	454 593	520 882
Swedish NGOs	1 165 289	1 009 625	1 153 301
Organisations in partner countries	1 651 856	1 564 613	1 386 409
Organisations in other countries	395 599	286 559	344 943
International and local NGOs	247 677	199 654	168 117
Total	3 905 625	3 515 045	3 573 652
Combating poverty			
Direct effects	695 638	617 753	551 723
Projects and programmes that include the poor	842 061	965 288	931 279
Indirect effects through policies and institutions	1 310 730	967 152	872 558
Indirect effects through national support	799 557	643 136	962 263
Other	257 639	321 715	255 830
Total	3 905 625	3 515 045	3 573 652
Total number of contributions	2007	2085	2177
of which: Agreements > SEK 15 million	223	201	189
Number of new contributions	594	607	662

[Picture removed]

It has been possible to start reconstruction work in Afghanistan after the fall of the Taliban regime. Swedish support is mainly channelled through the UN system and via NGOs.

Asia

OVERALL REPORT

In Southeast Asia long-term cooperation is dominated by the programmes in Vietnam, Laos and Cambodia. A new development cooperation agreement with Cambodia was signed in March. Development in the country continues to be characterised by a lack of determination to make reforms, which has had the effect that the balance of payments support from the World Bank, and thereby Sweden, has been delayed. Uncertainty about the Khmer-Rouge tribunal has also contributed to making the donors sceptical about the intentions of the Cambodian government. At the end of the year Sida made a small contribution to support preparations on the Cambodian side.

Cooperation with Vietnam and Laos proceeded largely according to plan where implementation and results are concerned, even if there were some delays in the assessment of new contributions. Initial preparations for the new country strategy processes began at the end of the year. The countries are characterised by relatively sound economic growth and, particularly in Vietnam, by a rapid reduction in poverty. But there is also a lack of political renewal.

During the year Indonesia, the Philippines and, to a certain extent, Thailand were drawn into the struggle against terrorism resulting from the events of September 11, 2001. Cooperation with these three countries mostly consists of contract-financed technical cooperation with a focus on the environment and

reforms, in accordance with current country strategies. The tendency that was first discerned in 2001, of difficulties in identifying and concluding agreements on new contributions, has continued or even increased.

The new republic of East Timor was proclaimed in June and a Swedish country strategy for cooperation has been approved. The support shall be channelled through various funds, administered by the UN, for reconstruction and technical assistance. A bilateral contribution for cooperation between the Swedish Parliament and that of East Timor has, however, been planned. At the end of the year it was decided that a study should be made of the possibilities of providing budget support. The political situation in Burma has not changed in a decisive way despite the release of Aung San Suu Kyi in May. The EU's standpoint remains in force but an opening – in the form of support for combating HIV/Aids – was approved in the summer. An assessment of bilateral Swedish support to the UN's integrated HIV/Aids programme was started in the autumn.

In South Asia long-term cooperation has focused for many years on India, Bangladesh and Sri Lanka. Work on a new country strategy for India took place during the year. The situation in Pakistan deteriorated during the year in respect of security as well as democracy and human rights. The parliamentary elections in October were strongly criticised by international observers. For this reason Sida has proposed to the Government that the current restrictive policy for cooperation should be maintained.

During the year the peace process in Sri Lanka was given a new lease of life. Within the framework of a ceasefire agreed in January, serious peace negotiations have been started between the government and the Tamil guerrillas. A proposal was drawn up for a new country strategy, which includes support for the reconstruction of the areas most seriously affected by the conflict. It is expected that the Government will approve the strategy before the end of the year.

Developments in Afghanistan changed drastically after September 11, 2001. The foreign military intervention drove the Taliban regime from power and a certain degree of calm has now been established in the capital, Kabul, as a result of the foreign military presence. At the same time the situation in the countryside has been characterised by further cleaning-up operations and battles between different warlords. At an extraordinary national assembly, "Loya Jirga", that was held in June, Hamid Karzai was elected president. Some reforms have been initiated but the public administration is weak. A new country strategy for support to Afghanistan was approved in January. Further support via the UN system and NGOs are the main forms of cooperation. For example, the co-funding of the reconstruction fund administered by

the World Bank is a large item in the programme of cooperation. Bilateral cooperation in the transport sector is the exception. It has been possible to build up cooperation more rapidly than expected.

There are also current country strategies for China and Mongolia. In China a considerable amount of sluggishness has been noted in respect of new proposals for credits and contract-financed technical cooperation but, after a visit by a Sida delegation in April, the situation appears to have improved. In Mongolia contract-financed technical cooperation functions exceedingly well. The prospects of providing budget support were investigated during the year. A proposal to this effect may be made in 2003.

During the year the situation in the Middle East and North Africa was characterised by the escalating conflict between Israel and the Palestinians and the struggle against terrorism resulting from the events of September 11. In the spring of 2002, Israel undertook extensive military operations and reoccupied areas governed by the Palestinians in response to a number of attacks made by Palestinian suicide bombers in Israel. This had the effect that the humanitarian crisis on the West Bank and in Gaza was intensified at the same time as it became increasingly difficult for international humanitarian donors to reach those in need with their contributions. In connection with Israel's military operations in the spring of 2002, a large number of Palestinian institutions and

[Picture removed]

Woman casting her vote in the elections in East Timor. Sida is supporting reconstruction and is providing technical assistance to the new nation.

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The escalating conflict between Israel and the Palestinians dominated the situation in the Middle East in 2002. The humanitarian crisis in the area was intensified and many donor-financed projects were destroyed in connection with Israel's military operations during the spring.

ministries were subjected to extensive damage and vandalism. This weakened the possibilities available to the Palestinian Authority (PA) to provide services for its citizens and to coordinate support. Some projects financed by external support were also completely or partly destroyed. The international donors compiled information on the cost of the damage and Sida submitted a report to the Government on the costs in respect of the projects financed by Sweden.

During the autumn a strategic review was initiated of Swedish support to the West Bank and Gaza as a result of the change in circumstances due to the fact that the peace process had come to a standstill.

In April Sida laid down its approach for development cooperation with the Middle East and North Africa. The approach states that the goals for Swedish development cooperation with the region shall be to promote democracy and respect for human rights, in particular greater equality between women and men, and to promote peace and security. The work of drawing up projects and programmes based on the goals was started during the year.

Apart from the long-term programme of cooperation with the West Bank and Gaza, which is regulated in a one-year country strategy, most of development cooperation with the region is in the form of contract-financed technical cooperation, concessionary credits, international training programmes, humanitarian assistance and support via NGOs.

SIDA'S ANALYSIS AND DISCUSSION OF THE PROBLEMS

Large parts of Asia have been affected by the standstill in the global economy, which was intensified as a result of the terrorist action in the USA in 2001 and the preparations for war against Iraq. Both South Asia and Southeast Asia have been involved in the pursuit of suspected terrorist groups, particularly in and around Afghanistan, and assassinations and threats of assassinations have increasingly characterised development, even in normally peaceful areas. No recovery has taken place in the data and telecommunications market, which is particularly important for the Southeast Asian countries. It is rather the case that rising oil prices and risk assessments have had a negative effect on exports, foreign investments and tourism. Only China appears to have been largely successful in remaining outside these events, and the Chinese economy continued to grow at just over ten per cent during the year.

Environmental degradation and the threatening HIV/Aids epidemic are emerging as the two key issues. In particular, unless major strategic measures are taken, the latter can threaten current trends that indicate that at least East Asia and Southeast Asia will meet the Millennium Development goal of halving poverty by 2015. There is a risk that the HIV/Aids epidemic will undermine much of the progress that has been made and it is a cause of concern that several governments, particularly in South

Asia and China, do not recognise the dimensions of the problem. However, there are also good examples, such as Thailand and Cambodia, where successful measures have been taken to prevent the spread of the infection. Sida is planning to intensify its operations in the HIV/Aids area during the forthcoming year. Since the latter half of the 1990s, Swedish development cooperation with the region has increasingly focused on the environment in those countries that are most seriously affected (China, Indonesia, Thailand and the Philippines). The environmental secretariat that was established in Bangkok during the year also offers one way of intensifying this work.

The political situation in the Middle East and North Africa is characterised by a large degree of insecurity in view of a possible invasion of Iraq and the further escalation of the conflict between Israel and the Palestinians. Depending on developments in these two areas, it may be necessary to rapidly focus support on humanitarian programmes, or reconstruction. There is a great need of further contributions for democracy and human rights in the entire area, and therefore a greater focus will be placed on contributions of this type.

ANALYSIS OF OUTCOME

The outcome for the ten largest countries decreased in comparison with 2001, mainly due to a strong decline in the outcome in respect of credits. Where the West Bank and Gaza are concerned, the increase in the outcome for 2000 is due to the increase in humanitarian assistance. Where India is concerned, the outcome has declined steadily since 1998 when the development cooperation agreement was terminated. Cambodia did not receive any budget support in 2002 and therefore the outcome decreased. In Bangladesh the main reason for the decline is that a large part of the programme of support to the education sector came to an end in 2002 and the assessment of a new programme was delayed.

The increase for Laos is also largely due to credit support – Laos received a credit in 2002 but none in 2001. For Afghanistan the increase is due to the fact that humanitarian support, which was still being provided during the year, started to be supplemented with long-term support for reconstruction.

The decline in the operational area Infrastructure is mainly due to the decline in the volume of credits. The increase in humanitarian assistance mainly refers to the large increase for the West Bank and Gaza, and to a certain increase in humanitarian support to Afghanistan and Iraq.

Table 37.

Asia, expenditure in SEK '000

	2002	2001	2000
The ten largest countries			
West Bank and Gaza	272 349	223 853	296 315
Afghanistan	265 708	211 190	103 849
Vietnam	238 517	354 435	339 020
Laos	149 455	122 144	134 646
Bangladesh	145 547	292 350	292 043
Cambodia	141 161	174 633	153 791
Sri Lanka	140 640	187 688	152 080
India	75 548	111 368	136 517
China	60 892	102 894	97 306
Iraq	41 018	36 580	64 218
Sub-total	1 530 834	1 817 135	1 769 784
Other countries/regions	533 414	598 600	424 855
Total	2 064 248	2 415 735	2 194 639
Administrative costs	97 976	107 726	103 978
Total costs	2 162 224	2 523 461	2 298 617
Operational areas			
Democratic governance and human rights	269 486	284 029	270 965
Social sectors	282 428	323 595	359 169
Infrastructure, private sector development, urban development and financial systems	461 805	811 948	633 113
Natural resources	176 599	229 611	230 892
Economic reforms	20 000	24 000	0
Research cooperation	85 728	91 165	87 855
Humanitarian assistance and conflict prevention	523 983	435 141	365 526
Non-Governmental Organisations	202 723	192 524	211 142
Other operational areas	41 496	23 721	35 977
Total	2 064 248	2 415 735	2 194 639
Instruments			
Project support	819 472	887 493	969 016
Sector programme support	98 447	84 317	92 600
Personnel assistance incl. contract-financed technical cooperation	92 283	92 509	102 970
International training programmes	22 715	15 252	10 389
Credits	165 789	584 419	339 535
Guarantees	–	–	–
Economic reforms	20 000	24 000	0
Humanitarian assistance	507 571	395 860	337 948
Research	85 728	91 165	87 855
Grants to NGOs	252 243	240 720	254 327
Total	2 064 248	2 415 735	2 194 639
Channels			
Multilateral organisations	627 519	496 246	450 891
Swedish NGOs	902 041	1 220 744	1 080 595
Organisations in partner countries	349 896	480 285	429 737
Organisations in other countries	68 178	99 733	112 931
International and local NGOs	116 614	118 726	120 485
Total	2 064 248	2 415 735	2 194 639
Combating poverty			
Direct effects	521 821	633 826	444 121
Projects and programmes that include the poor	473 929	552 686	622 392
Indirect effects through policies and institutions	612 256	492 726	554 134
Indirect effects through national support	275 866	567 605	388 357
Other	180 377	168 891	185 635
Total	2 064 248	2 415 735	2 194 639
Total number of contributions	1013	977	1089
of which: Agreements > SEK 15 million	145	131	119
Number of new contributions	306	262	328

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Adult literacy in Bolivia, which is one of Sweden's most important partner countries on the continent, and also one of the poorest.

Latin America

OVERALL REPORT

Development cooperation with Latin America is governed by two regional strategies, one for Central America and one for South America. A new strategy for South America was drawn up in 2002. Countries given special priority in Swedish development cooperation are Guatemala, Honduras, Bolivia and Colombia. Support for regional organisations, regional initiatives and exchanges of experience are other important components in Swedish cooperation.

In Guatemala Swedish support focuses on the implementation of the peace agreements. Progress was made in two areas during the year, but far from all undertakings were implemented in accordance with the agreed time schedule. This has had a negative effect on certain contributions. In Honduras

long-term programmes of development cooperation were started after the introductory phase of contributions linked to the Mitch disaster, which struck the country in 1998. A cooperation agreement covering several years has been concluded and assessments of new contributions in the fields of health, education and research were made during the year. The major bridge building programme, which was implemented with Swedish support after Mitch, was completely finalised and evaluated in 2002. The new political leadership in Nicaragua has taken action to counteract corruption and to strengthen democratic institutions. This has helped to make trustful cooperation possible. For the first time in several years Nicaragua received budget support for economic reforms in 2002. In El Salvador a major housing programme

that was planned after the earthquake in 2001 was further delayed since parliament has not approved a credit from the Inter American Development Bank (IDB) that the contribution was linked to.

In Bolivia a long-term programme of cooperation is being pursued that will facilitate implementation of the country's poverty strategy. A new president took office in 2002 and it is likely that there will be continuity in large parts of the previous reform policies that the support was linked to. The state of the economy is still weak, among other things as a result of the Argentine crisis, and protests have been made as a result of growing unemployment. In coordination with other donors, support has been given to a package of measures that have the aim of creating employment for groups that are particularly vulnerable. In Colombia the peace talks broke down between the government and the guerrilla movement, FARC, and the armed conflict escalated. However, support is still being provided and focuses on the organisations and initiatives that are expected to be able to make constructive contributions to the peace process. In one of a number of small contributions, Swedish experience of labour market relations is being channelled to Colombia by Swedish trade union and employer organisations. This contribution has been well received in Colombia and is highly relevant in view of the fact that Colombia is one the

countries in which a large number of trade union leaders are murdered each year.

SIDA'S ANALYSIS

The continent as a whole has been affected by an economic decline that was reinforced in 2002 by the collapse of the Argentine economy and the low prices of raw materials, including coffee. During recent decades, development in Latin America has been characterised by extremely violent economic fluctuations. Experience shows that poor people are particularly affected in economic recessions and have difficulties in recovering their losses when the economy turns upwards once again. This is often mentioned as one of several causes of the exceptionally distorted distribution of wealth and income that prevails almost without exception in Latin American countries. Economic trends thus bode ill, and expressions of social dissatisfaction, a lack of confidence in democratic institutions on the part of the citizens, and increases in criminality are phenomena that could be noted in several places in 2002.

Three of Sweden's most important partner countries on the continent (Honduras, Bolivia and Nicaragua), which are also among the poorest on the continent, have drawn up national poverty strategies within the framework of the international HIPC ini-

[Picture removed]

Young boy trying to earn a few coins in Managua, the capital of Nicaragua. Vulnerable children are an important target group of contributions for the promotion of democracy and human rights.

Table 38.

Latin America, expenditure in SEK '000

	2002	2001	2000
The ten largest countries			
Nicaragua	375 673	230 135	292 923
Bolivia	162 944	206 578	170 263
Guatemala	109 018	126 706	121 577
Honduras	106 931	306 990	385 070
Colombia	66 471	64 055	39 861
El Salvador	51 431	85 401	72 192
Peru	38 297	27 629	33 726
Brazil	19 186	20 860	14 287
Cuba	17 914	8 484	10 513
Paraguay	12 436	14 143	7 546
Sub-total	960 301	1 090 981	1 147 959
Other countries/regions	272 572	315 731	331 848
Total	1 232 873	1 406 711	1 479 807
Administrative costs	58 313	59 664	66 884
Total costs	1 291 187	1 466 375	1 546 690
Operational areas			
Democratic governance and human rights	331 117	345 368	389 713
Social sectors	136 644	165 327	127 441
Infrastructure, private sector development, urban development and financial systems	125 922	152 961	122 582
Natural resources	73 616	52 370	33 411
Economic reforms	60 000	120 000	120 000
Research cooperation	66 685	74 205	58 918
Humanitarian assistance and conflict prevention	216 886	289 431	422 202
Non-Governmental Organisations	202 648	178 024	186 690
Other operational areas	19 355	29 025	18 850
Total	1 232 873	1 406 711	1 479 807
Instruments			
Project support	504 663	567 394	569 840
Sector programme support	20 224	26 017	8 346
Personnel assistance incl. contract-financed technical cooperation	75 159	45 338	34 893
International training programmes	2 615	2 495	2 003
Credits	13 646	43 532	5 086
Guarantees	–	–	–
Economic reforms	60 000	120 000	120 000
Humanitarian assistance	193 361	261 680	391 002
Research	66 983	74 205	58 918
Grants to NGOs	296 222	266 050	289 720
Total	1 232 873	1 406 711	1 479 807
Channels			
Multilateral organisations	247 844	449 446	393 395
Swedish NGOs	584 452	571 862	698 100
Organisations in partner countries	294 071	273 969	260 782
Organisations in other countries	56 940	59 577	94 002
International and local NGOs	49 565	51 858	33 528
Total	1 232 873	1 406 711	1 479 807
Combating poverty			
Direct effects	177 224	261 048	227 723
Projects and programmes that include the poor	268 954	283 464	253 716
Indirect effects through policies and institutions	487 975	491 332	356 127
Indirect effects through national support	210 729	264 540	517 138
Other	87 992	106 327	125 103
Total	1 232 873	1 406 711	1 479 807
Total number of contributions	649	710	759
of which: Agreements > SEK 15 million	71	71	67
Number of new contributions	206	199	248

tiative. The poverty strategies are important platforms for donor coordination and can facilitate the provision of support that focuses on poverty. The economic recession in the countries and the requirements for austerity in government finances that all three countries were obliged to observe in 2002 have already led to the realism of these strategies being questioned. Special resources were allocated in 2002 and for coming years to monitor and analyse the implementation of the poverty strategies, in order, among other things, to strengthen the Swedish policy dialogue.

ANALYSIS OF OUTCOME

The outcome for Latin America amounted to SEK 1.2 billion. The special three-year programme, which was drawn up after Mitch, came to an end in 2001. This explains the considerable reduction in support to Honduras. The increase in support to Nicaragua can partly be explained by the fact that the country received budget support in 2002, and partly that the rehabilitation of a road that was destroyed by Mitch was delayed and thus more expensive than estimated. The reduction in outcome for El Salvador is completely in line with the strategy for development cooperation with Central America, which prescribes the phasing out of support to this country.

The operational area Democratic Governance and Human Rights continues to be the predominant operational area. In several countries there is a shift towards sector programme support but this is not yet reflected in the figures. The total number of contributions decreased while the number of contributions larger than SEK 15 million was unchanged compared to 2001.

[Picture removed]

The Colombian people demonstrated for peace in January, but later during the year negotiations broke down between the government and the guerrilla movement, FARC. Swedish support is provided to parties that can be expected to make constructive contributions to the peace process.

[Picture removed]

Serbian children in the town of Topola are optimistic about the future. In Topola Sida is supporting a broad development project that is intended to be a model for Serbian municipalities. It shows them how to reverse the process of stagnation and the spirit of despondency – the result of the many years of political and economic decline.

Europe

OVERALL REPORT

Programmes of cooperation in the Western Balkans started in 1991 and have been extended over the years to include Albania, Bosnia & Herzegovina, the Federal Republic of Yugoslavia (FRY) including Kosovo, Croatia and Macedonia. The long-term perspective and complexity in the content of the programmes have increased. During the year, contributions for the development of capacity and institutions were given greater priority at the expense of reconstruction and humanitarian work. This makes administration slower since it necessitates greater dependence on the recipient's capacity. Major contributions and new forms of cooperation have been designed to achieve a higher degree of concentration and a better utilisation of administrative resources.

New forms of cooperation with government agencies were initiated during the year and these have had a more active role. Framework agreements have, for example, been concluded with Statistics Sweden for the development of statistical support in the region with the aid of a strategy and a presence in the Balkans. Discussions have also been started with international credit institutions on credits and guarantees for the further development of forms of support in FRY. One of the first guarantee funds was established in Macedonia with support from Sweden.

In 2002 new strategies were drawn up for cooperation with Kosovo, Macedonia and Bosnia. The strategy for Kosovo states that the scope of Swedish support will be gradually reduced and will focus on long-term contributions such as institution building,

[Picture removed]

A Georgian farmer milking a cow. Among other things, Sida provides contributions in the social and environmental sectors.

economic reforms and development of civil society. The strategy for Macedonia states that the scope of the support will remain at the same level in the sectors of public administration, income generation, human rights and democracy, and the environment, but will be given a more distinct profile where forms of cooperation and focus are concerned. The strategy for Bosnia gives priority to contributions that will strengthen the government administration. Experience of cooperation with civil society will influence the design of contributions.

Development cooperation with Moldova is characterised by the fact that Moldova is the poorest country in Europe. The overall aim of cooperation is to make poverty reduction possible, mainly through support to socially sustainable economic development and through the consolidation of democracy. Economic recovery is hindered by the country's enormous debt burden – the total foreign debt amounts to 91 per cent of GNP. Part of Sida's support therefore focuses on attaining a sustainable debt situation by renegotiating the debt. Most of Sida's support focuses on institution development of the central and local administration.

During the year Sida submitted proposals for regional strategies for southern Caucasus and Central Asia for the period 2003 to 2005.

The focus of development cooperation with countries in the southern Caucasus has been governed by

Sida's action plan for 2001 to 2003. This was drawn up on the basis of the Government's guidelines for cooperation with the nine states in southern CIS. In 2002 programmes of support referred mostly to democratic and economic reform processes, contributions related to human rights, and contributions in the social sector and the environment. Geographically Georgia has been given priority, but a small amount of support has also been given to Armenia and Azerbaijan. Priority has also been given to regional contributions in respect of Georgia, Armenia and Azerbaijan.

The primary aim of activities in respect of Turkey is to accelerate Turkey's integration into the EU. Contributions in the field of democracy and human rights have highest priority since shortcomings in this field constitute one of the most serious obstacles to Turkey's candidanship for the EU. During the year Sida submitted a proposal for a country strategy for Turkey.

In accordance with the Government's guidelines, Sida's support hitherto to Central Asia has focused on democracy and human rights. A relatively extensive amount of support has been provided to support the participation of women in politics, for the education and training of journalists, and to combat trafficking. Médecins sans Frontières received further support for projects to counteract tuberculosis in Karakalpakstan in order to mitigate the consequences of the Aral Sea disaster.

SIDA'S ANALYSIS

During the year activities in the Western Balkans were affected by growing variations in the pace of development between the countries. In Bosnia the divisions between ethnic groups are considerable and this continues to divide the public administration. In FRY the contributions for infrastructure are making good progress, while the work on promoting democracy has come to a standstill. In Macedonia ethnic divisions have slowed down the work on reforms, and political immaturity in Albania continues to inhibit development work. Kosovo (FRY) also has separate problems resulting from the necessity of entering into agreements on support at central level. Croatia and Macedonia have reached the negotiations stage, but have problems in maintaining the pace of change that the Stabilisation and Association Agreement (SAA) with the EU is based on. There is a great deal of determination in the countries to adapt their legislation and systems in order to be able to start SAA negotiations, but political power struggles, economic interests and ethnic conflicts slow down the pace.

Programmes of cooperation with Albania, Bosnia, FRY, Kosovo and Macedonia have been delayed since elections were held, with varying results, that partly paralysed the government apparatus before, during and after the elections.

In order to be able to work flexibly, at several levels, Sida continued to strengthen its capacity in the field during the year. Sida is participating in new processes in which a deliberate strategy for its support is to work in parallel at central and local level in order to strengthen the democratic processes and to improve communication and transparency.

A EU programme, CARDS, started during the year in some of the countries in the Western Balkans. It is designed to strengthen the areas that are important for the countries when establishing closer relations with the EU. At the same time, work is taking place in several of the countries on the design of national poverty strategies in order to improve socio-economic development in various ways. Regional cooperation continues to be a good working method, for example in respect of issues that take up trafficking and trade. However, the ethnic divisions are still considerable but can sometimes be bridged by issues in which the groups have a common interest. Several bilateral trade agreements were signed in the region during the year.

Sida's support for debt negotiations in Moldova has led to a restructuring of a major bond loan that would otherwise have matured during the summer. There is a strategy for the renegotiation of the other foreign debts. The pace of reform has increased, which has given results in the form of new credits from the World Bank and the International Mon-

etary Fund (IMF) and in economic growth.

Progress in respect of democracy and human rights has been negative. Sida is of the opinion that there has been a deterioration in the prospects of implementing, via government agencies, contributions that focus on local self-government. Sida is therefore reviewing possibilities of using other channels. However, it is considered meaningful to continue to provide support for democracy and to investigate the prospects of increasing the focus on human rights. Rates of poverty are still very high – it is estimated that 50–70 per cent of the population live in absolute poverty. Sida's support gives priority to the social sector and socially vulnerable groups.

A performance report has been produced on Sida's programmes in the southern Caucasus. It indicates that the projects that have been implemented are compatible with Sida's goals and that the project goals have often been fulfilled, even if in some cases it is doubtful whether the results of projects will be sustainable in the long term. Furthermore, the performance report shows the difficulties of coordination with other donors and the difficulty of achieving the aim of building up confidence in the regional projects.

[Picture removed]

Hanging the washing out to dry in Kosovo. Everyday life continues after the war thanks to the efforts of the women. In 2002, Swedish support to Kosovo started to focus on long-term programmes such as institution building and development of civil society.

Table 39.

Europe, expenditure in SEK '000

	2002	2001	2000
The ten largest countries			
Former Republic of Yugoslavia	273 858	346 920	291 343
Bosnia & Herzegovina	262 234	296 271	214 974
Macedonia	57 348	59 976	3 186
Croatia	52 885	59 243	23 054
Moldova	43 615	21 791	19 531
Albania	38 258	38 959	3 452
Tajikistan	19 150	10 050	16 220
Georgia	13 000	11 892	7 778
Armenia	9 494	8 067	5 920
Kyrgyzstan	8 063	9 471	2 811
Sub-total	777 905	862 640	588 269
Other countries/regions	106 046	45 147	101 471
Total	883 951	907 787	689 740
Administrative costs	31 461	30 446	26 186
Total costs	915 411	938 233	715 926
Operational areas			
Democratic governance and human rights	288 026	288 278	147 305
Social sectors	56 768	52 227	36 951
Infrastructure, private sector development, urban development and financial systems	312 187	338 776	209 486
Natural resources	65 264	42 868	47 352
Economic reforms	–	–	–
Research cooperation	0	0	370
Humanitarian assistance and conflict prevention	124 783	162 103	223 014
Non-Governmental Organisations	17 626	7 468	15 215
Other operational areas	19 297	16 068	10 047
Total	883 951	907 787	689 740
Instruments			
Project support	250 966	250 799	143 670
Sector programme support	180	0	0
Personnel assistance incl. contract-financed technical cooperation	105 117	82 956	73 014
International training programmes	8 051	5 421	5 133
Credits	8 851	28 066	3 054
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	124 783	162 103	223 014
Research	0	0	370
Grants to NGOs	386 002	378 443	241 485
Total	883 951	907 787	689 740
Channels			
Multilateral organisations	111 422	170 860	96 921
Swedish NGOs	498 736	472 727	440 891
Organisations in partner countries	28 550	36 407	8 771
Organisations in other countries	61 831	61 649	35 877
International and local NGOs	183 411	166 145	107 281
Total	883 951	907 787	689 740
Combating poverty			
Direct effects	158 825	175 342	123 205
Projects and programmes that include the poor	68 063	57 154	60 965
Indirect effects through policies and institutions	481 988	263 723	160 548
Indirect effects through national support	57 769	143 164	125 508
Other	117 306	268 405	219 515
Total	883 951	907 787	689 740
Total number of contributions	568	500	452
of which: Agreements > SEK 15 million	40	38	29
Number of new contributions	239	234	194

The situation in Central Asia has been affected by the events of September 11, the war in Afghanistan and the struggle against terrorism. The countries have acquired a new geo-political significance. Human rights are still circumscribed, members of the opposition are imprisoned, and freedom of the press is severely curtailed. The determination to institute reforms is small in some countries. Sida has made the judgement that the prospects of implementing successful contributions in Uzbekistan and Turkmenistan are minimal. The contributions made hitherto have focused on Kyrgyzstan and Kazakhstan (mainly in respect of gender equality).

Sida followed the production of a national programme for poverty reduction, the National Poverty Reduction Strategy (NPRS), in Kyrgyzstan in 2002. During the year Tajikistan also adopted a national poverty reduction strategy. These national strategies have the aim of coordinating government agencies, civil society, private parties and international donors in order to combat poverty and to promote democratic, social and economic reforms in the countries.

Sida organised a number of meetings with interested Swedish parties as part of the regional strategy work. A regional analysis and a performance report were produced. In the recommendations for further work, importance was attached to programmes of cooperation that include strong participation by civil society. Furthermore, emphasis was given to the importance of providing support to areas where the determination to implement reforms has been demonstrated, for example land reform.

As humanitarian assistance is phased out in Tajikistan, Sida initiated a small programme of support in the agricultural sector and made a study visit that resulted in proposals to extend support to this extremely poor, conflict-stricken country.

ANALYSIS OF OUTCOME

The outcome for Europe decreased somewhat compared to 2001, particularly for Bosnia & Herzegovina, FRY and Croatia. This is due to the fact that, in 2001, people returned to these countries much more rapidly than Sida had expected and that the programmes that supported this process (the integrated area programmes) therefore needed additional funds at an early stage, which Sida could provide. The outcome for Moldova doubled during the year, as planned. Programmes with an indirect effect on poverty increased during the year and contributions that focused on policy and institution development also increased.

Policy area “Cooperation with Central and Eastern Europe”

2002

Cooperation with Central and Eastern Europe

ACTIVITIES IN GENERAL

During the year Sida finalised its proposals for new country strategies for Russia, Ukraine and Belarus for the period 2002 to 2004. The work on the country strategies was performed in close cooperation and a dialogue with a broad circle of Swedish stakeholders. The country strategies were drawn up in a situation in which, in 2002, Russia experienced strong economic growth for the fourth year in succession. Extensive reform work is taking place, a comprehensive reform of the public administration has been started, and a large number of new laws and ordinances have been approved by parliament. The Russian interest in cooperation projects with foreign parties has grown. Sida is active in areas of importance for a development strategy, for example the tax system, pensions, social policies, transfer systems, agriculture and land ownership as well as reforms for local self-government. One of the driving forces in this respect is that Russia must prepare for its coming entry into the World Trade Organisation (WTO). The establishment of closer relations with the EU is taking place at several levels, but has been temporarily disrupted by a conflict over visas for Russian citizens who want to travel to and from Kaliningrad, which will soon be surrounded by EU states.

There are considerable problems in the country, particularly social exclusion, poverty and the spread of HIV/Aids. Parts of the public administration are inefficient and corruption is widespread. The greatest problems in the field of human rights are associated with the war in Chechnya.

Ukraine has also experienced economic growth. The work on reforms has resulted in a better macro-economic framework, market policy legislation and the settlement of debts to the citizens in the form of wages and pensions. There are several positive signals, including further privatisation and new land legislation. The possibilities of implementing cooper-

ation projects have improved, for example in the agricultural sector.

However, bribery and other scandals in connection with the parliamentary elections in March 2002 showed that a great deal remains to be done before Ukraine can be considered to be a mature democracy. Nonetheless, the Organisation for Security and Cooperation in Europe (OSCE) made the assessment that the election was a success in comparison with previous parliamentary elections.

Formally social safety nets exist but the economic situation has a negative effect on the system. Marginalised groups are severely affected and large parts of the rural areas are characterised by widespread poverty. On the positive side it can be noted that reforms are being made in the social sector. These reforms have also had the effect that there are more requests for programmes of development cooperation in this sector. It should also be noted that the International Organisation for Migration (IOM) makes a positive assessment of the powerful measures taken by Ukraine against trafficking.

Belarus is a country with fundamental structural problems. Reforms are immature or have not been started. Industry and a large number of the small and medium-size enterprises are still owned by the state. The political leadership in the country has a strong desire to exercise control. This does not tally with a decentralised market economy and with democratic demands for a balance of power, openness and local self-government.

However, it is important to note the potential that nonetheless exists in development cooperation with Belarus. There are a large number of robust NGOs and an effective independent press. In spite of everything, reforms are still being made in some sectors, for example in the social sector and the health sector, and in the establishment of a property register. There are opportunities for development cooperation

in these fields that can also contribute to reducing the isolation of the country. According to several public opinion polls, a majority of both public servants and small businessmen support modernisation and democratisation. The regime mostly obtains its support from the rural areas.

The economies of all three Baltic States are characterised by stable growth, with the Latvian economy clearly leading the way in recent years. GNP grew during the year by 5 to 6 per cent in all the three countries. However, development is uneven and there are considerable differences in income between the capital cities and rural areas. Unemployment is still high, particularly among young people and in rural areas. The political priorities in respect of membership of NATO and the EU are still in place even if there have been changes in the political constellations and in power in the countries.

Adjustment to the EU continues. In its annual overview the European Commission makes the assessment that the ten candidate countries will meet EU requirements at the time of membership in 2004. At the summit meeting in Copenhagen in the middle of December it was expected that the ten candidate countries would finalise negotiations for membership. At the same time, a great deal of work remains to be done on the implementation of the EU's acquis and further capacity building in the administration and the legal sector.

The country strategies for the three Baltic States for the period 2002 to 2004 that were approved during the year will result in the phasing out of bilateral support in connection with their imminent membership of the EU. The phasing out of Sida's support has made good progress. For example, few new contributions have been approved in the area of economic transition, and in Estonia supplementary final contributions are being financed by a special fund that Sida has established at the Estonian EU integration

office. During the period that remains, the strategies give priority to democracy, social security and the environment. Bilateral support is intended to supplement EU support and strengthen adjustment to the EU, mainly in respect of administrative and legal capacity. For example, Sida is financing support in the legal sector for the improvement of the courts administration and the education and training of judges. Twinning cooperation shall be given priority in neglected areas in the countries and, together with support through NGOs, shall focus on the social sector. Several new contributions made during the year had a particular focus on Ignalina in order to mitigate the social consequences arising from the closure of the nuclear power station.

Since Bulgaria and Romania have not made as much progress in the EU adjustment work, they will not be part of this enlargement phase. Therefore, during the spring, Sida produced an approach to make possible certain financial and administrative contributions for these countries. The focus lies on the social sector and the contributions are related to established contacts and programmes of cooperation with Swedish parties, for example twinning cooperation. Sida also produced a special approach, which applies particularly to Bulgaria and Romania, for contributions relating to the Romany people. Both countries have large Romany minorities, a group that is extremely vulnerable with high rates of unemployment and poverty.

Sida is the EU's National Contact Point for the EU Phare Twinning and Technical Assistance Information Exchange Office (TAIEX). Sida's role includes supporting the preparatory work of Swedish government agencies prior to the EU's twinning projects. In 2002 Swedish government agencies presented 26 twinning proposals. A certain weakening of interest in participation can be noted among Swedish agencies. During the period 1998 to 2002, Sweden was

Table 40. **Overview of cooperation with Central and Eastern Europe**, expenditure in SEK million, per cent of outcome and number of contributions

Cooperation with Central and Eastern Europe	2002		2001		2000		2002 No. of contri- butions	2001 No. of contri- butions	2000 No. of contri- butions
	Out- come	%	Out- come	%	Out- come	%			
Support for the promotion of security	27	4	28	4	10	2	43	64	47
Deepening the culture of democracy	154	23	106	16	128	19	230	198	220
Economic transition	121	18	334*	51*	345*	53*	272	569*	596*
Social security	130	20					109		
Environment	230	35	181	28	174	26	175	202	215
Total	662	100	648	100	657	100	829	1 033	1 078
Total number of contributions**							812	1 021	1 064

*Previously, Economic Transition and Social Security were one operational area, Socially Sustainable Economic Transition.

**Shows the actual number of contributions. A contribution can refer to two or more operational areas, which has the effect that the total is higher than the actual number of contributions.

awarded 73 twinning projects, a good result in consideration of the limited capacity of the agencies and the fact that Sweden is a small member state. However, one feature of 2002 was that the European Commission had to distribute a large number of project proposals a second time since no proposals were received from the member states on the first occasion. It would also appear that several project proposals now include more areas and that, in certain cases, the size and complexity of the projects deter the agencies from becoming engaged in them. Sida regards twinning as a suitable instrument for phasing out bilateral development cooperation – with the possibility of allowing cooperation to assume the form of multilateral financing. The European Commission's strategy document assumes that twinning will be needed for capacity reinforcement purposes during a period of transition after membership.

During the year the European Commission also introduced twinning or institution building programmes into the Tacis programme for Russia, Ukraine and Belarus, among others. This activity is still in its infancy but is expected to grow.

Evaluations, capacity studies and system audits

No system audits were finalised during the year. Five evaluations were completed in 2002 compared to ten in 2001. It is planned that the number of evaluations will increase in 2003. One reason for the low number of evaluations is that performance analyses were made in connection with the production of country strategies for Estonia, Latvia, Lithuania, Russia, Ukraine and Belarus in 2002.

Analysis of outcome

The outcome increased for Russia, Lithuania and Belarus. The reason for the increase for Russia and Lithuania was the environmental programmes. The outcome for Belarus increased in all operational areas, apart from the environment. Where Ukraine is concerned, the outcome was larger in the areas of deepening the culture of democracy and social security, but decreased in respect of the environment. Where Estonia and Latvia are concerned, the outcome decreased in total.

REPORTS REQUIRED

1. A report shall be submitted on Sida's assignment within the framework of the Baltic Sea Programme 1 (uo 1, appropriation FI Cooperation and development in the Baltic Sea Region) in accordance with the directives issued by the Ministry for Foreign Affairs, and shall be reported on separately in relation to appropriation item 9:1.1.

Within the framework of the Baltic Sea Programme 1, a number of projects have been financed that are intended to promote environmentally sustainable development in the Baltic Sea region. In 2002, three energy projects were completed in Lithuania at a total cost of SEK 17 million. The final report on an investment amounting to SEK 27 million in Arkhangelsk in Russia was submitted in 2002. See further under the heading "Environmentally sustainable development".

Table 41. Report required: Internal efficiency, Central and Eastern Europe

Operational area	Average agreed amount per new contribution, SEK '000			Average duration of agreements for new contributions, number of months			Average outcome per contribution, SEK '000		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
Support for the promotion of security	1 528	1 578	2 141	13	16	23	616	622	236
Deepening the culture of democracy	1 892	1 559	2 333	17	18	19	669	564	606
Economic transition	1 439	1 261	1 164	20	17	23	447	428	444
Social security	3 570	3 176	3 118	18	18	21	1 196	1 270	1 329
Environment	4 044	3 730	2 186	16	20	17	1 311	909	818
Total average*	2 578	2 215	2 069	18	18	21	815	680	671

* A contribution can be included under one or more regions. Here, no contributions are amounts have been included more than once.

Table 42. Cooperation with Central and Eastern Europe, commitments by country and operational area, SEK '000

Country	Common security	Deepening the culture of democracy	Economic transition*	Social security*	Socially sustainable economic transition*	Environment	Total
Estonia							
2002	695	5 515	1 777	1 202	–	1 469	10 658
2001	2 534	8 111	–	–	10 787	23 981	45 413
2000	1 376	7 064	–	–	10 658	12 314	31 413
Latvia							
2002	3 901	16 359	3 942	3 239	–	47 677	75 118
2001	3 155	5 850	–	–	10 829	14 074	33 908
2000	4 860	5 752	–	–	4 334	18 066	33 012
Lithuania							
2002	1 860	16 204	7 068	1 134	–	15 365	41 631
2001	640	9 864	–	–	12 235	10 454	33 193
2000	1 963	4 968	–	–	45 740	12 628	65 299
Baltic States, regional							
2002	3 558	11 663	1 810	216	–	41 179	58 426
2001	3 864	23 325	–	–	2 735	12 330	42 254
2000	2 609	3 349	–	–	18 369	0	24 326
Poland							
2002	0	4 808	1 065	0	–	0	5 873
2001	0	2 740	–	–	3 268	10 295	16 303
2000	0	328	–	–	7 678	981	8 986
Russia							
2002	11 881	29 602	25 997	67 680	–	40 877	176 037
2001	13 896	44 273	–	–	114 934	148 489	321 592
2000	2 202	29 145	–	–	75 945	51 415	158 707
<i>of which the Barents region</i>							
2002	8 169	1 012	5 824	13 235	–	1 305	29 545
2001	3 062	7 956	–	–	19 523	5 510	36 051
2000	313	2 710	–	–	6 097	4 433	13 554
Ukraine							
2002	1 996	6 448	15 938	17 353	–	1 048	42 783
2001	4 722	35 051	–	–	23 183	5 074	68 030
2000	0	2 083	–	–	8 846	16 708	27 638
Belarus							
2002	56	24 243	3 794	1 664	–	0	29 757
2001	0	7 321	–	–	6 547	117	13 985
2000	113	17 685	–	–	609	–2	18 406
Other countries							
2002	386	2 878	2 141	1 485	–	5 243	12 133
2001	0	5 185	–	–	4 402	315	9 902
2000	0	1 767	–	–	5 643	473	7 883
Regional contributions							
2002	6 605	67 159	23 647	54 396	–	1 636	153 443
2001	7 468	24 471	–	–	97 473	12 056	141 468
2000	101	52 508	–	–	116 631	17 936	187 175
Total							
2002	30 938	184 879	87 179	148 369	–	154 494	605 859
2001	36 280	166 191	–	–	286 393	237 185	726 049
2000	13 225	124 650	–	–	294 453	130 519	562 846

* Previously, Economic Transition and Social Security constituted one operational area, Socially Sustainable Economic Transition.

[Picture removed]

The nuclear-powered container ship "Sevmorput" anchoring in its home port of Murmansk. With the aid of funds from Sida, the Swedish Nuclear Power Inspectorate has supplied the ship with a security system for protection against unlawful entry, sabotage and terrorism.

Common security

The goal of the operational area is to promote common security in the region in both military and civil sectors.

GENERAL

Sida's support to the Baltic States is being phased out where civil components for the promotion of security are concerned. The process of transition to normal neighbourly cooperation is partly complete or almost complete. There are still a number of shortcomings and weaknesses in certain places in the administration. However, this will be taken care of, in essentials, in a broader EU perspective or within the framework of normal neighbourly cooperation. A few small final contributions, mainly in respect of the

rescue services, are all that are foreseen in Estonia, Latvia and Lithuania in 2003.

Border-related issues, such as customs, migration and asylum, remain topical for the candidate countries, not least in view of the eastward shift of EU's external border. A first phase of cooperation was finalised in respect of migration and border controls between candidate countries on EU's future external borders, as well as Belarus and Ukraine. Sida financed Swedish participation. Discussions are taking place now on forms for this cooperation, which is

important from both a Swedish perspective and a EU perspective.

During the year attention was drawn to the growing risk of pollution and accidents in the Baltic Sea due to the increase in Russian oil activities in the Gulf of Finland. Shortcomings in restrictions on discharges and in the capacity for regional coordination have emerged in the region. As a consequence of this, Sida has financed several new contributions to counter the effects of oil pollution in the Baltic Sea area. Other projects are intended to strengthen regional coordination, for example a sea rescue project, with a duration of several years, in which an attempt will be made to integrate Kaliningrad into Baltic Sea cooperation.

The issues in the CIS countries that have been in question for Sida support are non-proliferation, migration, asylum and preparedness for accidents and disasters.

The non-proliferation issue has attracted renewed attention, not least after the change in the global threat scenario. During the year Sida financed new contributions, primarily in Russia.

The Russian and Ukrainian migration authorities were restructured during the year and therefore there was little cooperation in the migration field.

As the phasing out of Sida's support to the Baltic States becomes more pronounced, the focus in the field of promotion of security is being gradually shifted to Russia, Ukraine and Belarus.

ANALYSIS AND DISCUSSION OF PROBLEMS

Where the promotion of security in the Baltic States is concerned, developments have, in general, almost reached a normal neighbourly cooperation stage and Sida's role and function is gradually diminishing in importance. In most fields this phasing out of support has not encountered any major problems. The countries and the authorities concerned see a natural process of transition to cooperation on more equal terms. But, in places, the weak economy of the countries has made it difficult, for example to apply the cost-sharing principle. In the light of this, the relative political priority given to contributions plays an important role. In the field of asylum and migration, for example, the current small flow of refugees to the Baltic States has the effect that issues relating to immigration and asylum policies do not attract a great amount of political interest and resources are thus allocated to other areas. Instead, the countries tend to focus on efficient border surveillance, not least since the EU contributes extensive support.

The considerable needs in the CIS countries in respect of non-proliferation and Sida's limited funds have had the effect that, where controls of nuclear substances are concerned, the Swedish Nuclear

Power Inspectorate has increasingly taken over the role of project leader and initiator of projects, while other donor countries contribute large financial resources for implementation.

Sida makes the assessment that the Swedish Nuclear Power Inspectorate has nonetheless succeeded well in obtaining an impact in the projects it has implemented which have contributed, in a concrete manner, to secure the handling of nuclear substances and thereby common security in the region.

In several fields in which support is provided for the promotion of security, including the military components administered by the Ministry for Foreign Affairs, cooperation can be seen as a means to create confidence, which contributes to common security in the region.

EVALUATIONS, CAPACITY STUDIES AND SYSTEM AUDITS

During the year an evaluation was made of support in the migration field. It showed, among other things, that the contributions had been relevant and had contributed to fulfilling the goals by improving the expertise of the recipient authorities in the countries, if to a varying extent. There have been shortcomings in project management and the formulation of projects on the part of the Swedish Immigration Board, which have had a negative effect on learning processes, the sustainability of the contributions and their results.

Examples

With the aid of Sida funding, the Swedish Rescue Services Agency finalised a regional contribution in 2002 in respect of protection against oil pollution in the Baltic Sea. The result is that facilities, similar to those in Sweden, can now be found in Tallinn, Pärnu, Ventspils, Liepaja, Klaipėda, Kaunas, St Petersburg and Kaliningrad. This facilitates joint action in cases of oil pollution in the Baltic Sea.

The Swedish Nuclear Power Inspectorate submitted a report during the year on its Sida-financed programmes of cooperation, over the years, in a number of fields in several countries. One result is that, of twelve government bills processed in the Swedish Nuclear Power Inspectorate's advisory group on legislation, nine were approved by the Russian Duma without amendment. In this context it can be mentioned that the Swedish legislative tradition differs considerably from the Russian and Soviet tradition. Furthermore, a quality assurance system, which was introduced in a cooperation project, has been further developed by the Russian counterpart, GAN in St Petersburg, which is now running training programmes in this system for other Russian regional offices.

Table 43. Cooperation with Central and Eastern Europe

Common security, expenditure in SEK '000

The seven largest partner countries	2002	2001	2000
Russia *	10 089	6 441	3
Latvia	2 333	5 594	3 224
Estonia	2 255	1 416	1 633
Lithuania	1 822	1 059	315
Romania	1 524	1 700	0
Ukraine	175	0	0
Belarus	52	12	217
Sub-total	18 250	16 222	5 392
Other countries/regions	8 254	11 651	4 605
Total	26 504	27 873	9 997
* of which Barents region	5 276	127	0
Forms of support			
Project support	-	-	-
Sector programme support	-	-	-
Personnel assistance incl. contract-financed technical cooperation	26 504	27 873	9 997
International training programmes	-	-	-
Credits	-	-	-
Guarantees	-	-	-
Economic reforms	-	-	-
Humanitarian assistance	-	-	-
Research	-	-	-
Grants to NGOs	-	-	-
Total	26 504	27 873	9 997
Channels			
Multilateral organisations	-	-	-
Swedish NGOs	23 978	21 875	9 997
Organisations in partner countries	2 526	5 999	0
Organisations in other countries	-	-	-
International NGOs	-	-	-
Total	26 504	27 873	9 997
Total number of contributions			
of which: Agreements >SEK 15 million	0	0	0
<i>Number of new contributions</i>	21	20	24

EU LINKS

EU adjustment has been a strong driving force in the reform work done by the Baltic States. This is reflected in the support for the promotion of security, if to a varying extent. In certain areas, for example

migration, customs and border controls, EU adjustment is a principal goal. The bilateral contributions have more or less supplemented the support financed by the EU. In other areas the EU link is less relevant. Where Swedish participation in the EU's twinning projects is concerned, in which Sida supports Swedish government agencies in the tendering procedures, it can be mentioned that during the year the Swedish Customs tendered successfully for a project in Latvia and the Swedish Maritime Administration for a project in Romania.

GENDER EQUALITY

No contributions with a specific focus on gender equality were implemented during the year where the promotion of common security is concerned. One way for Sida to integrate aspects of gender equality into programmes of cooperation is to encourage the participation of women in the projects, both on the Swedish side and in the partner countries. However, it is difficult, for example, to recruit women working with rescue services to attend training programmes. This has the effect that the results of ambitions in respect of gender equality in programmes that promote common security tend to be small.

However, in the field of non-proliferation a lowly paid guard force, dominated by women, has benefited from efforts to improve the physical security of nuclear substances. This has been achieved by giving more attention and resources to their working duties, which have therefore been given higher status.

ANALYSIS OF OUTCOME

The outcome of support for the promotion of security continued to increase in 2002. In 2002 the emphasis was still on Russia. Where Russia was concerned, the support for non-proliferation continued to have a high volume.

REPORTS REQUIRED

Each quarter Sida shall submit a report on the projects for which a final report has been received to the Government Offices' working group for support for the promotion of security.

Reported on separately.

[Picture removed]

Transfer of know-how that has the aim of establishing the foundations of democratic development in Belarus is provided at this school for women in Belarus that receives support from Sweden.

Deepening the culture of democracy

The goals of this operational area are to strengthen democratic structures, and to promote a democratic culture and active civil participation.

GENERAL

During the year Sida's support for democracy focused on deepening democracy by strengthening democratic institutions and structures and by promoting a democratic culture and active civil participation. This was done by providing support for the development of communities governed by the rule of law and strong civil societies, by the development of local and regional self-government, and by providing support to free and independent mass media. In the

Baltic States Sida is supporting the development of government agencies and institutions throughout the entire chain of justice, while support to Russia, Ukraine and Belarus is smaller in the legal sector.

New government agreements were signed with the Baltic States at the beginning of 2002 on cooperation in the legal sector for the period 2002 to 2003.

Russia, Ukraine and, above all, Belarus face considerable challenges in the work of strengthening and deepening the culture of democracy. Attention has

been drawn to serious shortcomings, particularly in Belarus, where freedom of the press and the rule of law are concerned. However, at the same time there are also people who are working, under very difficult conditions, for the modernisation and development of the country. Civil society in Ukraine is growing increasingly active and the parliamentary elections that were held in March 2002 are considered, despite many shortcomings, as a step forward on the road to democracy. In Russia the political determination exists to strengthen local self-government. A federal process is taking place and a municipal reform is being prepared. In the Baltic States the development of democratic, legal institutions continues, as well as the work being done to meet the EU's requirements for membership, but much remains to be done.

In 2002, Swedish political party organisations received support amounting to SEK 17.1 million for activities in Eastern Europe. The funds were allocated on the basis of their proportion of seats in the Swedish parliament. (See table 47.)

ANALYSIS AND DISCUSSION OF PROBLEMS

In 2002 a number of contributions were finalised in Russia in the operational area Democracy, and new contributions were started. For example, a project on local democracy and local development was finalised in Arkhangelsk. The project has been relevant and has started many processes at local level, but the influence exerted by regional level is still far too evident. Considerable needs remain where strengthening local self-government in Russia is concerned. A programme of cooperation has therefore been started at federal level in order to obtain better feedback on the contributions that are being implemented. New legislation in this field is being produced at the federal level.

During the year support for democracy in Ukraine focused on the training of journalists and

politicians. The short-term results can be said to be positive since journalists can work in new ways and women politicians have learnt political processes and how to lead election campaigns. It is more difficult to achieve the long-term goals, for example increasing the number of women politicians in the Ukrainian parliament, which it was not possible to achieve in the elections. Influencing attitudes is a slow process. On the other hand contributions that have focused on the role of men in both Russia and Ukraine have been successful. Giving prominence to issues relating to equality and breaking stereotype gender roles have created enthusiasm at both central and local level.

In Belarus support for democracy has focused on further strengthening the independent Belarus journalists' association, the training of local politicians, and the further education of Belarus journalists in Sweden and Belarus. Despite the difficult situation of independent journalists and the media in general, the journalists' association acts as a spokesman for free expression and provides active support in legal questions.

The imminent entry of the Baltic States into the EU increases the need for rule of law. There are still a number of shortcomings and support is expected to continue, if in reduced form, in 2003. Two major contributions have started in the courts sector in Latvia where the legal system is still characterised by the old system. During the year Sida held discussions with the Swedish National Police Board on developing a programme-oriented form of cooperation in order to reduce the number of projects. However, the Board wishes to continue its present form of cooperation. It makes the assessment that an adjustment cannot be justified due to the imminent phasing-out of the support. Cooperation in the legal sector is directly linked to the EU integration of the Baltic States. However, the transition from bilateral financing to EU financing was sluggish in 2002. No applications for new EU/Phare twinning projects were made by Swedish government agencies in the legal sector.

As in previous years, the assessment is made that cooperation between twinned towns, country administrative boards, government agencies and NGOs has promoted long-term neighbourly relations with Sweden.

EVALUATIONS, CAPACITY STUDIES AND SYSTEM AUDITS

The evaluation of correctional treatment services in the Baltic States established that cooperation has been successful. Among other things it has had the result that inmates are treated more humanely and it has trained personnel to deal with drug abuse and HIV. The programme also included the provision of

Examples

In 2002 Sida financed a project to counteract trafficking in Ukraine. It is intended that the project will make trafficking an offence. It involves the entire chain of justice and promotes international cooperation, particularly with the EU.

A contribution for cooperation with NGOs in the Ignalina area (Ignalina, Visaginas and Zarasai) was approved in 2002. The special allocation of funds for this programme is being administered by Forum Syd. The programme is intended to alleviate the social and economic consequences resulting from the closure of the nuclear power station.

equipment that is being used in an efficient way today. Goal fulfilment has been satisfactory and resources have been used efficiently. However, the development of alternatives to prisons has been limited. In the opinion of the evaluators, there is some uncertainty about the sustainability of the programme once the Sida funding has been phased out.

EU LINKS

Cooperation in the legal sector is directly linked to the integration of the Baltic States into the EU. In the membership negotiations it is of great importance that all parts of the chain of justice are covered by long-term reform strategies. In 2002 all three Baltic States closed chapter 24, which takes up legal issues and domestic issues.

GENDER EQUALITY

During the year projects were started in Latvia and Lithuania with the aim of increasing the participation of women in politics. The project is a training project directed towards male and female politicians and women who are active in societies. Hitherto, two seminars and a study visit to Sweden, in connection with the Swedish election in September, have been arranged

In Russia and Ukraine, activities in the Male Network project continued. The project started in 2002. Targeted contributions to achieve equality between women and men have, in general, been able to achieve the stated results, but where gender aspects have been integrated it has been more difficult to achieve results.

Women candidates in Ukraine were given individual training prior to their election campaigns. Employees working for Ukrainian media were also trained in taking up gender equality issues in connection with the election. Unfortunately the Ukrainian parliamentary election was a great setback for women. However, the results were better at regional and local level, and after the Swedish training programme Maria Zilgalova was elected to the county parliament with ten male competitors.

In 2002 Sida attempted to integrate aspects of gender equality by raising levels of knowledge and awareness of the subject, both among partners in cooperation and among its own staff. Whenever feasible, gender equality was integrated in contributions that were approved during the year.

ANALYSIS OF OUTCOME

The outcome for Belarus, Ukraine, Latvia and Lithuania increased considerably compared to 2001.

Table 44. Cooperation with Central and Eastern Europe

Deepening the culture of Democracy, expenditure in SEK '000

	2002	2001	2000
The seven largest partner countries			
Russia*	24 047	30 730	30 343
Ukraine	20 526	11 840	9 645
Belarus	15 243	6 696	19 476
Lithuania	14 481	6 471	6 649
Latvia	10 002	4 004	6 001
Estonia	6 317	5 319	5 988
Poland	1 417	-230	0
Sub-total	92 033	64 830	78 102
Other countries/regions	61 927	40 773	49 768
Total	153 960	105 603	127 870
* of which Barents region	4 970	4 195	9 431
Forms of support			
Project support	36 039	4 726	6 484
Sector programme support	1 655	-	-
Personnel assistance incl. contract-financed technical cooperation	89 198	84 715	77 810
International training programmes	2 975	1 193	142
Credits	-	-	-
Guarantees	328	-1 614	-298
Economic reforms	-	-	-
Humanitarian assistance	-	-	-
Research	-	-	-
Grants to NGOs	23 765	16 584	43 732
Total	153 960	105 603	127 870
Channels			
Multilateral organisations	4 650	6 365	1 599
Swedish NGOs	142 118	87 290	121 520
Organisations in partner countries	7 192	4 903	0
Organisations in other countries	0	45	251
International NGOs	0	7 000	4 500
Total	153 960	105 603	127 870
Total number of contributions	230	198	220
of which: Agreements >SEK 15 million	4	5	6
Number of new contributions	85	89	70

Where Belarus and Ukraine were concerned, democracy was the largest operational area. The outcome for democracy was also high in the Baltic States. In Lithuania there was an increase in disbursements for special contributions for civil society in the Ignalina area. The outcome for Russia was lower in 2002. However, this is thought to be a temporary phenomenon.

REPORTS REQUIRED

1. Where NGOs are concerned, Sida shall submit a report on the breakdown of grants by frame organisations, sectors and countries and the number of foreign partners per frame organisation. Where relevant, the number of Swedish NGOs included in the frame organisation's activities shall be given.

Shown in tables 45 and 46.

2. Where NGOs are concerned, Sida shall submit a report on the number of approved information grants.

During the year, SEK 6.5 million was disbursed to six organisations in Sweden for their information activities in Sweden on Central and Eastern Europe. A total of six grants were disbursed, of which five were in the form of programme grants and one in the form of a cooperation grant.

Table 45. Cooperation with Central and Eastern Europe Democracy: Support through NGOs, disbursements in SEK '000

Approved grants	Approved grants to NGOs, SEK '000	Number of partners	Number of Swedish organisations include in the frame organisation's activities
Swedish NGO Centre for Development Cooperation (Forum Syd)	13 750	71	58
LO/TCO Council of International Trade Union Cooperation	11 000	50	40
Olof Palme International Center	18 000	3	52
PMU Interlife	1 050	11	12
Swedish Save the Children Federation	2 150	10	0
Church of Sweden	432	0	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	2 700	33	14
Swedish Mission Council	2 700	7	8
Swedish Cooperative Centre	6 400	0	0
Swedish Society for the Conservation of Nature	4 000	48	0
Total	62 182		
Non-requisitioned funds	0		
Repayments of previous years' grants	-2 984		
Other contributions			
Information contributions	6 506		
Youth organisations	517		
Other support, audits etc	71		
Total	66 292		

Table 46. Sector breakdown: NGOs, expenditure in SEK '000

Broken down by sector	2002
Human rights and democratic governance	23 765
Social sectors	18 896
Infrastructure, private sector development and urban development	455
Natural resources	8 003
Other sectors	18
Total	51 137

Table 47. Support via organisations associated with Swedish political parties

Organisation	Funds received SEK '000	No. of projects
Centre Party	1 010	8
Liberal Party	965	5
Moderate Party	3 890	16
Olof Palme International Center	6 096	33
Christian Democrats	2 090	5
Left Party	2 135	4
Green Party	920	5

[Picture removed]

Valentina Matjenko is taking part in a Sida-financed agricultural project in southern Ukraine.

Economic transition

The goal of this operational area is to strengthen the reform process and to create efficient market economies.

GENERAL

One central ambition of support for economic transition is to contribute to establishing stable and legally appropriate conditions, and to enable legislation in recipient countries and the exercise of government authority in these countries to approach that of European institutions and regulations. The conditions for intensifying support for ongoing reforms of this institutional framework in Russia and Ukraine improved through the presence of Sida's field repre-

sentatives in Moscow and Kiev. This local presence facilitates Sida's participation in development processes in the public administration at federal level and enables Sida to improve conditions for private sector development.

Sida's extensive support for the land reforms in Russia and Ukraine was modified in 2002. In Ukraine concrete results have been achieved and a scaling down of Swedish support has been initiated in which funding for the outstanding projects has

been taken over by the World Bank. In Russia final contributions were made in pilot projects with a technical focus in the land survey sector. A continuation of support for land reform is planned that will have a strong focus on the institutional framework for the real estate sector.

Sida's support for the land reform process in the Baltic States is being phased out.

The support for private sector development in Russia, Ukraine and Belarus remained extensive in 2002.

In 2002 cooperation with Russia in the operational area Economic Transition mostly consisted of two programmes: Start-East and Develop Your Business, and public administration support. One of the major projects in Ukraine has resulted in a dynamic form of cooperation between the private farming sector and the bank system.

Support for economic transition in the Baltic States is drawing to a close. A programme of cooperation in the working environment sector that has been in progress for many years was finalised during the year in Latvia and Lithuania. The ongoing contributions are mainly in the public administration field, with a focus on adjustment to the EU and regional development. A certain amount of support with a private sector orientation is still being provided in Latvia and Lithuania, for example Start-East, the Nordpraktik (New Managers) project, and support for female entrepreneurs. There was a focus on young businessmen in 2002 in a programme of Swedish-Lithuanian cooperation.

ANALYSIS AND DISCUSSION OF PROBLEMS

The reform work in Russia has continued at a rapid pace. This creates positive conditions for development cooperation. The determination to become engaged in international development cooperation

Examples

The Swedish-Russian programme of cooperation that supports reforms in the Russian public administration has been broadened in response to the ongoing public administration reform and the work on membership of the WTO. In addition to the Russian Ministry of Finance, cooperation shall also include the Russian Ministry for Economic Development and Trade.

A programme of cooperation with the International Finance Corporation (IFC) has been initiated in order to strengthen local entrepreneurs' associations in Belarus and to engage Swedish enterprises and organisations. Cooperation with the land survey authorities in Belarus has the ambition of developing a property market in Belarus.

also appears to have increased in Russia and Ukraine.

Strong economic growth in Russia in 2002 created better conditions, above all for the contributions in support of the private sector. Many Russian enterprises have better market prospects and a greater capacity to participate actively in contributions for development and in contributions for increasing international business contacts.

As in previous years, the Start-East programme contributed to promoting the presence of Swedish enterprises in the partner countries. In Ukraine tangible results have been achieved in the land survey project supported by Sweden and in the Swedish programme of support for private farmers, as well as in the programme of support to the banking system channelled via the International Finance Corporation (IFC). On account of the fact that it will soon be possible to buy and sell land in Ukraine, which will make it possible to obtain loans on properties, the banks have now realised that agricultural credits can be a profitable business. At the same time the farmers have strengthened their role as small businessmen through training in the Sida-financed project and have learnt to work with the banking world. The process of economic transition in Ukraine started to adopt concrete forms in 2002.

EVALUATIONS, CAPACITY STUDIES AND SYSTEM AUDITS

An evaluation of the Sida-financed project run by the Swedish National Board for Industrial and Technical Development in Estonia between the years 1992 and 1998 shows that support for small businessmen was relevant for needs in the country. The projects contributed to improving knowledge and to developing a supportive structure for small businesses in Estonia. The projects were also intended to strengthen regional development in neglected regions but were less successful in this respect, partly on account of major reorganisations made by Estonia.

During the year performance reports were produced for Russia and Ukraine as a basis for the formulation of strategies for development cooperation with the two countries. The performance report for Ukraine summarises Swedish support over a ten-year period. It notes that the operational area Economic Transition has received most support in terms of disbursements. Satisfactory results have been achieved at the practical and technical level, but it has been more difficult to reach national goals at micro level where legislation and reforms are concerned.

EU LINKS

In 2002 Sida initiated support to the project "Kalin-

ingrad as a pilot region for EU-Russian relations” in which forms of future cooperation between EU and Russia are being discussed. Project activities started in 2002 with the aim of making major foreign investments possible in Kaliningrad. A basic study was presented that will form the basis of a proposal on how the EU and Russia should proceed in their discussions on Kaliningrad.

Sida is financing the programme of cooperation of the Swedish Ministry of Finance in Russia. The Swedish Russian programme of cooperation was extended in 2002 to include the Ministry for Economic Transition and Trade as well as the Ministry of Finance. In 2002 a number of activities were implemented that referred to issues such as control systems for product safety and product quality, licensing and indirect trade obstacles. These issues are of importance for Russia’s negotiations prior to membership of the World Trade Organisation (WTO) and Russia’s establishment of closer relations with the EU’s inner market.

GENDER EQUALITY

Application of aspects of gender equality have proved to be easier in projects in which equality is the main project goal than when equality is integrated into broad programme of private sector support. The considerable overrepresentation of men in decision-making positions in trade and industry in Russia, Belarus and Ukraine has made it difficult to organise private sector development projects that will have results which benefit women to the same extent as men.

One example of effective integration of the gender equality aspect is the extensive land survey project in Ukraine that has been running for a number of years. Seminars and lectures for decision-makers on ownership and equality were held in 2002. A report has also been produced within the framework of the project entitled “Ways to implement gender mainstreaming within the NSDI project with a special focus on the pilot study in Ternopil”. This report shall be used to better integrate equality issues in the land survey project and in other countries in the region, for example Russia.

ANALYSIS OF OUTCOME

The fall in the outcome for Russia compared to 2001 was mainly due to the fact that a number of major programmes were finalised in 2001 and 2002. Any continuation phases were being assessed in 2002. This mainly applied to the labour market and land survey programmes. The decline in outcome for Ukraine was due to the fact that a large amount of support to the IFC in Ukraine for 2001–2002 was

Table 48. Cooperation with Central and Eastern Europe

Economic transition, expenditure in SEK '000

	2002	2001	2000
The seven largest partner countries			
Russia*	61 103	89 278	108 729
Ukraine	12 824	23 518	10 060
Lithuania	5 417	12 148	9 248
Poland	4 539	3 604	10 100
Belarus	3 205	633	1 632
Latvia	2 895	4 206	9 347
Romania	1 379	101	3 525
Sub-total	91 362	133 488	152 642
Other countries/regions	30 106	20 436	23 816
Total	121 468	153 924	176 458
* of which Barents region	13 090	9 630	21 814
Forms of support			
Project support	9 405	7 175	16 773
Sector programme support	–	–	–
Personnel assistance incl. contract-financed technical cooperation	89 157	137 115	134 789
International training programmes	2 981	5 566	499
Credits	15 080	5 635	4 390
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	799	222	1 713
Research	–	–	–
Grants to NGOs	4 045	–1 790	18 294
Total	121 468	153 924	176 458
Channels			
Multilateral organisations	4 182	14 175	–565
Swedish NGOs	116 045	133 164	167 757
Organisations in partner countries	317	1 315	1 626
Organisations in other countries	703	3 144	4 307
International NGOs	221	2 126	3 333
Total	121 468	153 924	176 458
Total number of contributions	272	360	397
of which: Agreements >SEK 15 million	2	3	4
Number of new contributions	58	81	96

disbursed in 2001. The outcome for the three Baltic States was lower than in 2001. This is due to the phasing out of the support.

[Picture removed]

Information and education are important components in the work of preventing HIV/Aids. At the youth centre in Gatchina, prospective Russian cadets are given a unique opportunity to obtain information on sex, HIV and drugs.

Social security

The goal of this operational area is to create social security by developing sustainable social service and social insurance systems, improving public health, and by reforming the health and medical systems and the social service sector.

GENERAL

Development cooperation programmes in the social sector in the region decreased somewhat in 2002 but is still at a high level. The main focus of cooperation is to contribute to the introduction of reforms and to developing sustainable, effective and equitable social service systems at regional and local level. In 2002, special attention was given to vulnerable children, for example children without guardians living on the streets, children in institutions and young criminals

in penal institutions. Contributions to develop acceptable alternatives to placing children in state institutions were given prominence.

In the health sector infectious diseases such as HIV/Aids, sexually transmitted diseases and tuberculosis were given special priority throughout the entire Baltic Sea region. Russia, Estonia and Ukraine are among the countries where HIV/Aids is spreading most rapidly in the world.

During the year an extensive sexual information

project for young people, with an emphasis on preventive measures in respect of HIV, was finalised in northwest Russia and Estonia. Similar contributions have been discussed for Ukraine and Lithuania. Special training programmes with a focus on HIV/Aids were implemented for inmates of prisons and prison warders, prostitutes and drug abusers. Russia is one of the countries that the WHO has indicated as among those most severely affected by tuberculosis. The problem is made difficult by the extensive spread of resistant strains of the disease. A bilateral programme of cooperation has been initiated with Kaliningrad for the prevention of tuberculosis and for the improvement of the medical care of patients with the disease.

Sida has financed a programme of cooperation with the action group against infectious diseases initiated by the prime ministers in the Baltic States Council. The programme covers HIV/Aids, sexually transmitted diseases, resistance to antibiotics, tuberculosis, registration and reporting systems, and protection against infections in the primary care services. In cooperation with the World Bank, further support has been provided for health sector reforms in Latvia, Lithuania and in Novgorod in Russia. In 2002 Sida financed analyses of the financing and payments systems for the medical services in Latvia. During the year Sida also financed the development of a regional structural plan in Novgorod.

Sida has provided support for the introduction of primary care systems in Russia through the East Europe Committee of the Swedish Health Care Community.

Contributions to prevent trafficking have been given priority and further support was given to the projects with the International Organisation for Migration (IOM) in the Baltic States and in Belarus, which work with information campaigns directed towards the general public, relevant government agencies and NGOs. At the beginning of the year, a rehabilitation home for victims of trafficking was opened in Ukraine with support from Sida. In Russia contacts were established with local NGOs to implement information campaigns and special projects to protect victims of trafficking.

ANALYSIS AND DISCUSSION OF PROBLEMS

Results can be seen in the development of the social services. Attitudes towards vulnerable people are difficult to change, but a number of projects with regional and local partners in cooperation can demonstrate concrete plans of action and new working methods at the local level. The goal is to provide better services in Russia and the other partner countries. In the city of St Petersburg a number of activities have been established to support disabled chil-

dren – as a direct consequence of a projects supported by Sida. They have also served as a model and a stimulus for other parts of the city. In other places in Northwest Russia it is very clear that programmes of cooperation have had positive effects and that activities and programmes have been spread locally and regionally. At the same time it should be noted that many years will pass before sustainable system changes can take place. The legislation, out-of-date attitudes and inefficient bureaucratic rules are obstacles to the social policy reform process. One possibility that is used today in the social sector and which should also be encouraged in the future is the use of Baltic resources and experience in Swedish programmes of development cooperation with countries in the former Soviet Union. For example, experience gained from the social projects in Lithuania is being used in similar projects in Moldova and Ukraine.

Sida has given support to the World Bank's health reform project in order to achieve better coordination and a more effective impact. The public health and medical care sector is, with certain exceptions, over-dimensioned, costly, inefficient and politically difficult to reform. An extensive reform of the health sector would require a considerable amount of financial support, coordination of donor contributions and a great degree of participation on the part of the governments concerned. Cooperation via the East

Examples

A joint Nordic-Baltic tuberculosis project (NO-TB-Baltic), which was started in 1999, was finalised in 2002. It was intended that the project would strengthen the national control programmes for combating tuberculosis. As a result, the WHO and the International Union against Tuberculosis and Lung Disease (UATLD) have been able to introduce the Directly Observed Treatment Short Course (DOTS) strategy in Estonia. An effective tuberculosis department has been established at the lung hospital in Tartu. In Latvia outpatient treatment of tuberculosis patients has been started in several districts. In Lithuania the DOTS strategy has been introduced in the pilot districts involved in the project.

In Estonia the first phase of a project to improve the foster family system has been finalised. The project, PRIDE, is a training project aimed at social workers. The training programme has been attended by 19 persons who shall now train families in the development needs of children, family relations and other subjects. A new Estonian organisation has been formed to run activities in the future. During the year Sida decided to finance a new phase of PRIDE in which a further 20 persons will be trained to spread the method.

[Picture removed]

A foster family in Pskov in Northwest Russia. Sida supports programmes to develop locally accepted alternatives to the placement of young offenders in state institutions or prisons.

Europe Committee of the Swedish Health Care Community permits, as in previous years, the broad mobilisation of Swedish health and medical care expertise and creates close relations between personnel in Sweden and the partner countries.

Where HIV/Aids is concerned, the situation deteriorated dramatically in 2002, particularly in Russia and Estonia, but also in Ukraine. There is still no overall national approach to reverse the trend in Russia. Sida has therefore channelled its support mainly via voluntary organisations that have demonstrated that they have the capacity and good judgement to implement sustainable projects primarily in respect of training and information activities.

EVALUATIONS, CAPACITY STUDIES AND SYSTEM AUDITS

During the year an evaluation was made of a project on sexual and social relationships that has been run in Northwest Russia by the Swedish Association for Sexual Information. During the period 1997 to 2002 the contribution was renewed on three consecutive occasions. It was implemented with the Russian fam-

ily planning organisation, RFPA, as the counterpart. The evaluation shows that there is greater cooperation at the local level between personnel from the medical services and the schools in the six regions that participated in the project. Reproductive health and sexual instruction are being included in the teaching in schools to a greater extent than before. The evaluation shows that modern, interactive methods directed towards the recipients are being used today. New clinics for young people have not been opened to the extent planned at the beginning of the project, and there are shortcomings where the target group of young boys and men is concerned. Nor have young people participated in the project to an adequate extent.

EU LINKS

In the social sector, EU adjustment has not had such a prominent role in bilateral cooperation as in other sectors. This is due to the fact that activities are not governed to the same extent by the EU acquis. Sida's support focuses on contributions which lie outside

the EU's programmes but which supplement the support provided by the EU. The social sector and support for the social consequences of closing the nuclear power station in Ignalina are examples of areas outside EU support.

GENDER EQUALITY

During the year Sida worked actively on integrating gender equality into contributions in the social sector. It is often more difficult to integrate aspects of equality into projects that have other aims than to implement projects with a special focus on equality. Those responsible for projects have been given the task of communicating information and taking up issues relating to the different conditions for women and men in ongoing projects. It is mostly women that work in the social sector, and it has sometimes proved difficult to get as many women as men in the projects. In Ukraine the focus of a sexual information project for young people has been placed on the role and identity of young men in sexual and social relationships as part of the gender equality work with young men and women.

In St Petersburg a series of seminars have been held on the role of men in Russia. The seminars have been directed towards soldiers, policemen, social workers and local government officers. Among other things, the seminars have given prominence to the role of fathers in a society dominated by men, to violence against women, and to the situation of boys.

ANALYSIS OF OUTCOME

The outcome for Ukraine and Belarus was higher than in 2001 due to a higher level of ambition, while the outcome for Russia remained unchanged at a high level. Among the candidate countries, the outcome was largest for Lithuania. The outcome was lower in both Latvia and Lithuania. Regional contributions, for example anti-trafficking via the IOM in the three Baltic States, have affected the outcome.

Table 49. Cooperation with Central and Eastern Europe
Social security, expenditure in SEK '000

	2002	2001	2000
The seven largest partner countries			
Russia*	44 826	45 283	37 748
Ukraine	7 157	1 559	3 321
Lithuania	6 265	26 440	18 203
Belarus	4 974	3 151	206
Estonia	4 283	1 613	2 702
Latvia	2 551	9 915	24 323
Poland	1 137	1 530	896
Sub-total	71 192	89 491	87 400
Other countries/regions	59 195	59 095	74 685
Total	130 387	148 586	162 085
* of which Barents region	6 990	5 161	13 653
Forms of support			
Project support	55 036	1 990	14 149
Sector programme support	137	17 537	24 461
Personnel assistance incl. contract-financed technical cooperation	56 318	72 445	95 911
International training programmes	0	1 537	2 665
Credits	-	-	-
Guarantees	-	-	-
Economic reforms	-	-	-
Humanitarian assistance	0	0	931
Research	-	-	-
Grants to NGOs	18 896	55 077	23 968
Total	130 387	148 586	162 085
Channels			
Multilateral organisations	13 883	28 728	26 147
Swedish NGOs	113 038	113 779	125 131
Organisations in partner countries	3 434	2 536	11 891
Organisations in other countries	32	0	-1 085
International NGOs	0	3 544	0
Total	130 387	148 586	162 085
Total number of contributions	109	117	122
of which: Agreements >SEK 15 million	6	6	6
Number of new contributions	40	42	49

[Picture removed]

Toxic waste has been dumped for decades in the dams at Krasnyj Bor outside St Petersburg. Sida is financing a programme of cooperation between the Swedish National Environmental Protection Agency and the environmental authorities at regional level in St Petersburg in order to improve environmental protection in industries whose activities are hazardous to the environment.

Environment

The goal of this operational area is to conserve, protect and improve the environment, particularly in and around the Baltic Sea, and to support sustainable development.

GENERAL

Environmental cooperation shall conserve and improve the environment in and around the Baltic Sea, contribute to the reform of the energy sector as laid down in the objectives of sustainable development in the Baltic Sea region, and contribute to the improvement of radiation protection in the region. Sida gives priority to contributions within the framework of the action plan for the Baltic Sea (HELCOM), Agenda 21 for the Baltic Sea region (Baltic 21), and

the EU's environmental programme for Central and Eastern Europe. Cooperation focuses on sectors in which Sweden has comparative advantages and concentrates on reform-oriented investment projects, institutional development, training programmes, support for legislation, and contributions of relevance to the environment-related parts of EU adjustment. There is close cooperation with international financing institutions such as the World Bank, the European Bank for Reconstruction and Development

(EBRD), the European Investment Bank (EIB), the Nordic Investment Bank (NIB) and the Nordic Environment Finance Corporation (NEFCO). Work in the Nordic Dimension Environmental Partnership (NDEP) is making progress and Sida is closely following developments of ongoing discussions and future contributions.

During the year 19 procurements were made in the environment and energy sectors. Of these, 16 referred to consulting services and three to the supply of equipment. Of the contributions involving consulting services, six are in the water and wastewater sector, six in district heating, two in waste management, and the remainder in agriculture and water planning. The equipment is for water and wastewater projects in one procurement and district heating in two procurements. In order to make it easier for the Swedish parties, Sida arranged a seminar in April 2002 at which most of the procurements were presented. The participants at the seminar were also informed about the World Bank's experience of environmental cooperation in the Baltic Sea region, as important background information for future cooperation, particularly in Russia and Ukraine.

Five grant aid agreements were signed in 2002, amounting in total to SEK 164.8 million. The grant aid agreement between the City of St Petersburg, Vodokanal St Petersburg and Sida was signed in connection with the Baltic Sea summit meeting on June 10 under the supervision of the prime minister of Sweden, Göran Persson. During the year two energy projects financed by the Baltic Sea Programme were finalised. The contributions referred to supplies of equipment for the cities of Archangelsk in Russia and Kaunas in Lithuania, where Swedish technology at a cost of SEK 33 million has been installed in district heating centres. The equipment, which is now in operation on site, has been used for the rehabilitation of power plants and to make the production of heating more efficient. Another project that was finalised is the wastewater treatment plant in Sigulda in Latvia. This plant has considerably improved the local environment, which is an important source of income for Sigulda, which is highly dependent on tourism.

In 2002 the third and fourth stages of a financing programme, Demo-East, were implemented. Hitherto the Government has made SEK 55 million available for the Demo-East programme from Baltic Sea Programme 2. Up to and including the third stage, twenty projects had been offered part-financing. Interest in Demo-East is constantly growing and the grants approved in 2002 show a certain shift in geographical focus, from Poland to Russia and Ukraine.

In cooperation with the Ministry for Foreign Affairs, the Swedish Export Council and Sweheat, Swedish "environmental days" were arranged in St

Petersburg in March. For two days Swedish enterprises active in the water, environment and district heating sectors had the opportunity to present themselves to decision-makers from all parts of Northwest Russia. The seminar also shed light on possibilities for funding, for example, via the Demo-East project. The seminar was highly appreciated by both Russian and Swedish participants. One direct result of the seminar was that the number of applications from Russia increased during the autumn of 2002.

Sida has decided to finance an Energy Efficiency PPC officer (Project Coordinator) who will work at EBRD's office in St Petersburg. The aim is partly to identify and develop projects that will make energy supplies efficient in Russia, particularly district heating projects in northwest Russia, and partly to match together suitable sources of finance.

Sida is supporting cooperation between government agencies, for example between the Swedish Environmental Protection Agency, the Swedish Radiation Protection Institute and the Swedish University of Agricultural Sciences and their counterparts in each country, in the field of environmentally sustainable development, at a cost of SEK 35 million per year.

During the year a new communications plan for Central and Eastern Europe was drawn up and a special strategy was produced for providing information on two of Sida's largest contributions for sustainable environmental development in the Baltic Sea region, the water and wastewater plants in St Petersburg and Kaliningrad. As a further component in the external information work, a number of brochures and information leaflets were produced. One of these products focuses on the unique cooperation that has taken place around the Baltic Sea in the Agenda 21 spirit, Baltic 21. This programme of multilateral cooperation functions as a model and source of inspiration for other programmes of cooperation working under similar conditions, i.e. a large number of countries with a common problem, for example a polluted inland sea. At the conference Rio+10 in Johannesburg, the links between Baltic 21 and the Lake Victoria initiative aroused a great deal of interest.

ANALYSIS AND DISCUSSION OF PROBLEMS

Environmental cooperation under the appropriation for the candidate countries is characterised by the imminent phasing out of support. The work focuses on finalising assessed or agreed contributions. Since a relatively large number of projects were ready for implementation during the year, the charge on the appropriation was high in comparison with preceding years. Due to the difficult institutional conditions, environmental cooperation under the appropriation

for Russia, Ukraine and Belarus was – as in previous years – characterised by long assessment and implementation times in which delays are common. The growth in the Russian economy has improved the possibility of implementing investment projects in cooperation with the development banks. One example is the southwest wastewater treatment plant in St Petersburg where Sida, which took the initiative, agreed to provide support amounting to SEK 100 million for equipment in a project that will cost approximately EURO 200 million to implement.

In 2002 a certain degree of restructuring took place in the Swedish resource base in the water, wastewater, waste management and district heating sectors, through mergers between enterprises. On account of the risk of less competition, with resultant shortcomings in quality and lower cost efficiency, Sida made a number of recipient country procurements of consulting services during the year, based on a different model to that used before. In its team the Swedish party to the contract has been able to include services, of up to 50 per cent of the contract amount, from a sub-contractor resident in a EU country. This resulted in a considerable increase in the number of tenders. This procedure, which was tested in 2002, shall be evaluated during the first half of 2003.

The consultative groups for the environment and

energy, together with the agencies and ministries concerned, continued to be active during the year. The exchange of information and experience on ongoing and planned contributions and programmes of cooperation is valuable for all parties and takes place in an open and constructive spirit.

The extensive environmental activities have made it possible for Swedish parties to strengthen their long-term presence in the partner countries.

EVALUATIONS, CAPACITY STUDIES AND SYSTEM AUDITS

In 2002 an analysis was made of the reduction in emissions of carbon dioxide from five major investment projects for district heating systems of entire towns. The evaluation shows a reduction potential of 1.27 million tonnes of carbon dioxide per year. The specific reduction costs for the projects do not normally exceed USD 5 per tonne. This has the effect that many projects are profitable, even without special compensation for carbon dioxide reduction.

EU LINKS

During the year environmental cooperation has been characterised by preparations for EU membership in which the fulfilment of EU directives in the environment sector still requires major investments. Sida makes the assessment that its environmental support promotes the entry of the candidate countries into the EU. This is partly achieved through support for the preparation and implementation of investment projects, and partly through public administration support. One example of contributions of this type consists of the programmes of cooperation channelled through the Swedish Environmental Protection Agency and the Swedish Radiation Protection Institute with their counterparts in the Baltic States. Another example is the study of the water and wastewater situation in twelve towns in Latvia that will analyse the improvements that are necessary in order to meet EU directives in this field. A further example is the consulting services for the design work and drawing up the contract documents for a wastewater treatment plant in Panevezys, the fifth largest town in Latvia, to enable the treatment plant to meet the EU's requirements.

GENDER EQUALITY

Within the framework of the work on the environment and energy it has often been difficult to find the right focus for gender equality work, both in respect of integration and of targeted gender equality contributions, since gender equality aspects are sometime perceived as peripheral by the parties concerned. In order to train Sida staff and Swedish con-

Examples

As part of the reform of the district-heating sector in the City of Arkhangelsk, a workshop was held in May 2002, based on the Logical Framework Approach (LFA) concept, with key parties in the sector in Arkhangelsk. The participants at the seminar gave priority to a number of contributions that now form the basis of further cooperation for institutional reform in the City and Region of Arkhangelsk.

Sida is financing the programme of cooperation between the Swedish Environmental Protection Agency and environmental agencies at the regional level in St Petersburg and Leningrad oblast on the improvement of environmental protection in industries whose operations are hazardous to the environment. The goal is to test whether Best Available Technology (BAT) and the individual examination of permits can be introduced in Russia (the project includes four pilot industries). This is an alternative to the current system that is based on maximum levels of concentration of hazardous substances in emissions, which tends to lead to ineffective environmental work. Officers at the agencies that issue the permits and personnel working in the pilot industries are participating in the project. Experience gained from the project has been used in the development of legislation to protect the environment in Russia.

[Picture removed]

Sida-supported project for the development of the district heating network in Riga, Latvia.

Table 50. Cooperation with Central and Eastern Europe

Environment, expenditure in SEK '000

	2002	2001	2000
The seven largest partner countries			
Russia*	83 249	64 832	68 434
Lithuania	54 122	8 010	8 047
Poland	21 684	19 415	30 889
Latvia	19 207	19 883	16 383
Czech Republic	5 738	0	0
Ukraine	4 263	14 890	13 739
Estonia	2 839	19 071	2 756
Sub-total	191 102	146 101	140 248
Other countries/regions	38 406	34 624	33 671
Total	229 509	180 725	173 919
* of which Barents region	37 886	11 703	19 866
Forms of support			
Project support	97 978	72 281	46 428
Sector programme support	0	0	0
Personnel assistance incl. contract-financed technical cooperation	120 112	105 513	111 510
International training programmes	1 470	2 695	2 521
Credits	–	–	–
Guarantees	0	0	39
Economic reforms	–	–	–
Humanitarian assistance	5 517	210	13 588
Research	0	0	0
Grants to NGOs	4 432	26	–167
Total	229 509	180 725	173 919
Channels			
Multilateral organisations	40 734	9 644	680
Swedish NGOs	184 758	153 595	157 032
Organisations in partner countries	1 744	10 563	1 207
Organisations in other countries	2 273	6 923	15 000
International NGOs	–	–	–
Total	229 509	180 725	173 919
Total number of contributions	175	202	215
of which: Agreements >SEK 15 million	18	18	18
Number of new contributions	57	75	51

sultants, agencies and other partners in cooperation, Sida arranged a course in August 2002 on gender equality issues with a special focus on environmental and energy cooperation in Eastern Europe.

ANALYSIS OF OUTCOME

The outcome for individual countries varies considerably from year to year and is dependent on when disbursements are made for major projects with long assessment and implementation times. The outcome was higher, in particular for Russia and Lithuania, as a result of major commitments made in previous years.

Policy area “Foreign policy
and security policy”

2002

Peace promotion activities

The goal of this operating area is to recruit, train and equip the personnel the Government has decided to make available for international peace-promotion activities. Furthermore Sida shall administer Swedish participation in peace missions.

GENERAL

Sida's recruiting and training activities for personnel working with peace promotion activities were relatively unchanged in 2002 compared to 2001. The largest change was that all seconded Swedes working in the mission in Macedonia organised by the Organisation for Security and Cooperation in Europe (OSCE) left the mission as a result of the considerable reductions in the mission made during the summer. The number of Swedes increased somewhat in Bosnia and, at the end of 2002, the OSCE mission in Kosovo increased its staff somewhat. One employee left the mission in Tajikistan and a new recruitment was made for Uzbekistan.

The employees are given preparatory training prior to a mission and are given an opportunity for debriefing on arrival home. External expertise is required for both the training programme and the seminar on arrival home, and there is a network of trainers and debriefing staff for this purpose. Sida is responsible for the implementation and administration of these activities.

Recruitments are often made at short notice, as are requests from the organisations. This necessitates the use of methods that permit rapid action. Sida has created an active resource base in order to be able to make the rapid recruitments that are sometimes necessary. The resource base includes personnel with expertise in human rights, democracy, legal systems and the media, with experience of peace observation.

ANALYSIS AND DISCUSSION OF PROBLEMS

In 2002 the level of recruitments to OSCE was not as high as in previous years. There are a number of reasons for this. Reductions have been made in OSCE and in Swedish participation. There have also been difficulties in finding posts in sectors given priority by Sweden. Competition between the member states appears to have increased and it has therefore become more difficult to get Swedish candidates approved by the organisation. The number of qualified applicants for the advertised posts decreased during the year. Sweden has difficulties in meeting the qualification requirements for advertised posts in priority areas such as Central Asia and the Caucasus. One reason for this is that almost all posts that have been advertised have required fluency in Russian. Internal recruitments made by the organisation itself can also have affected the lower outcome where candidates proposed by Sweden are concerned. This mainly applies to the mission in Kosovo.

The previous experience and knowledge of the seconded staff govern the need of training programmes. The short period of time between recruitment and departure makes training planning difficult.

REPORTS REQUIRED

- A quarterly report shall be submitted on cost trends for activities that are financed by this appropriation sub-item as well as any changes in activities. Every contribution shall be reported on individually.*

Reported on separately.

About Sida

2002

About Sida

This section presents work on methods, policy changes, programmes of human resource development, evaluations and audits that are not described elsewhere in the annual report. A report is also provided on changes made to Sida's organisation during the year and on personnel statistics.

METHODS WORK, POLICY CHANGES AND HUMAN RESOURCE DEVELOPMENT

One of Sida's strategic priorities is the so-called Field Vision. The Field Vision implies a stronger field orientation of Sida's activities, with the aim of strengthening partnership, the ownership of partner countries and the coordination of development cooperation. It has the effect that a larger number of embassies will be given full delegation, i.e. the right to make decisions on new contributions. It has also been planned that the number of persons working in the field, and the number of fields, will increase. The increase in personnel will primarily be in the form of an increase in the number of National Programme Officers. This Field Vision also means changes in the roles of the different parts of Sida's organisation. The first phase of a project for the production of an action plan for the Field Vision will take place up to February 2003.

However, changes intended to lead to a stronger field presence have already been started. At the beginning of the year a further two embassies were given full delegation. This brings the number up to five. A process of strengthening personnel in the field has also been started. To strengthen cooperation between Sida in Stockholm and at the embassies, Sida held a seminar, Field Forum, in Stockholm. At this seminar, representatives of Sida and the embassies were able to meet and discuss topical issues. For the second year in succession Sida organised a week's training for locally employed programme officers as part of their development.

In 2002 Sida continued to develop forms to improve coordination of programmes of development cooperation. Preliminary guidelines for so-called silent partnership were produced. In 2002 Sida entered into agreements on silent partnership with the Department for International Development

(DFID) in Great Britain in respect of the education sector in Rwanda, and with the Directorate-General for International Cooperation (DGIS) of the Netherlands in respect of the education sector in Mali. Cooperation with the Norwegian Agency for Development Cooperation (Norad) was intensified. An initiative for donor coordination in Zambia was produced by the Nordic development cooperation agencies and DFID and DGIS. Furthermore, Sida participated actively in the work of the Development Assistance Committee (DAC) on the harmonisation of donor procedures, which was concluded during the year.

A new function for quality assurance in the field, the Quality Assurance Mechanism (QAM), was created by the Regional Departments. QAM will primarily be used for examining the work done at embassies that have, or will have, full delegation. At the end of 2002, twelve embassies had direct bookkeeping facilities, i.e. the possibility to record transactions directly in Sida's financial system via the Internet.

Where multilateral assistance is concerned, Sida was commissioned by the Government to represent Sweden in some of the EU Commission's executive committees and thereby to participate in making decisions on country strategies, guidelines and programmes. Sida also participated in other committees together with the Ministry for Foreign Affairs, and in some 20 expert groups. Sida submits documentation and points of view on EU policies in the development cooperation sector to the Ministry for Foreign Affairs.

Together with the Ministry for Foreign Affairs, Sida represented Sweden in the governing bodies of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Emergency Fund (UNICEF) and other United Nations agencies.

With its point of departure in the strategies and guidelines adopted by the Government, Sida has spoken on behalf of Sweden. In both the UN and the EU, Sweden has requested a specific focus on poverty, integration of gender equality, consideration of the environment and human rights in programmes of development cooperation, as well as better coordination between donors. In December Sida arranged a seminar on coordination and harmonisation of country strategy processes with the participation of the EU, the World Bank, the UN and seven bilateral organisations.

During the year Sida submitted a report to the Government in which it presented and analysed a number of factors that will affect Sida's capacity and needs of administrative resources for the years 2003–2005.

A decision has been made to introduce a system for the follow-up and evaluation of contributions, a so-called rating system. With the aim of increasing the number of programmes of sector support, i.e. budget support and sector programme support, training materials and methods were developed. The methods work focused primarily on the possibilities available to Sida to analyse and strengthen financial control systems, to measure results and effects, and to contribute to coordinated contributions for capacity development within the framework of programme support processes.

During the year network-based training material on capacity building was produced, primarily for

embassies with development cooperation activities, as was a manual for the analysis and implementation of contributions for capacity development. Sida also produced guidelines for action that should be taken when suspicions of corruption arise in projects and programmes.

Sida's Procurement Guidelines were produced as a part of the action programme for procurement. Registrations of contracts, which were previously reported to a special internal register, have been reported directly to Sida's financial system, PLUS, since the autumn of 2002. During the autumn, training programmes were held on contract registration. Standard forms for procurements, contracts and general conditions were produced or modified during the year. Sida's work on the production of a document handling system and electronic archives, which was started in 2001, continued in 2002.

In 2002 a strategy and action plan was produced on how Sida can use IT-based training. Individual in-depth training programmes in strategic areas such as gender equality, poverty, organisation and institution development and international law were held during the year. In 2002 a programme for the development of Sida's controller network was started.

ORGANISATIONAL CHANGES

In January, Sida Civil Society Centre was established in Härnösand. The Center is a division in the Department for Cooperation with NGOs and

[Picture removed]

In January Sida opened a new centre in Härnösand, the Sida Civil Society Center. During the year a number of courses were held at the Center for personnel working on international assignments.

Humanitarian Assistance and Conflict Prevention (SEKA). In 2002 its activities gradually started to take shape, in cooperation with NGOs. A meeting place for the exchange of experience between different parties was thereby created, and work on the development of concepts and ideas, methods development and capacity building was thereby started. A number of courses for NGO personnel working internationally, seminars on communications and performance measurement, and an assignment in Nigeria on behalf of the Swedish NGO Foundation for Human Rights, were carried out during the year. An operational council was established.

To strengthen Sida's work with IT in development cooperation and to support the work of the departments and the field of integrating IT into contributions, the ICT for Development Secretariat was established at the Department for Infrastructure and Economic Cooperation (INEC). The goal of the Secretariat is to contribute to increasing the development and use of IT in the partner countries.

The Department for Research Cooperation (SAREC) was reorganised and now has two divisions instead of three. The Division for University Support and Bilateral Research Cooperation (UNI), the Division for Thematic Research programmes (TEMA) and the Division for Sida's development research council and IT (UFO-IT) were combined into two divisions, UNI and TEMA 30.

The Department for Personnel and Organisation Development (PEO) implemented an organisational change when the International Recruitment and Training Division (RIU) was split up and a new division, the Division for Capacity Building and Exchange Programmes for Swedish Partners (IKU) was formed. The main responsibility of the new division consists of exercising controls and performing quality assurance of the broad scholarship programmes directed at universities, of stimulating contacts and exchanges of experience between new Swedish partners and their counterparts in developing countries, and of contributing to the human resource development activities of the partners by offering basic courses and methods-oriented training programmes.

Since 1996 Sida has accommodated the Global Water Partnership (GWP) secretariat and coordinated its activities. After the Water Conference in The Hague in 2002, it was decided that the GWP should be an independent international organisation with its headquarters in Sweden. In May 2002, the Swedish parliament approved the establishment of the Global Water Partnership Organisation (GWPO). Activities were therefore transferred from Sida to GWPO as from July 1, 2002.

The focus on HIV/Aids led to the establishment during the year of an HIV/Aids team in Africa and a

new secretariat at the Department for Democracy and Social Development (DESO). The secretariat, consisting of three persons, shall work on integrating the HIV/Aids problem into Sida's processes, programmes and projects. The Secretariat shall have an advisory, informative and monitoring function and shall participate in the international dialogue. The Secretariat shall not administer projects or programmes.

The regional HIV/Aids team in Africa has moved from Harare to Lusaka. The purpose of the team is to strengthen Swedish presence in the field and to attempt to develop mechanisms to extend the integration of HIV/Aids contributions into programmes of development cooperation. The team is working in four fields: providing support for Swedish embassies in the region; regional contributions; multilateral monitoring, and information and research.

The Division for Corporate Development at the Department for Finance and Corporate Development was merged with the Division for Management Services at the Department. The new division is responsible for the development and operation of Sida's IT systems.

A regional environmental secretariat has been formed in Asia, located at the embassy in Bangkok. The Department for Natural Resources and the Environment shall implement a pilot phase over a period of two years. The long-term goal is to contribute to improving the management of natural resources and to reduce the degradation of the environment in the region.

PERSONNEL AND HUMAN RESOURCE DEVELOPMENT

Sida's annual human resources report shows that Sida is continuously increasing the time allocated to learning activities. The largest increase is in the area of professional skills. The reason for this is that an increasing number of members of staff are participating in Sida's basic training programme and that Sida has focused on improving IT skills. One of the purposes of programmes for human resource development in the departments is to test new ways of working and communicating that can promote learning.

With Sida's staff policy as its point of departure, Sida has started a programme for staff development. This also includes a leadership programme for the staff. Since earlier surveys made of the organisation have showed negative results in respect of stress, Sida has started a training programme for all members of staff that focuses on the reasons for stress in the organisation, and actions that can be taken to deal with it.

The human development strategy project, which was started in 2001, was concluded in 2002. The project provided a number of recommendations for goal-oriented and strategic actions to enable Sida to

Table 51. Personnel

	2002			2001			2000		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
Form of employment									
Permanent staff	631	370	261	615	348	267	599	346	253
<i>stationed in Stockholm</i>	499	303	196	503	293	210	486	290	196
<i>stationed in Härnösand</i>	10	4	6	0	0	0	0	0	0
<i>stationed at embassies</i>	114	57	57	97	46	51	84	42	42
<i>other duty stations (EU, Sandö)</i>	8	6	2	15	9	6	29	14	15
Temporary staff	124	71	53	157	104	53	131	74	57
<i>stationed in Stockholm</i>	83	53	30	110	86	24	93	61	32
<i>stationed in Härnösand</i>	0	0	0	0	0	0	0	0	0
<i>stationed at embassies</i>	39	17	22	45	17	28	34	11	23
<i>other duty stations</i>	2	1	1	2	1	1	4	2	2
Staff on leave of absence	101	67	34	107	71	36	118	73	45
<i>in other development cooperation organisations</i>	22	12	10	27	12	15	26	11	15
<i>for studies</i>	12	10	2	11	10	1	17	15	2
<i>for other reasons</i>	67	45	22	69	49	20	75	47	28
Total number of employees	856	508	348	879	523	356	848	493	355
Posts									
Management posts	89	33	56	91	32	59	85	31	54
Programme officers	536	302	234	537	302	235	496	270	226
Administrative assistants	130	105	25	144	118	26	149	119	30
Total	755	440	315	772	452	320	730	420	310
Educational levels									
Postgraduate education	65	24	41	62	22	40	53	17	36
Higher education, post secondary education > 2 years	544	297	247	572	321	251	514	270	244
Post-secondary education < 2 years	76	58	18	45	32	13	83	61	22
Upper secondary education	149	118	35	165	128	37	169	129	40
Nine-year compulsory school	22	13	9	26	16	10	29	18	11
External recruitments									
Management staff	4	3	1	5	3	2	1	1	0
Programme officers	40	21	19	54	37	17	42	21	21
Administrative assistants	5	3	2	9	8	1	7	7	0
Recruitments to embassies									
Management staff	13	6	7	11	6	5	3	1	2
Programme officers	39	21	18	40	18	22	33	17	16
Administrative assistants	5	5	0	1	1	0	2	2	0
Average age									
Employees	47	46	48	46	46	46	46	46	47
Externally recruited staff	38	37	40	39	38	40	36	34	39

achieve levels of skills that correspond to the requirements made of Sida as a government agency. A proposal for a plan of action for strategic human resource management was presented. It has the aim of attracting new staff to Sida, recruiting new members of staff, human resource development, career

development, manning and expertise in the field, and covers ways of working and the working environment and culture.

In December 2002, the total number of employees was 856 persons. This is 23 persons fewer than in 2001. The main reason for this is that the GWP Sec-

retariat became an independent organisation in 2002. The number of persons with permanent posts amounted to 631, an increase of 16 persons compared to 2002.

In 2002, the breakdown of the staff by men and women was 59 per cent women and 41 per cent men. This means that Sida complies with the generally accepted definition of an even gender breakdown (60–40 per cent)

The average age of the employees was 47 years, 46 years for women and 47 years for men.

All in all, 80 per cent of Sida's personnel had an educational background higher than upper secondary school level. Of all employees, 7 per cent had a postgraduate qualification, 72 per cent had a university degree or a corresponding upper secondary school education, and 22 per cent had an upper secondary school education or lower.

In 2001, 49 persons were recruited externally. Of these, 27 were women and 22 were men. The average age of externally recruited persons was 38 years. Women had a lower average age than men where external recruitments are concerned.

Where recruitments to Swedish missions abroad are concerned, 57 posts were filled. More women than men were recruited in 2002 compared to 2001: 32 women and 15 men.

EVALUATIONS AND AUDITS

Sida's internal audit finalised four studies during the year: Sida's annual report for 2001, Sida's support to the Western Balkans, and examinations of the embassies in Windhoek and Vientiane. During the year Sida's board adopted a standpoint and a plan of action as a result of the internal audit reports on support to the Western Balkans and the embassy in Windhoek.

In 2002 Sida finalised the following theme-orient-

ed evaluations: Mainstreaming Gender Equality, Aid, Incentives and Sustainability, Area Development Projects and Supporting Ownership. Furthermore, two country evaluations were made: Implementation of the 1999–2003 Country Strategy for Swedish Development Cooperation with Vietnam and Implementation of the 1999–2003 Country Strategy for Swedish Development Cooperation with Laos, and a synthesis study based on the former evaluation: Country Plans: The Missing Middle of Sida's Country Strategy Process.

REPORTS REQUIRED

1. *In its annual report for 2002 Sida shall present indicators of the internal efficiency of the agency in different parts of its production.*

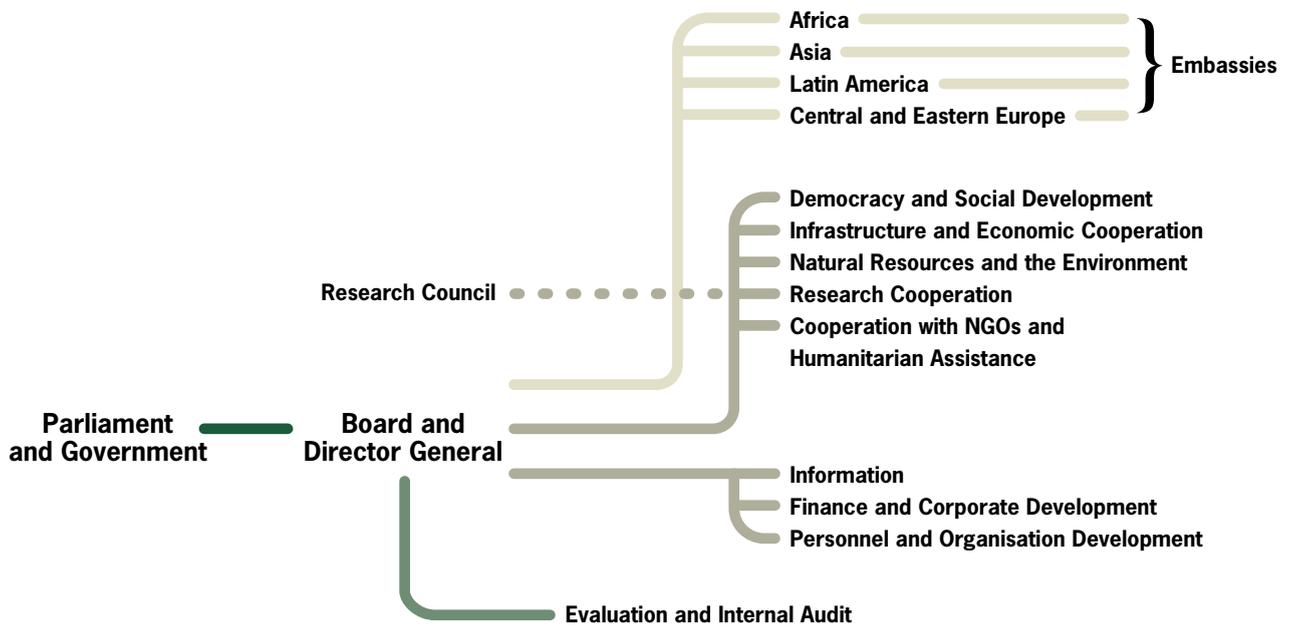
Sida has produced a number of indicators for its internal productivity and efficiency (see tables 3, 34, 41 and 52). The indicators are mainly indicators of growth in productivity in the use of resources at Sida, i.e. for the output supplied by Sida in programmes of development cooperation. Most of the indicators are in the form of annual time series. In addition indicators of development over shorter periods of time are also presented. The purpose of these indicators is to provide indications of the extent to which work on change and strategic priorities have had an impact on the organisation. The indicators can be divided into four categories: trends in respect of the contributions portfolio, administrative expenses, views on Sida, and the agency's work with change. The indicator in respect of trends in the contributions portfolio is taken from Sida's financial system together with the indicator for administrative expenses. The views on Sida are extracted from the annual statistical surveys.

In the future Sida will produce a biannual internal report that presents these indicators.

Table 52. Report required: Internal efficiency, overview

	2002	2001	2000
All Sida's contributions			
Number of contributions	6 224	6 511	6 722
Average outcome per contribution, SEK '000	1 865	1 859	1 519
Average agreed amount per contribution, SEK '000	6 877	6 048	5 268
Average duration of agreement per contribution, months	33	31	33
Sida's new contributions			
Number of new contributions	2 025	2 146	2 249
Average agreed amount per new contribution, SEK '000	5 605	5 194	3 731
Average duration of agreement per new contribution, months	18	17	19

Sida's organisation



Sida's management 2002

Bo Göransson	<i>Director General</i>
Staffan Herrström	<i>Deputy Director General, Head of Department for Central and Eastern Europe (Sida-East)</i>
Lotta Sylwander	<i>Head of Africa Department (AFRA)</i>
Jan Bjerninger	<i>Head of Department for Asia (ASIEN)</i>
Göran Holmqvist	<i>Head of Department for Latin America (RELA)</i>
Jerker Thunberg	<i>Head of Department for Natural Resources and the Environment (NATUR)</i>
Carin Norberg (until 2002-05-23)	<i>Head of Department for Democracy and Social Development (DESO)</i>
Britt F Hagström (from 2002-06-10)	<i>Head of Department for Democracy and Social Development (DESO)</i>
Anders Hagwall (until 2002-01-31)	<i>Head of Department for Infrastructure and Economic Cooperation (INEC)</i>
Rolf Carlman (from 2002-02-01)	<i>Head of Department for Infrastructure and Economic Cooperation (INEC)</i>
Eva Asplund	<i>Head of Department for Cooperation with NGOs and Humanitarian Assistance and Conflict Prevention (SEKA)</i>
Berit Olsson	<i>Head of Department for Research Cooperation (SAREC)</i>
Johan Åkerblom	<i>Head of Department for Information (INFO)</i>
Åsa Lindh (until 2002-04-21)	<i>Head of Department for Finance and Corporate Development (EVU)</i>
Torbjörn Pettersson (from 2002-04-22)	<i>Head of Department for Finance and Corporate Development (EVU)</i>
Britt F Hagström (until 2002-06-09)	<i>Head of Department for Personnel and Organisation Development (PEO)</i>
Ingrid Wibom (from 2002-06-24)	<i>Head of Department for Personnel and Organisation Development (PEO)</i>

Under Sida's standing orders, the Head of the Department for Evaluation and Internal Audit is not a member of the management committee, but is entitled to be present and to express opinions at the meetings of the committee.

Stefan Molund (until 2002-01-31)	<i>Acting Head of the Department for Evaluation and Internal Audit (UTV)</i>
Eva Lithman (from 2002-02-01)	<i>Acting Head of the Department for Evaluation and Internal Audit (UTV)</i>

Members of Sida's Research Council

Prof. Mårten Carlsson, Chairman <i>Swedish University of Agricultural Sciences, Alnarp</i>
Prof. Lotta Mellander, Deputy Chairman <i>Gothenburg University</i>
Prof. Ian Bryceson <i>Centre for International Environment and Development Studies, NORAGRIC, Ås, Norway</i>
Prof. Barbara Ekbom <i>Swedish University of Agricultural Sciences, Uppsala</i>
Prof. Göte Hansson <i>Lund University</i>
Prof. Bo Sundqvist <i>Uppsala University</i>
Prof. Aud Talle <i>University of Oslo, Norway</i>
Prof. Lena Trojer <i>Blekinge College of Technology</i>
Prof. Hans Wigzell <i>Karolinska Institute, Stockholm</i>
From Sida: Berit Olsson <i>Head of Department for Research Cooperation, SAREC</i>
Göran Holmqvist <i>Head of Department for Latin America, RELA</i>

Notes on the
performance report

2002

Notes on the performance report

GENERAL

The reporting requirements laid down in the annual directives and letter of appropriations for the budget year 2002 in respect of the Swedish Agency for International Development Cooperation (Sida) are included in this performance report. The financial and statistical information has been taken from Sida's financial planning system, PLUS. Operational areas and sub-sectors are determined on the basis of appropriations, appropriation sub-items, forms of support and sectors. The total number of operational areas has increased from 14 to 15.

REVENUE AND COSTS

The definition of costs in 2002 does not differ from previous years. A reconciliation between the performance report and the income statement is presented in table 53.

POLICY AREA INTERNATIONAL DEVELOPMENT COOPERATION

Operational areas

In this policy area there are nine operational areas. They are made up of the appropriations for international development cooperation, multilateral development cooperation (8:1.1) and bilateral development cooperation (8:1.2). Administrative costs (8:2) are also reported under each operational area, see below under the heading "Administrative costs".

The number of operational areas is the same as in previous years and no changes have been made.

The operational area *Non-governmental Organisations* is identical to appropriation sub-item 7 and does not have any sub-sectors.

The operational areas *Economic Reforms, Research Cooperation* and *Humanitarian Assistance and Conflict Prevention* are defined by components that are classified under each form of support and, for humanitarian

contributions and conflict prevention, components that are classified under the sectors Peace promotion and Conflict management. These operational areas do not have any sub-sectors.

The operational area *Democratic Governance and Human Rights* is defined by components that are classified under the main sector Human Rights and Democratic Governance. The sub-sectors are *Democracy including media, Public administration, Human rights* and *Legal systems* and are defined as the sub-sectors Democracy, Public administration, Human rights and Legal systems in Sida's classification of contributions.

The operational area *Social Sectors* is defined components that are classified under the main sector Social sectors. The sub-sectors are *Health, Education* and *Other social sectors including culture* and are defined as the sub-sectors Health, Education and Other social sectors in Sida's classification of contributions.

The operational area *Infrastructure, Private Sector Development, Urban Development and Financial Systems* includes components that are classified under the main sector Infrastructure, private sector development and urban development and broken down into the sub-sectors *Infrastructure, Private sector development, Urban development* and *Financial systems*. The sub-sector Infrastructure includes components that have been classified in the under-sectors Transport, Telecommunications, Post and IT communications, and Energy. The sub-sector Private sector development includes components that have been classified under the under-sector Private Sector Development. The under-sectors Water and sanitation, Housing and Building and Urban development form the sub-sector Urban development. Financial systems includes components that have been classified under the under-sector Financial systems.

Components that have been classified under the main sector Natural resources are part of the operational area *Natural Resources*, which has two sub-se-

tors, *Natural resources* and *Pollution and environmental protection*. These correspond to the sub-sectors in Sida's classification of contributions.

Under the operational area Other Operational Areas, there are the components that have been classified under the main sector Other operational areas. The area has no sub-sectors but has been broken down into Information programmes and Recruitment, resource base development and training.

Regions

This year's performance report contains a report on each region. A new feature this year is that global contributions are reported in a separate appendix.

The regions follow the classification laid down in the appropriations. Appendix 1 Costs per operational area, region/country and continent shows the countries that are part of each region.

Administration costs

Administrative costs are classified in the same way as in previous years, by country, region and operational area.

The classification into country and region is made by distributing the administrative costs of the embassies to each country. The administrative costs for Sida's regional departments are distributed over all countries in the region that have an outcome, in proportion to the outcome. The administrative appropriation for other departments at Sida is distributed over all countries with an outcome, in proportion to the outcome.

The classification into operational areas is made by distributing each division's administrative costs to the operational area that the division mostly works with. Departmental management costs have, in some cases, been allocated to the divisions' administrative costs in proportion to the divisions' administrative costs. The departments/divisions that are not possible to allocate directly, for example the regional departments, embassies and administrative divisions, have been distributed over all operational areas proportionally on the basis of the administrative costs that have already been allocated.

Forms of support

The report on forms of support follows Sida's statistical concept Form of Support. No changes have taken place since 2001.

Channels

As in previous years, the report on channels is based on the statistical concept Implementing Channel. *Multilateral organisations* contains UN agencies and the World Bank, among others. *Swedish NGOs* contains implementing organisations in Sweden, for example government agencies, organisations and universities

Table 53. Reconciliation between the Performance Report and the Statement of Financial Performance (SEK '000)

Statement of Financial Performance, excl income from appropriations	
Income from fees and other payments	54 590
Income from fees	2 785
Operating costs including depreciation	1 591
Financial income	-853 459
Collections net	-905
Funds from other agencies to finance support	4 741
Other funds received to finance support	67 960
Support provided	-11 426 625
Total as shown in Statement of Financial Performance, excl appropriation income	-12 149 324
Broken down by operational area:	
Policy area International Development Cooperation	
Democratic governance and human rights	-1 774 077
Social sectors	-1 430 715
Infrastructure, private sector development, urban development and financial systems	-1 607 416
Natural resources	-958 969
Economic reforms	-534 847
Research cooperation	-915 052
Humanitarian assistance and conflict prevention	-1 636 773
NGOs	-907 470
Other	-1 624 455
Total International Development Cooperation	-11 389 772
Policy area Cooperation with Central and Eastern Europe	
Support for the promotion of security	-26 504
Democracy	-153 960
Economic transition	-121 468
Social security	-130 387
Environment	-229 509
Total Cooperation with Central and Eastern Europe	-661 827
Policy area Peace Promoting operations	
Peace promoting operations	-20 913
Total Peace Promoting Operations	-20 913
Total broken down by operational areas	-12 072 513
Outstanding	-76 811
According to the Statement of Financial Performance, the outstanding items consist of:	
Doubtful debts	-468
Funds received from agencies to finance support	4 261
Finance provided by funds etc to finance support	274 458
Cost of concessionary credits	-277 898
Damages etc contingency reserve	-182 468
Changes in doubtful debts, conditional loans	-982
Taxation net	-905
Interest income, concessionary credits	98 288
Interest income, contingency reserve	36 018
Exchange differences, contingency reserve	-1 451
Book value and profit and losses on sales	-27
Write-offs	-18 918
Cost of soft loans	-4 745
Other items	-1 973
Total other items	-76 811

and schools. *Partner country organisations* contains implementing organisations in the partner countries, for example Kenya, and *Other countries' organisations* contains implementing organisations from other parts of the world, for example Norway. *International NGOs* are, for example, ICRC.

Action programmes

For every sub-sector and operational area that does not have a sub-sector, a report is made on how the components have been classified on the basis of Sida's action programme for poverty reduction.

Sida's other action programmes are reported in the section "The year's results from the perspectives of the goals of development cooperation".

Report on the number of contributions

The definition of the number of contributions has not been changed in comparison with previous years. The number of contributions in this performance result is the number of contributions that, according to agreements, have taken place at some time during each year.

The number of contributions under agreements that exceed SEK 15 million are given under the heading Agreements > SEK 15 million.

The number of new contributions is the number of contributions that started during each year.

As in previous years, a number of contributions can refer to several operational areas and regions. The total of the number of contributions in operational areas and regions thus exceeds the actual number of contributions.

POLICY AREA COOPERATION WITH CENTRAL AND EASTERN EUROPE

Operational areas

This year, the policy area Cooperation with Central and Eastern Europe (appropriation 9:1.1 Cooperation with Central and Eastern Europe via Sida) has been broken down into five operational areas: Common Security, Deepening the Culture of Democracy, Economic Transition, Social Security, and the Environment.

The operational area Socially Sustainable Economic Transition shown in last year's annual report has been divided into two areas: Economic Transition and Social Security. Since a new operational area has been added and the appropriation items have been changed, no comparisons can be made between the figures for the operational areas over the years. The operational areas follow the objectives that exist for the policy area and are defined on the basis of the sectors for which the components are classified.

Region

See comments under Policy area: Cooperation with Central and Eastern Europe.

Administrative costs

Administrative costs have not been distributed over the policy area Cooperation with Central and Eastern Europe since this activity does not fall under appropriation 8.2, Sida's administrative appropriation.

Report on the number of contributions

See comment under Policy area International Development Cooperation.

Commitments

Under commitments a report is provided on all decisions made during the year in respect of contributions in Central and Eastern Europe.

POLICY AREA FOREIGN POLICY AND SECURITY POLICY

As in 2001, the operational area Peace Promotion Activities is defined as appropriation 5:7 Peace Promotion.

Administrative costs

Administrative costs have been estimated at 25 per cent of the costs of Resource Base Development for International Development Cooperation in Stockholm's administrative costs.

Financial documents

2002

Comments

CEILING ON EXPENDITURE

In its annual directives and letter of appropriations for the financial year 2002, the Government imposed a ceiling on Sida's expenditure. The Government decided that the following restrictions should apply:

- 7 8 International development cooperation, maximum expenditure SEK 12,400,000,000. However, in 2002 Sida was only authorised to use SEK 11,980,289,000.
- 7 9:1.1 Cooperation with Central and Eastern Europe via Sida, maximum expenditure SEK 670,000,000.

OUTCOME IN 2002 IN RELATION TO THE CEILING ON EXPENDITURE

The outcome for Sida's main appropriations at December 31, 2002 amounted to (SEK '000):

7 8	International Development Cooperation	
7 8:1.1	Multilateral	1 192 176
7 8:1.2	Bilateral	9 681 129
7 8:2	Administration	464 349
Total 7 8		11 337 655

Corresponds to 94.6 per cent of the funds available.

7 9:1.1	Cooperation with Central and Eastern Europe via Sida	567 413
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Corresponds to 84.7 per cent of the ceiling on expenditure.

CHANGES IN CLOSING BALANCES

The closing balance (savings on appropriation) for appropriation item 7 8:1.2 Bilateral development cooperation decreased from SEK 831,737,000 to SEK 581,458,000.

The closing balance for appropriation item 7 9:1.1 Cooperation with Central and Eastern Europe via Sida decreased from SEK 520,474,000 to SEK 445,061,000.

The saving on Sida's appropriation for administration increased from SEK 7,594,000 to SEK 28,184,000. This is mainly due to the fact that retroactive salaries for the period April to December 2002 were disbursed in 2003.

GLOBAL WATER PARTNERSHIP

The Global Water Partnership (GWP) left Sida on July 1, 2002 and is now an inter-governmental organisation. The final accounts were drawn up in the autumn of 2002.

Summary of major expenditures 2002 (SEK '000)

Loan facilities at the National Debt Office

	2002	2001	2000	1999	1998
Approved loan facility	67 000	62 000	62 000	62 000	62 000
Loans approved at the end of the budget year	62 240	53 042	50 682	53 450	48 297

Credit account at the National Debt Office

	2002	2001	2000	1999	1998
Credit granted	20 000	20 000	20 000	0	40 144
Credit utilised	126	15 953	0	0	0

Interest income and expenses on interest-bearing account

	2002	2001	2000	1999	1998
Interest expenses on interest-bearing account	731	5	4 129	0	0
Interest income on interest-bearing account	1 483	1 489	1 699	2 966	7 567

Income from fees

	2002	2001	2000	1999	1998
Income from fees that Sida may use:					
Income from fees, Sida-Härnösand and International Recruitment, Stockholm	105	2 724	3 641	4 690	4 201
Other income from fees	18 523	19 585	16 200	14 635	17 100
	18 628	22 309	19 841	19 325	21 301
Estimated amount in Government directives	20 000	20 000	20 000	21 600	4 500*
* Refers to Sida-Härnösand and Stockholm only					
Income from fees that Sida may not use:					
Estimated amount in Government directives	45 830	40 675	28 319	28 230	48 676
	39 000	39 000	33 000	54 100	36 400
Total income from fees	64 458	62 984	48 160	47 555	69 977

Appropriation credits approved and utilised

	2002	2001	2000	1999	1998
Appropriation credit approved	12 600	12 600	12 000	0	12 043
Appropriation credit utilised	0	0	0	0	0

Closing balances incl. future commitments and outstanding commitments

CLOSING BALANCES						
Appropriation	2002	of which committed	2001	2000	1999	1998
7 8:1.1	32 993	22 548	43 519	88 007	41 971	127 143
7 8:1.2	581 458	380 181	831 737	1 894 696	2 419 896	3 169 635
7 9:1.1	445 061	439 854	520 474	550 074	609 750	555 940
Other appropriations (excl administrative appropriation, see below)	84 702	–	131 377	110 809	198 715	157 917
TOTAL	1 144 214	842 583	1 527 107	2 643 586	3 270 332	4 010 635

OUTSTANDING COMMITMENTS						
Appropriation	Allocation for the year	Outstanding commitments				
		2002	2001	2000	1999	1998
7 8:1.2	16 466 000	10 175 022	8 697 864	6 996 166	8 069 753	6 180 902
7 9:1.1	624 000	394 597	324 632	348 733	439 275	255 199
TOTAL	17 090 000	10 569 619	9 022 496	7 344 899	8 509 028	6 436 101

Saving on administrative appropriation

	2002	2001	2000	1999	1998
Appropriation	7 8:2	7 8:2	A2	A2.1	A2.1
Amount	28 184	7 594	19 996	43 000	123 663

Full-time posts and average number of employees

	2002	2001	2000	1999	1998
Number of full-time posts	724	711	694	665	639
Average number of employees	756	749	730	721	670

Operating costs per full-time employees

	2002	2001	2000	1999	1998
Operating costs	827 999	781 787	696 432	644 745	620 344
Operating costs per full-time employee	1 144	1 100	1 004	970	971

Change in capital for the year and change in capital carried forward

	2002	2001	2000	1999	1998
Change in capital for the year	–311 953	–563 010	–587 365	–134 817	–548 481
Change in capital carried forward	452 711	439 109	467 388	111 951	171 060*

* converted on the basis of new accounting principles

Statement of Financial Performance 2002-12-31 (SEK '000)

	NOTE	020101 -021231	010101 -001231
OPERATING REVENUE			
Income from appropriations	1	773 652	736 951
Income from fees and other charges	2	54 590	60 207
Income from grants		2 785	249
Financial income	3	1 591	1 648
Total operating revenues		832 617	799 055
OPERATING EXPENDITURE			
Staff costs	4	-493 193	-458 987
Premises		-113 342	-113 571
Other operating costs	5	-221 465	-209 229
Financial expenses	6	-6 541	-2 943
Depreciation		-18 918	-22 473
Total expenditure		-853 459	-807 203
OUTCOME		-20 842	-8 149
FEES ETC. COLLECTED			
Income from fees etc and other income that may not be used by Sida		44 925	42 860
Income from fees etc transferred to the government budget		-45 830	-40 675
Balance of fees etc. collected		-905	2 185
TRANSFERS			
Government budget contributions for development cooperation	1	11 063 719	11 149 047
Government agency contributions for development cooperation		4 741	2 206
Other funds received for development cooperation		67 960	159 110
Financial income	7	137 803	150 422
Financial expenses	8	-15 762	-7 028
Development cooperation		-11 548 666	-12 010 803
Balance of transfers		-290 206	-557 046
CHANGE IN CAPITAL FOR THE YEAR	9	-311 953	-563 010

Statement of Financial Position 2002-12-31 (SEK '000)

	NOTE	2002-12-31	2001-12-31
ASSETS			
Intangible fixed assets	10		
Capitalised expenditure on development		5 809	0
Rights and other intangible assets		4 633	0
Total intangible fixed assets		10 442	0
Tangible fixed assets	11		
Improvements to non-Sida property		27 234	22 051
Machinery, plant, equipment etc		39 369	30 374
Total tangible fixed assets		66 604	52 425
Financial assets			
Long-term claims on other agencies	12	547 449	458 209
Total financial assets		547 449	458 209
Lending	13	261 794	264 578
Stocks etc			
Advances to suppliers		6 463	2 032
Total stock		6 463	2 032
Receivables			
Accounts receivable	14	17 012	380
Claims on other agencies		57 657	47 355
Other claims		7 708	5 908
Total receivables		82 377	53 643
Cut-off items	15		
Pre-paid expenses		22 252	23 287
Accrued revenue from grants		596	23
Other accrued revenue		20 786	24 446
Total cut-off items		43 633	47 756
Settlement with Government	16	97 417	66 951
Cash and bank			
Balance on interest-bearing account at the National Debt Office	17	43 681	44 148
Other balances at the National Debt Office	18	1 943 986	2 146 935
Cash, postal giro and bank balances	19	50 325	87 683
Total cash and bank		2 037 991	2 278 766
TOTAL ASSETS		3 154 170	3 224 361

	NOTE	2002-12-31	2001-12-31
CAPITAL AND LIABILITIES			
Agency capital			
Government capital	20	2 587 629	2 992 424
Change in capital brought forward	21	452 711	439 109
Change in capital from income statement	9	-311 953	-563 010
Total agency capital		2 728 388	2 868 523
Provisions			
Provisions for pensions etc	22	4 786	6 081
Total provisions		4 786	6 081
Liabilities			
Loan at National Debt Office	23	62 240	53 042
Debts to other agencies		82 560	79 540
Accounts payable	24	211 904	148 298
Other liabilities		9 247	33 391
Deposits		112	8
Total liabilities etc		366 062	314 279
Cut-off items			
	25		
Accrued expenses		52 934	32 830
Unused grants		2 000	2 231
Other deferred revenue		0	416
Total cut-off items		54 934	35 477
TOTAL LIABILITIES AND CAPITAL		3 154 170	3 224 361
CONTINGENT LIABILITIES			
Government guarantees for loans and credits			
Loans to personnel in the field		2 012	1 464
Swedish school association in Nairobi		2 000	2 000
School in Nicaragua		400	400
Other contingent liabilities			
Import guarantee, INEC		836	1 678
Conditional loans, private sector development, INEC		4 011	21
Conditional loans via Swedfund (INEC)		4 469	6 255
Write-off loans, Start-South, INEC		1 928	5 252
Write-off loans, Start-East, Bosnia		5 825	10 334
Separate guarantees		256 200	150 000
Guarantee commitments, concessionary credits		5 540 000	7 715 000
Contingent liabilities, personnel		1 137	2 192
TOTAL CONTINGENT LIABILITIES		5 818 817	7 894 595

Appropriation accounts 2002 (SEK '000)

APPROPRIATION ACCOUNTS

APPROPRIATION	NAME OF ITEM	NOTE	OPENING BALANCE	ALLOCATION	OTHER ALLOCATED AMOUNTS	RE-ALLOCATED AMOUNTS	TOTAL AVAILABLE	EXPENDITURES	CLOSING BALANCE	COMMITMENTS
			Not 26		Not 26	Not 26				
7 8:1.1	MULTILATERAL DEVELOPMENT COOPERATION (Extended grant. All sub-items)									
7 8:1.1.1	UN economic and social programmes		4 427	1 104 500			1 108 927	1 099 725	9 202	1 811
7 8:1.1.3	Other multilateral development cooperation		39 092	54 000	23 150		116 242	92 452	23 791	20 737
7 8:1.1	TOTAL	27	43 519	1 158 500	23 150		1 225 169	1 192 176	32 993	22 548
7 8:1.2	BILATERAL DEVELOPMENT COOPERATION (Extended grant. All sub-items)									
7 8:1.2.1	Africa	28	146 601	2 590 000	-84 900		2 651 701	2 647 762	3 939	0
7 8:1.2.2	Asia	28	114 181	1 465 000	-174 000		1 405 181	1 355 297	49 884	42 041
7 8:1.2.3	Latin America	28	0	785 000	25 000		810 000	809 557	443	0
7 8:1.2.4	Europe	28	0	770 000	20 000		790 000	789 792	208	0
7 8:1.2.5	Global development programmes	28	48 374	1 275 000	49 229		1 372 603	1 295 467	77 136	37 625
7 8:1.2.6	Concessionary credits	28	124 533	265 000	-53 000		336 533	93 454	243 079	94 256
7 8:1.2.7	Non-governmental organisations	28	8 766	900 400	-10 000		899 166	895 577	3 589	3 368
7 8:1.2.8	Humanitarian assistance and conflict prevention	28	70 727	930 000	231 000		1 231 727	1 222 281	9 447	9 421
7 8:1.2.9	Economic reforms		315 436		392 120		707 556	514 086	193 470	193 470
7 8:1.2.10	Information		3 120	55 000			58 120	57 857	263	0
7 8:1.2	TOTAL	27	831 737	9 035 400	395 449		10 262 587	9 681 129	581 458	380 181
7 8:2	DEVELOPMENT COOPERATION ADMIN. (Framework appropriation)									
7 8:2	Sida's development cooperation admin.	29	7 594	484 939			492 533	464 349	28 184	
7 9:1.1	COOPERATION WITH CENTRAL AND EASTERN EUROPE (Extended grant. All sub-items)									
7 9:1.1.1	Candidate countries	30	172 506	200 000	1 000		373 506	220 973	152 533	151 096
7 9:1.1.2	Russia, Ukraine and Belarus	30	347 968	292 000	-1 000		638 968	346 440	292 528	288 759
7 9:1.1	TOTAL	27	520 474	492 000	0		1 012 474	567 413	445 061	439 854
7 9:1.3	OTHER GRANTS FOR COOPERATION WITH CENTRAL AND EASTERN EUROPE (Extended appropriation)									
7 9:1.3	Other grants for coop. w. Centr. and East. Eur.				3 000		3 000	3 000	0	
7 9:1.3	TOTAL				3 000		3 000	3 000	0	
5 5:6	PEACE PROMOTION OPERATIONS (Framework appropriation. All sub-items)									
5 5:6.3	Sida's operations abroad	31	8 394	22 400		-7 587	23 207	13 490	9 717	
5 5:6.4	Ministry for Foreign Affairs, special contribut.	31	446		600	-446	600	393	207	
5 5:6.8	At the disposal of the government					7 800	7 800	5 857	1 943	
5 5:6	TOTAL		8 840	22 400	600	-233	31 607	19 739	11 868	
	OTHER EXTENDED APPROPRIATIONS									
1F1	Coop./develop. – Baltic Sea region (1999)		58 399		-2 871		55 528	55 287	241	
20A10.3	Baltic Sea Programme (1999)		23 392				23 392	21 444	1 949	
	OTHER FRAMEWORK APPROPRIATIONS									
24 39:6.4	Private sector develop. in Baltic Sea reg. At the disposal of the Government	32	40 746			40 400	81 146	10 502	70 644	
TOTAL			1 534 703	11 193 239	419 328	40 167	13 187 437	12 015 040	1 172 397	842 583

REVENUE UNDER GOVERNMENT BUDGET REVENUE HEADINGS

REVENUE HEADING	DESIGNATION	NOTE	ESTIMATED IN GOVERNMENT DIRECTIVES	REVENUE FOR THE YEAR
2394	Other interest income			1 068
2535	Fees for government guarantees			21
2811	Other revenue from government operations			44 742
4526	Repayment of other loans			5 851
TOTAL		33	39 000	51 682

AUTHORISATIONS 2002-12-31 (SEK '000)

APPROP-RIATION	DESIGNATION	NOTE	AUTHORISED AMOUNT	COMMIT-MENTS B/F	OUTSTANDING COMMITMENTS 021231	OUTSTANDING COMMITMENTS BY YEAR				TOTAL	
						2003	2004	2005	2006 -		
			Not 34		Not 35					Not 36	
7 8:1.2	BILATERAL DEVELOPMENT COOPERATION (Extended appropriation)										
7 8:1.2.1	Africa			3 455 427	4 336 232	2 589 051	1 329 566	332 206	60 209	4 311 033	
7 8:1.2.2	Asia			1 724 864	1 731 084	1 177 976	370 068	129 603	41 757	1 719 403	
7 8:1.2.3	Latin AmeriCa			909 028	959 113	549 842	236 997	120 836	34 969	942 645	
7 8:1.2.4	Europe			352 737	559 692	457 767	73 059	21 672	4 420	556 917	
7 8:1.2.5	Global development programmes			844 426	1 149 687	785 908	252 741	57 317	31 690	1 127 657	
7 8:1.2.6	Concessionary credits			75 962	103 445	76 207	1 000	1 000	1 000	79 207	
7 8:1.2.7	Non-governmental organisations			1 131 271	1 008 569	901 911	97 286	4 686	4 686	1 008 569	
7 8:1.2.8	Humanitarian assistance and conflict prevention			200 546	327 038	290 451	34 586	2 000	0	327 037	
7 8:1.2.10	Information			3 603	162	0	0	0	0	0	
7 8:1.2	TOTAL			16 466 000	8 697 864	10 175 022	6 829 113	2 395 303	669 320	178 730	10 072 467
7 9:1.1	COOPERATION WITH CENTRAL AND EASTERN EUROPE (Extended appropriation)										
7 9:1.1.1	Candidate countries	30		127 003	133 874	114 896	18 246	283	0	133 424	
7 9:1.1.2	Russia, Ukraine, Belarus	30		197 629	260 724	160 863	85 710	10 041	2 412	259 026	
7 9:1.1	Cooperation with Central and Eastern Europe via Sida			624 000	324 632	394 597	275 758	103 956	10 324	2 412	392 450
	TOTAL			17 090 000	9 022 496	10 569 619	7 104 872	2 499 259	679 644	181 142	10 464 917

FINANCIAL CONDITIONS 2002 (SEK '000)

APPROP-RIATION	TITLE	CONDITIONS	TYPE	FINANCIAL CONDITIONS	OUTCOME
CEILINGS ON EXPENDITURE					
7 8	International development cooperation	Ceiling on expenditure 2002	Govt. directive	12 400 000	11 337 655
7 9:1.1	Cooperation with Central and Eastern Europe	Ceiling on expenditure 2002	Govt. directive	670 000	567 413
7 8:1.1 MULTILATERAL DEV.COOP. (Extended appropriation)					
7 8:1.1.1	UN's economic and social activities	Support to multilateral and bilateral drug programmes	Govt. directive	12 000	7 225
		Support to UNDP	Govt. directive	265 000	265 000
		Support to UNFPA	Govt. directive	165 000	165 000
		Support to UNICEF	Govt. directive	297 000	297 000
		Support to UNAIDS	Govt. directive	52 000	52 000
		Support to UN's drugs. program (UNDCP)	Govt. directive	38 500	38 500
		Support to UNDP 2003 (UD2002/1935/GU)	Govt. decision	275 000	275 000
7 8:1.1.3	Other multilateral develop. coop.	Multilateral environmental contributions	Govt. directive	20 000	16 557
		Follow-up of multilateral contributions	Govt. directive	1 000	549
		Fund in Montreal Protocol	Govt. directive	4 000	1 611
		Support to WMU	Govt. directive	29 000	24 825
		Further participation in TIPH (UD2002/103,750,1181,1690/MENA)	Govt. decision	12 650	11 480
		Coordinate and administer Swedish participation in Sri Lanka Monitoring Mission (UD 2002/798/GS) see also item 5 5:6.5	Govt. decision	1 500	0
		Swedish grant to ILO project on Employment for young people (UD2002/1368/GU)	Govt. decision	5 000	5 000
		Swedish grant to ILO programme on child labour (UD2002/1964/GU)	Govt. decision	4 000	4 000
7 8:1.2 BILATERAL DEVELOPMENT COOPERATION (Reservationsanslag)					
7 8:1.2	(Extended appropriation)	Services in the field	Govt. directive	180 000	177 974
		Sida may use SEK 10 500 million in its guarantee activities	Govt. directive	10 500 000	5 797 036
		Of which a max. amount of SEK 1 000m refers to independent Guarantees	Govt. directive	1 000 000	256 200
		And SEK 30 m to capital markets and import guarantees	Govt. directive	30 000	836
7 8:1.2.1	Africa	Further support to rural dev programme in Amhara Ethiopia (2002–2003)	Govt. directive	200 000	54 527
		Inst. develop. at the faculty of forestry in Wondo Genet, Ethiopia 1999–2003 (UD1999/949/AF) *	Govt. decision	78 200	58 554
		Grant to Malawi for the rehab. and strengthening the electricity distrib. network in Blantyre (UD2000/981/AF) *	Govt. decision	100 000	12 877
7 8:1.2.2	Asia	Financial grant to UNDP (UD2002/1180/MENA)	Govt. decision	1 500	1 500
		Extra funds for contributions in West Bank/Gaza (UD2001/1678/MENA)	Govt. decision	60 000	40 000
		Election observ. for presidential election in East Timor (UD2002/390/ASO)	Govt. decision	200	30
		Election observers for parliament and provincial elections in Pakistan (UD2002/1162/ASO)	Govt. decision	800	258
7 8:1.2.3	Latin America	Election observers – Ecuador (UD2002/1168/AME)	Govt. decision	300	132
7 8:1.2.4	Europe	Contributions in Turkey	Govt. directive	10 000	6 240
		Election observer programmes	Govt. directive	6 000	3 269
		Support to the South East Europe University in Tetovo, Macedonia (UD2001/496/EC) 2001–2004 *	Govt. decision	4 000	4 000
7 8:1.2.5	Global development programmes	Dem. conts. in developing countries through political party related organisations	Govt. directive	18 800	17 176
		Development research in Sweden including time-limited posts for researchers	Govt. directive	90 000	83 610
		Swedish support to International Planned Parenthood Federation (IPPF) (UD2002/1583/GU) 2002–2003	Govt. decision	140 000	70 000
		Support to Vol. Orgs. Fund for Human Rights (UD2001/1546/IC) 2002–2004	Govt. decision	40 300	13 000
		Swedish Society for the Conservation of nature: support for North/South programme for the period 2002–2004 (UD2002/509/GU)	Govt. decision	59 000	19 000
7 8:1.2.7	NGOs	Max. 10% of sub-item NGOs may be used for development information	Govt. directive	90 040	89 596

Cash flow statement 2002 (SEK '000)

	NOTE	020101 -021231	010101 -011231
OPERATIONS			
Costs	37	-835 834	-784 110
Financing of operations			
Income from appropriations		773 652	736 951
Income from fees and other payments	38	54 119	59 491
Income from grants		2 785	249
Other income		1 591	1 648
Total funds provided for financing of operations		832 146	798 339
Increase in stocks	39	-4 431	-1 323
Increase in short-term claims	39	-25 517	3 171
Reduction in short-term liabilities		-2 943	5 803
CASH FLOW FROM OPERATIONS		-36 579	21 880
INVESTMENTS			
Investments in tangible fixed assets		-33 124	-13 986
Investments in intangible fixed assets		-10 442	0
Total investment expenditure		-43 566	-13 986
Financing of investments			
Loans from National Debt Office		30 234	25 868
- repayments		-21 036	-23 507
Sales of fixed assets		496	929
Total funds available for financing of investments		9 694	3 290
Change in short-term receivables and liabilities		2 520	-5 341
CASH FLOW TO INVESTMENT ACTIVITIES		-31 352	-16 037
LENDING ACTIVITIES			
New loans and write-downs		-3 067	7 437
Repayments	39	5 851	6 251
Total lending expenditure		2 784	13 688
Financing of lending activities			
Reduction in government capital by funds transferred to government budget	39	-1 843	2 286
Total funds provided for financing of lending activities		-1 843	2 286
CASH FLOW FROM LENDING ACTIVITIES		942	15 974
COLLECTION OF FEES ETC			
Fees, which may not be used by the agency		44 925	42 860
Change in short-term receivables and liabilities		905	-2 185
Payments to government budget		45 830	40 675
Funds provided transferred to government budget from collection activities		-45 830	-40 675
CASH FLOW TO COLLECTION ACTIVITIES		0	0

	NOTE	020101 -021231	010101 -011231
TRANSFERS			
Disbursed contributions	-11 632 649		-11 760 408
Change in short-term receivables and liabilities	62 465		23 295
Change in long-term claims	-89 240		91 600
Disbursements of transfers		-11 659 424	-11 645 513
Financing of transfer activities			
Funds from government budget for financing of grants	11 063 719		11 149 047
Funds from other agencies for financing of grants	4 261		2 206
Other funds received for financing of grants	274 464		52 109
Increase in government capital with funds from government budget	173 660		725 174
Total funds available for financing of transfer activities		11 516 104	11 928 536
		-143 320	283 023
CASH FLOW TO TRANSFER ACTIVITIES			
		-210 310	304 841
CHANGE IN LIQUID FUNDS			

	020101 -021231	010101 -011231
SPECIFICATION CHANGE IN LIQUID FUNDS		
Liquid funds at the beginning of the year	2 345 717	2 040 877
Reduction in cash and postal giro balances	-12 958	6 160
Reduction in balances in National Debt Office	-203 416	140 932
Reduction in bank balances	-24 400	45 998
Increase in settlement with Government	30 465	111 751
Total change in liquid funds	-210 310	304 841
Liquid funds at the end of the year	2 135 408	2 345 717

Notes, amounts in SEK '000

GENERAL

Sida is obliged to maintain accounts as laid down in the bookkeeping and accounting ordinance. This annual report has been drawn up in accordance with the ordinance on the annual reports of government agencies.

ACCOUNTING PRINCIPLES

Claims have been valued at the amount expected to be received.

Claims and liabilities in foreign currencies have been valued at the rate in force at the year-end, unless otherwise stated below.

From 2002, expenditure on development that has a material value for the activities of the agency in future years is reported under Intangible Fixed Assets. Sida has decided that the document handling and retrieval system that is being produced should therefore be taken up as an intangible fixed asset. During the production of the system, which is expected to continue until 2004, the asset is to be recorded in the books as work in progress and it will not be depreciated.

Tangible assets are assets for permanent use with an acquisition value of at least SEK 10,000 and an economic life of at least three years. Fixed assets are taken up at acquisition value and are depreciated with the straight-line depreciation method. Depreciation starts from the month the asset is taken into operation. The depreciation period for improvements to non-Sida properties is ten years, for computers three years, and for other categories five years.

Expenditures against appropriations are accounted for net (in accordance with the ordinance on appropriations). The net accounting method has the effect that revenues under appropriations are shown as reductions in expenditure. Where applicable the accounting principles used are described in the notes.

Expenditure classified as transfers is settled against the appropriation, according to the cash principle.

Provisions for future pension commitments are calculated as the overall value of all decisions on the basis of specially stipulated insurance techniques. This value includes a special payroll tax. Provisions in respect of severance pay include employer's contribution.

When calculating the value of the contingency reserve, consideration is given to the estimated value of outstanding claims for damages and the estimated risk of losses in outstanding commitments. Consideration is also given to the so-called concentration risks since commitments are dominated by a few countries and the result is therefore greatly dependent on assessments of these countries.

Exchange rate differences under operations were previously reported net under the heading Financial Income. From 2002 these differences shall be reported gross, i.e. exchange rate gains are reported under Financial income and losses under Financial Expenses.

On February 1, 2002, the Swedish Board for Industrial and Technical Development took over the responsibility for issuing write-off loans and conditional loans in respect of the Start-East and Start-South programmes. Sida has therefore merely provided contributions to the Board on receipt of a requisition for disbursements for these programmes. At Sida new loans are therefore not recorded as Loans. Loans disbursed prior to February 2002 will remain in Sida's accounts until they are finally settled.

EXEMPTION FROM FINANCIAL MANAGEMENT RULES

Under the Government's annual directives (1994:14), Sida has been granted exemptions from the ordinance on government agencies' payments and funds administration in respect of the following bank accounts:

- Account in a commercial bank for emergency cash payments
- Bank account in Nordbanken for payments of letters of credit
- LORO-account for transfer of funds to the embassies

PAYMENTS TO MEMBERS OF THE BOARD AND SENIOR MANAGEMENT AND INFORMATION ON OTHER ASSIGNMENTS

Members of the board receive fees for meetings in accordance with the ordinance relating to fees for membership in government boards, committees and councils etc.

Member from 2003-02-06	Taxable payment	Membership of other boards
Björling, Ewa	–	----
Ekholm, Berndt**	13	Environment Protection Agency Bank of Sweden Jubilee Fund
Gustafsson, Holger	–	----
Herrström, Staffan*	753	----
Håkansson, Leif	–	National Labour Market Board Swedish Board of Agriculture Innovationscentrum Foundation Folksam LO Fond Försäkrings AB Folksam LO Fond AB Fora Försäkringscentral AB
Kokko, Ari**	13	----
Lind, Hilda	–	****
Palme, Joakim	–	National Social Insurance Board, Statistical council CHESS, Stockholm University/Caroline Institute
Ohlsson, Birgitta	–	----
Risinggård, Börje**	13	Swedish Customs Swedish-Polish Trade Services AB Handelns utredningsinstitut AB Swedish-Russian Chamber of Commerce AB Nordiska Unipol AB Silf Competence AB
Ytterberg, Mariann**	11	Hospital Patients' Injuries Board
Former members ***		
Forsberg, Bo	11	----
Göransson, Bo*	995	Stockholm University Waldemarsudde Foundation
Näslund, Ingrid	11	PublicHealth Commission
Nörby, Bengt	13	Lunds University LO-TCO Rättsskydd AB TCO Development AB Bergendal Course and Conference Centre Salaried Employees' Educational Association (TBV)
Persson, Bertil	7	Medical Ethics Council Medical Products Agency Gene Technology Advisory Board Malmö University College
Sommestad, Lena	0	****
Zetterberg, Eva	11	----
Total payments	1 850	
<p>* Bo Göransson left Sida in January 2003. Staffan Herrström is acting Director General from January 13, 2003 to March 31, 2003, and acting chairman of the board from February 6, 2003.</p> <p>** Were also members of Sida's board in 2002.</p> <p>*** Was a member of Sida's board until 2003-01-31.</p> <p>**** No information on membership of other boards had been received by 2003-02-14.</p>		

STATEMENT OF FINANCIAL PERFORMANCE

Note 1. Relationship between income from appropriations according the appropriation accounts and the income statement

	020101 -021231	010101 -011231
Appropriation outcome as shown in the appropriation accounts	12 015 040	12 619 710
Appropriation income as shown in the income statement	-773 652	-736 951
Funds received from the gov. budget for the financing of dev. coop.	-11 063 719	-11 149 047
Accounted against state capital (loans)	-177 668	-733 711
Difference	0	0

Note 2. Income from fees and other payments

	020101 -021231	010101 -011231
Income in accordance with Fees Ordinance	18 174	18 747
Income from fee-financed operations	105	2 724
Other operational income	36 310	38 735
Total income	54 590	60 207

Note 3. Financial income

	020101 -021231	010101 -011231
Interest income National Debt Office	1 483	1 489
Other interest income	108	50
Other financial income	0	109
Total financial income	1 591	1 648

Note 4. Payroll expenses

	020101 -021231	010101 -011231
Total costs for personnel	-493 193	-458 987
Of which salaries and wages	-270 130	-253 508

Note 5. Other operating expenses

	020101 -021231	010101 -011231
Consulting services (excl. computer services)	-99 878	-95 735
Computer services	-4 743	-3 664
Other services	-24 966	-21 511
Telecommunications and post	-19 543	-18 561
Transport and travel	-39 905	-38 515
Office materials, printed matter etc	-20 793	-15 758
Other	-11 636	-15 486
Total other operating costs	-221 465	-209 229

Note 6. Financial expenses

	020101 -021231	010101 -011231
Interest expenses, interest-bearing account, National Debt Office	-731	-5
Interest expenses, loans, National Debt Office	-2 620	-2 512
Exchange rate losses	-2 838	0
Other financial expenses	-352	-426
Total financial expenses	-6 541	-2 943

Financial expenses have increased on account of the fact that exchange rate losses were previously recorded net under Financial Income. There is no information on exchange rate losses for 2001.

Note 7. Financial income

	020101 -021231	010101 -011231
Interest income, concessionary credits	98 288	81 972
Interest income, Export Credit Guarantee Board	36 054	39 426
Exchange rate gains	3 032	27 587
Other financial income	429	1 436
Total financial income	137 803	150 422

Note 8. Financial expenses

	020101 -021231	010101 -011231
Interest expenses, Export Credit Guarantee Board	-36	-45
Exchange rate losses	-15 667	-6 932
Other financial expenses	-59	-51
Total financial expenses	-15 762	-7 028

Note 9. Change in capital for the year

	020101 -021231	010101 -011231
<i>Accrued differences</i>		
Repayments	21 036	23 507
Personnel costs	-18 622	-5 920
Depreciation	-18 918	-22 473
Collections	-905	2 185
Other	-1 492	-2 050
<i>Grant-financed surpluses/deficits</i>		
Bad debt losses, conditional loans	-7 604	-17 273
Concessionary credits - grant elements	-363 558	-653 696
Result contingency reserves	89 240	-91 600
Other transfers	-11 130	204 310
Change in capital for the year	-311 953	-563 010

STATEMENT OF FINANCIAL POSITION

Note 10. Intangible fixed assets

	Capitalised expenditure on development		Rights and other intangible fixed assets		TOTAL
	Finalised	Ongoing	Finalised	Ongoing	
Opening balance acquisition value	0	0	0	0	0
Acquisitions 2002	0	5 809	0	4 633	10 442
Closing balance acquisition value	0	5 809	0	4 633	10 442
Opening balance depreciation	0	0	0	0	0
Depreciation 2002	0	0	0	0	0
Closing balance depreciation	0	0	0	0	0
Total per item on Statement of Financial Position	0	5 809	0	4 633	10 442

Note 11. Tangible fixed assets

	Improvements to non-Sida property	Machines, equipment, installations etc.					TOTAL
		Finalised improvements to non-Sida property	Capital goods	Vehicles	Com-puters	Office machines	
Opening balance acquisition value	40 489	13 626	18 261	59 371	12 647	22 244	166 636
Acquisitions 2002	9 267	2 187	3 600	5 285	7 053	5 732	33 124
Reverses – acquisition value	0	-34	-857	-1 871	-206	0	-2 968
Closing balance acquisition value	49 756	15 779	21 003	62 785	19 493	27 975	196 792
Opening balance accum. depreciat.	-18 438	-11 683	-11 897	-42 476	-10 150	-19 566	-114 211
Depreciation 2002	-4 084	-769	-2 308	-8 914	-1 733	-1 111	-18 918
Reversed depreciation	0	32	838	1 871	199	0	2 940
Closing balance accum. depreciat.	-22 522	-12 420	-13 367	-49 519	-11 684	-20 677	-130 188
BOOK VALUE	27 234	3 359	7 637	13 266	7 809	7 298	66 604
Total per item on Statement of Financial Position	27 234					39 369	66 604

Note 12. Long-term claims at other agencies

This item consists in its entirety of the contingency reserve which is administered by the Export Credit Guarantee Board and is tied to the concessionary credit system. The value of the contingency reserve after allocations have been made to it is assessed to cover any possible future losses.

Note 13. Loans

	021231	011231
Loans concessionary credits		
Opening balance *	153 047	133 220
New loans in the year	20 979	23 302
Repayments during the year	-2 809	-2 198
Change for the year in exchange rate diff. and expected losses	0	-1 278
Closing balance	171 217	153 047
Conditional loans		
Opening balance	111 531	121 744
New loans in the year	4 041	8 537
Repayments during the year	-3 042	-4 053
Loans written off	-6 655	-7 179
Change for the year in exchange rate diff. and expected losses	-15 298	-7 518
Closing balance	90 577	111 531
Total closing balance	261 794	264 578
* Concessionary credits were shown in the Statement of Financial Position for the first time in 2001. The value of all outstanding loans has been estimated and is reported in the opening balance.		

Note 14. Accounts receivable

Accounts receivable have increased, mainly due to a claim on the Global Water Partnership. It has been agreed that this claim shall be paid in April 2003.

Note 15. Cut-off items

	021231	011231
Prepaid rent	14 046	11 290
Prepaid rent, government property	7 977	7 268
Other prepaid costs	228	4 730
Accrued grant income	596	23
Accrued interest income, governmental	8 066	10 646
Accrued interest income, non governmental	11 631	13 221
Other accrued income, non governmental	1 088	579
Closing balance	43 633	47 756

Note 16. Settlement with the government

	021231	011231
Opening balance	66 951	-44 800
<i>Settled against government budget</i>		
- Appropriations	12 015 039	12 619 710
- Income headings	-51 682	-46 927
<i>Settled against government budget, total</i>	<i>11 963 357</i>	<i>12 572 783</i>
<i>Settled against government current account</i>		
- Appropriation funds provided for interest-bearing account	-489 333	-450 608
- Collections etc.	1 020 827	927 786
- Transfers etc.	-12 464 386	-12 938 211
<i>Settled against government current account, total</i>	<i>-11 932 892</i>	<i>-12 461 032</i>
Settlement with the government	30 465	111 751
Closing balance	97 417	66 951

Note 17. Holding on interest-bearing account at the National Debt Office

Sida has a credit facility of SEK 20 million on its interest-bearing account at the National Debt Office.

	021231	011231
Holding: interest-bearing account	43 681	44 148
Of which short-term liquidity needs	29 950	26 419

Note 18. Other balances at the National Debt Office

Under a decision of the Government, Sida is entitled to start trial activities with so-called independent guarantees up to an amount of SEK 1 000 million. Any losses incurred in the guarantee activities shall be covered by funds at the National Debt Office which refer to the financing of the concessionary credit system (SEK 1,943,986,000) up to an amount of SEK 500 million. A risk evaluation made in December 2002 shows that the commitments are well under the ceiling. The trial activities were extended by three years in a decision of the Government UD/2002/780/GU.

Note 19. Cash, postal giro, bank

	021231	011231
Cash	48	45
Embassies LORO	11 415	24 376
Bank balances	38 863	63 263
Closing balance	50 325	87 683

The embassies' holdings as at December 31 have been valued at the average rate for the month for non-convertible currencies. Convertible currencies have been valued at the rate in force at the end of the year.

Note 20. Government capital

Sida's government capital consists of funds that refer to conditional loans and concessionary credits. Sida has no yield requirements on its government capital.

Disbursements of conditional loans are settled against the appropriation and are reported against government capital. Repayments of conditional loans are entered under the income heading on the government budget and reduce government capital.

Concessionary credits are reported in the same way, but with the difference that accounting of the claim and repayments to government capital and income heading are made after making adjustments that take into consideration the degree of write-off of the loans.

In connection with provisions for future interest subsidies on concessionary credits, the appropriation is debited and the amount is reported against government capital. Provisions can also be made for soft loans. The payments of interest subsidies during the year are shown as costs in the Statement of Financial Performance and result in a change in capital which is a charge on government capital next year.

(Note 20. Government capital, continued)

	021231	011231
Concessionary credits		
Opening balance *	154 325	133 220
Allocations made during the year	88 000	0
New loans for the year	0	23 302
Repayments made during the year	-2 809	-2 198
Closing balance	239 516	154 325
Conditional loans		
Opening balance	121 731	117 618
New loans for the year	4 041	8 537
Repayments made during the year	-3 042	-4 053
Change in capital for the year	-7 179	-370
Exchange losses settled against government capital	-32	0
Closing balance	115 518	121 731
Soft loans		
Opening balance	2 716 368	2 549 910
Allocation for the year	85 660	725 174
Change in capital for the year	-569 433	-558 715
Closing balance	2 232 595	2 716 368
Total closing balance	2 587 629	2 992 424
* See note 13.		

Note 21. Change in capital brought forward

	021231	011231
Opening balance	439 109	467 388
Capital change last year	-563 010	-587 365
Allocated to government for conditional loans	7 179	370
Allocated to government capital for concessionary credits	569 433	558 715
Closing balance	452 711	439 109

Note 22. Provisions

	021231	011231
Opening provision	6 081	5 503
Pension expenses for the year	1 403	3 467
Pension payments for the year	-2 698	-2 889
Closing provision	4 786	6 081

Note 23. Loans at the National Debt Office

Under the Government's annual directives, Sida has a loan budget of SEK 67 million.

	021231	011231
Opening balance	53 042	50 682
Loans taken in the year	30 234	25 868
Repayments made during the year	-21 036	-23 507
Closing balance	62 240	53 042

Note 24. Accounts payable

	021231	011231
Total accounts payable	211 904	148 298
Of which investments	2 966	446

Note 25. Cut-off items

	021231	011231
Accrued salaries and vacation pay	46 149	31 008
Accrued interest and expenses, governmental	86	67
Other accrued expenses, non governmental	3 324	1 695
Other accrued expenses, governmental	3 375	60
Unused grants, non governmental	0	507
Unused grants, governmental	2 000	1 724
Deferred income, non governmental	0	325
Deferred income, governmental	0	91
Closing balance	54 934	35 477

Accrued salaries have increased on account of the fact that retroactive salaries for the period April–December 2002 were paid in January 2003.

APPROPRIATION ACCOUNTS**Note 26. Concepts used in appropriation accounts**

Opening transferred amount is a generic term which includes savings on appropriations, appropriation credits and extended grants that Sida has brought forwards from previous years.

Allocated appropriation funds refer to appropriations/appropriation items in which the right to use the appropriation has been transferred to or from another agency. If Sida has received funds from another agency, the amount is shown without a sign, otherwise the amount is shown with a minus sign. In addition, the reallocations made by Sida between different items are also shown in this column, see notes 28 and 30.

Reallocated appropriation funds refer to appropriations/appropriation items that have previously been at the disposal of the Government where Sida has either received the right to use the funds or transferred them to the Government. Receipt of the right to use the funds is shown without a sign while transfers to the Government are shown with a minus sign.

Note 27. Uncommitted balances from previous years

The total uncommitted amount from 2001 on appropriation item 7 8:1 Development cooperation amounted to SEK 47,885,000. In accordance with Government decision UD2002/1054/GU, Sida may make use of the entire amount.

Total uncommitted balances from 2001 on appropriation item 7 9:1.1 Cooperation with Central and Eastern Europe via Sida amounted to SEK 26,689,000. In accordance with Government decision UD2002/690/EC, Sida may make use of the entire amount.

Note 28. Re-allocation of appropriation 7 8:1.2

Under the Government's annual directives and Government decision UD2002/1351/GS, Sida is entitled to transfer funds in and between sub-items within a framework of 20 per cent per item. However, transfers of 40 per cent are permitted for the item for Humanitarian assistance and conflict prevention. A summary is provided below of re-allocations made under appropriation 7 8:1.2 Bilateral development cooperation.

Sub-item	According to Govt. directives	Internal reallocation	In annual report
Africa	2 590 000	-84 900	2 505 100
Asia	1 465 000	-174 000	1 291 000
Latin America	785 000	25 000	810 000
Europe	770 000	20 000	790 000
Global development programmes	1 275 000	45 900	1 320 900
Concessionary credits	265 000	-53 000	212 000
Non-governmental organisation	900 400	-10 000	890 400
Humanitarian Assistance and Conflict Prevention	930 000	231 000	1 161 000

In January 2003, the Ministry for Foreign Affairs decided to transfer SEK 3,329,000 to appropriation item 7 8:1.2.5, Global Development Programmes. The funds, which had originally been placed at Sida's disposal, referred to the special South Africa programme of 1999.

Note 29. 7 8:2 Sida's administration

Sida's saving on its administration appropriation amounted at the beginning of the year to SEK 7,594,000. Sida may use the entire sum.

According to its annual directives, Sida may use an appropriation credit not exceeding SEK 12,600,000 in addition to its appropriation.

Note 30. New appropriation structure and re-allocations under appropriation 7 9:1.1

According to the Government's annual directives and Government decision UD2002/1439/EC, Sida is entitled to transfer funds between sub-items within a framework of 10 per cent per sub-item. Within appropriation item 7 9:1.1 Cooperation with Central and Eastern Europe, Sida has transferred SEK 1 million to sub-item 7 9:1.1.1 Candidate countries from sub-item 7 9:1.1.2 Russia, Ukraine and Belarus.

In 2002 Sida's structure for appropriation 7 9:1.1 was changed. As a consequence of this, Sida has transferred corresponding committed balances and outstanding commitments for each sub-item within the appropriation.

Note 31. Re-allocated funds from savings on appropriations

At the start of the year Sida had outstanding funds on appropriation item 5 5:6 Peace-Promotion Activities sub-item 3 Sida's Activities Abroad amounting to SEK 8,394,000 and on sub-item 4 UD, Special Contributions, amounting to SEK 446,000. With the exception of SEK 807,000 on sub-item 3, the funds have been made available to the Government.

Note 32. Right to use savings on appropriations

By a decision of the Government UD2002/971/EM, Sida has continued to have the right to use the entire saving of SEK 40,746,000 on appropriation 24 39:6 4 Private Sector Development in the Baltic Sea Region. The main rule is that the agency may only use three per cent without the consent of the Government.

Sida has decided to transfer SEK 5,000,000 and SEK 6,000,000 in respect of appropriation 24 39:6 4 Private Sector Development in the Baltic Sea Region. Through Government decision UD1999/1608/EC, Sida was also allocated SEK 30,000,000 for providing further support within the framework of Demo-East, SEK 5,150,000 for a Swedish consulting fund at the Nordic Investment Bank, and SEK 16,250,000 to implement a contribution within the framework of the programme New managers in Russia.

Note 33. Accounting against income headings

The years' income that is accounted for against income headings shows a higher balance (SEK 51,682,000) than that estimated in the letter of appropriations (SEK 39 million). The difference can be explained by the fact that interest on funds supplied to Swedish and international organisations increased more than estimated and that service charges increased when Sida took over activities from the Ministry for Foreign Affairs at certain missions abroad.

AUTHORISATIONS

Note 34. Definition of authorisation

The concept of authorisation refers to the right given to Sida in the letter of appropriations to enter into financial obligations involving future expenditure which shall be covered by appropriations that have not yet been allocated to Sida.

Note 35. Definition of outstanding commitments

Outstanding commitments consist of binding commitments i.e. signed and still valid agreements/contracts – or decisions on contributions where there is no agreement – reduced by accumulated expenditure as at December 31, 2002. The total for outstanding commitments does not include that part which is accounted for as committed appropriations.

Note 36. Total outstanding commitments

There is a difference between the total amount of outstanding commitments at the end of the year and the total of those broken-down per year. The difference arises since the total amount of the outstanding commitments includes the difference between the agreed amounts that were allocated before 2002 and disbursements that were made before 2002. These amounts are formally agreed and still valid and therefore they are shown as outstanding commitments and included in the total sum. However, Sida makes the assessment that this difference will, in all probability, not be disbursed and therefore they are not part of the amount broken down for the future. These funds have therefore not been shown as committed appropriations.

CASH FLOW STATEMENT

Note 37. Cost of operations

	020101 - 021231	010101 - 011231
Cost of operations acc. to the statement of revenues and expenses	-853 459	-807 203
Cost of operations acc. to the statement of changes in fin. position	-835 834	-784 110
Difference	-17 625	-23 093

The difference consists of the following items in the Statement of Financial Performance that do not affect the Cash Flow Statement:

	020101 - 021231	010101 - 011231
Capital losses from sales of fixed assets	-2	-42
Allocations for future pension commitments	1 295	-578
Depreciation of fixed assets	-18 918	-22 473
Total	-17 625	-23 093

Note 38. Income from fees and other payments

	020101 - 021231	010101 - 011231
Income from fees etc. acc. to the Statement of Financial Perform.	54 590	60 207
Income from fees etc. according to the Cash Flow Statement	54 119	59 491
Difference	471	715

The difference consists of the following items in the Statement of Financial Performance that do not affect the Cash Flow Statement:

	020101 - 021231	010101 - 011231
Capital gains from sales of fixed assets	471	715
Total	471	715

Note 39. Comparative figures for 2001

The comparative figures as at 011231 for Increase in Stocks and Increase in Current Receivables in the section on operations have been changed since the increase in stocks was included in the Increase in Current Receivables for 2001.

The comparative figure for repayments in loan activities increased by SEK 2,198,000 since repayments of concessionary credits was not included in this amount as at 011231. A corresponding reduction has been made to Change in Government capital in the same section.

DISPUTES

In this context disputes either refer to a situation in which Sida has demanded payment from another party or that another party has demanded payment from Sida and that the party in receipt of the demand is not willing to pay. Below a report is provided on the disputes under the headings Contingent Liabilities and Doubtful Receivables.

Contingent Liabilities

Scandiaconsult AB SEK 4.2 million

Scandiaconsult carried out assignments for Sida in West Bank/Gaza in a project relat-

ing to the reconstruction of surface water and wastewater systems. In the district court Scandiaconsult has claimed an additional payment over and above that paid by Sida under the contract between the parties, partly for loss of profit and partly for additional costs, in total an amount of approximately SEK 4,200,000. Sida has contested the claim (and has presented a counter claim as described below). The district court will announce its decision in 2003.

Sweco AB: SEK 250,000

In connection with a consulting assignment, Sweco has claimed payment from Sida amounting to SEK 250,000, made up of SEK 150,000 for board and lodging and SEK 100,000 for administration costs. Sida has contested the claim since, in the opinion of Sida, it is not supported in the agreement. (The dispute is not at present the subject of court proceedings.)

Municipality of Kramfors: SEK 290,000

The municipality has claimed compensation amounting to SEK 290,169 for costs incurred in respect of work mainly performed by the municipality in negotiations between the municipality and Sida on the planning of a facility for Sida in Björknäs in the municipality of Kramfors. Sida will contest the entire claim. (At present the dispute is not the subject of court proceedings.)

Hifab AB: SEK 1 million

As a consequence of a consulting assignment, Hifab has claimed payment, over and above agreed compensation, of an amount of approximately SEK 1 million for work it has performed. Sida has contested the entire claim since the work has not been ordered by Sida. (At present the dispute is not the subject of court proceedings.)

Doubtful receivables

Scandiaconsult AB: SEK 691,000

In the above-mentioned dispute in court, Sida claims compensation for financial losses totalling more than SEK 691,000 due to the breach of contract by the counter party.

Foundation for Studies in European Law and Politics, in liquidation: SEK 388,000

Sida has financed certain projects for training programmes in EU law for Estonian civil servants run by the Foundation. Sida paid in error an extra amount of approximately SEK 388,000 to the Foundation, instead of to another party in respect of another project. Sida has demanded repayment of the entire amount. The Foundation has now entered into liquidation and has announced in this connection that it lacks capital. (At present the dispute is not the subject of court proceedings.)

Hifab AB and NCC AB: SEK 50 million

Hifab has performed assignments as a consultant for a road construction project that was undertaken by NCC in Nicaragua. Since faults have occurred in the road surface, which are estimated to result in an additional cost of at least SEK 50 million, negotiations have been held on the responsibility of Hifab and NCC for payment of this amount. The companies have contested responsibility. Sida is making a study with the purpose of determining responsibilities in the matter.

Approval of the annual report
by the Board of Sida

2002

Approval of the annual report by the Board of Sida

Sida's board approved Sida's annual report for 2002 at the board meeting on February 14, 2003.

Staffan Herrström, Acting Director General,
chairman

Hilda Lind

Leif Håkansson

Ari Kokko

Joakim Palme

Börje Risinggård

Berndt Ekholm

Mariann Ytterberg

Ewa Björling

Birgitta Ohlsson

Holger Gustafsson

Appendices

2002

Appendix 1. Expenditure summarised by operational area, region/country and continent

Appendix 1:1. Overview of policy areas, outcome in SEK million and number of contributions

Policy area	Expenditure			Number of contributions		
	2002	2001	2000	2002	2001	2000
International development cooperation	10 927	11 437	9 529	5 397	5 476	5 644
Cooperation with Central and Eastern Europe	662	648	657	812	1 021	1 064
Peace promotion activities	19	19	25	15	14	14
Total	11 609	12 104	10 212	6224	6 511	6 722
Administrative costs	464	467	436			
Total	12 073	12 571	10 648			

Appendix 1:2. International development cooperation by country and operational area, SEK '000

Country/region	Democratic governance and humanrights	Sociala sectors	Infrastructure, private sector dev., urban dev. & financial system	Natural resources and the environment	Economic reforms	Research cooperation
AFRICA SOUTH OF THE SAHARA						
Angola	9 744 236	26 997 899	0	0	0	0
Benin	0	0	0	0	0	0
Botswana	3 931 393	1 204 811	159 090	273 157	0	0
Burkina Faso	9 704 272	1 101 000	0	4 269 208	40 000 000	9 418 119
Burundi	1 860 000	0	0	0	0	0
Central African Rep.	0	0	0	0	0	0
Ivory Coast	0	0	0	0	0	0
Eritrea	389 674	3 035 355	4 783 201	0	0	16 020 284
Ethiopia	7 190 668	3 085 588	5 339 837	78 761 824	0	22 920 786
Gambia	0	0	0	0	0	0
Ghana	0	0	8 789 074	0	0	0
Guinea	0	0	0	0	0	0
Guinea-Bissau	1 033 750	4 388 052	1 289 298	500 000	0	0
Cape Verde	120 000	0	159 902	0	0	0
Kenya	37 166 446	14 729 763	33 611 548	29 030 029	0	0
Congo	95 942	0	0	0	0	0
DR Congo	0	0	0	0	0	0
Lesotho	239 146	0	0	0	0	0
Liberia	0	0	0	0	0	0
Madagascar	0	0	0	0	0	0
Malawi	19 077 078	34 806 185	12 441 691	0	0	0
Mali	8 623 121	23 595 495	1 000 000	0	50 000 000	0
Mauritania	0	0	0	0	0	0
Mozambique	99 516 394	79 019 924	89 988 124	12 969 770	100 360 226	27 216 990
Namibia	29 797 091	32 263 362	10 250 782	9 398 198	0	0
Niger	0	0	0	0	0	0
Nigeria	7 165 312	0	0	0	0	0
Rwanda	22 239 065	47 490 683	284 489	0	50 000 000	9 939 177
Senegal	0	0	2 022 030	0	0	0
Sierra Leone	237 547	0	0	0	0	0

Humanitarian contributions and conflict prevention	NGOs	Other operational areas	Total exclusive administrative expenses	Administrative expenses	Total	Country/region
92 488 961	6 638 059	1 387 273	137 256 427	10 350 618	147 607 046	AFRICA SOUTH OF THE SAHARA
0	880 511	29 335	909 846	32 063	941 909	Angola
0	0	0	5 568 451	196 232	5 764 682	Benin
588 000	6 561 510	1 607 150	73 249 260	2 581 295	75 830 555	Botswana
28 242 170	4 464 709	104 633	34 671 512	1 225 736	35 897 248	Burkina Faso
0	2 234 871	0	2 234 871	78 757	2 313 627	Burundi
997 500	1 236 046	0	2 233 546	78 710	2 312 255	Central African Rep.
14 054 300	2 759 675	103 686	41 146 175	1 449 986	42 596 161	Ivory Coast
60 680 047	19 877 153	3 645 485	201 501 389	11 117 288	212 618 677	Eritrea
157 229	4 569 781	0	4 727 011	166 579	4 893 590	Ethiopia
735 000	3 139 978	0	12 664 052	446 280	13 110 332	Gambia
4 724 163	0	0	4 724 163	166 479	4 890 642	Ghana
8 868 510	0	1 479 483	17 559 093	604 757	18 163 850	Guinea
0	0	264 410	544 312	19 181	563 494	Guinea-Bissau
1 039 653	21 061 410	3 182 461	139 821 310	8 922 074	148 743 384	Cape Verde
18 173 890	2 662 311	0	20 932 143	737 646	21 669 789	Kenya
49 271 150	22 807 769	0	72 078 919	2 540 052	74 618 972	Congo
2 410 000	0	0	2 649 146	93 356	2 742 502	DR Congo
7 937 328	2 456 527	0	10 393 855	366 278	10 760 133	Lesotho
0	1 281 510	0	1 281 510	45 160	1 326 670	Liberia
3 900 000	1 860 000	2 244 362	74 329 316	2 619 356	76 948 672	Madagascar
0	2 421 431	2 687 449	88 327 496	3 112 650	91 440 146	Malawi
0	3 045 652	0	3 045 652	107 328	3 152 980	Mali
11 757 635	10 214 933	9 760 458	440 804 455	21 714 583	462 519 038	Mauritania
0	7 464 765	3 050 044	92 224 242	5 381 440	97 605 682	Mozambique
0	620 000	0	620 000	21 849	641 849	Namibia
2 862 900	2 376 300	1 770 317	14 174 829	499 519	14 674 348	Niger
2 050 000	16 472 943	2 918 446	151 394 803	6 661 915	158 056 718	Nigeria
0	660 000	0	2 682 030	313 103	2 995 133	Rwanda
13 635 241	0	0	13 872 788	488 875	14 361 663	Senegal
						Sierra Leone

Appendix 1:2 continued. International development cooperation by country and operational area, SEK '000

Country/region	Democratic governance and humanrights	Sociala sectors	Infrastructure, private sector dev., urban dev. & financial system	Natural resources and the environment	Economic reforms	Research cooperation
Somalia	0	0	0	0	0	0
Sudan	0	0	0	0	0	0
Swaziland	0	0	0	0	0	0
South Africa	89 658 794	37 229 104	46 019 016	250 000	0	6 417 467
Tanzania	94 911 990	139 641 616	112 228 758	51 673 554	120 000 000	42 624 805
Chad	0	0	0	0	0	0
Togo	0	0	0	0	0	0
Uganda	21 608 119	15 886 048	33 557 888	4 732 849	65 000 000	44 628 253
Zambia	12 966 920	76 432 293	25 435 895	53 775 373	0	918 651
Zimbabwe	30 250 810	14 244 015	-172 921	2 392 781	0	2 397 492
Regional Africa	131 998 634	129 677 883	80 754 942	125 905 481	0	148 576 365
Total Africa	639 526 403	684 829 076	467 942 644	373 932 225	425 360 226	331 078 388
ASIA						
Afghanistan	551 293	1 186 089	30 568 553	0	0	0
Algeria	0	0	0	0	0	0
Bangladesh	7 650 596	69 874 048	30 924 963	3 894 710	0	1 600 000
Bhutan	1 883 192	0	2 317 519	0	0	0
Egypt	2 250 113	1 109 000	1 450 387	1 249 451	0	0
Philippines	3 104 127	0	134 743	4 671 489	0	0
India	4 294 490	5 700 241	27 366 136	6 583 729	0	73 465
Indonesia	-455 586	0	3 250 874	0	0	0
Iraq	0	0	0	0	0	0
Israel	0	0	0	0	0	0
Jordan	0	702 389	39 922 912	0	0	0
Cambodia	28 669 450	45 584 456	9 800 000	31 833 061	0	800 000
China	15 649 721	3 495 095	20 798 422	10 456 359	0	0
Korea, North	0	357 000	1 504 781	0	0	0
Laos	30 741 890	15 900 114	85 530 611	15 053 317	0	435 837
Lebanon	0	66 307	0	0	0	0
Morocco	105 535	0	4 280 869	3 015 137	0	0
Mongolia	13 294 462	0	8 998 942	0	0	0
Myanmar	4 929 309	0	0	0	0	0
Nepal	690 454	0	23 760 000	0	0	0
Pakistan	307 823	0	0	0	0	0
Papua New Guinea	0	0	0	0	0	0
Sri Lanka	22 563 427	1 888 361	68 306 933	886 033	0	20 172 000
Syria	0	0	1 521 520	0	0	0
Thailand	300 723	979 016	463 944	2 696 564	0	0
Tunisia	686 592	4 611	76 705	2 140	0	0
Turkey	5 448 782	936 000	0	0	0	95 000
Vietnam	71 933 995	30 029 706	48 592 303	32 820 388	20 000 000	13 404 539
West Bank/Gaza	31 774 513	90 239 294	37 406 692	0	0	0
Yemen	0	0	0	0	0	0
East Timor	697 251	0	458 235	0	0	0
Regional Asia	22 413 519	14 375 878	14 368 813	63 437 042	0	49 147 185
Total Asia	269 485 669	282 427 605	461 804 857	176 599 419	20 000 000	85 728 026
LATIN AMERICA						
Argentina	0	0	0	0	0	0
Bolivia	53 392 550	50 115 929	21 504 952	828 820	0	16 161 154
Brazil	0	0	0	0	0	0
Chile	2 850 000	0	784 691	0	0	0
Colombia	28 297 567	0	0	0	0	0
Costa Rica	0	119 715	4 000 000	0	0	0
Dominican Republic	0	0	179 952	0	0	0

Humanitarian contributions and conflict prevention	NGOs	Other operational areas	Total exclusive administrative expenses	Administrative expenses	Total	Country/region
47 207 096	6 044 293	0	53 251 389	1 876 573	55 127 962	Somalia
75 594 584	18 013 468	0	93 608 052	3 298 736	96 906 788	Sudan
1 700 000	0	0	1 700 000	59 908	1 759 908	Swaziland
0	32 354 443	1 370 503	213 299 326	11 707 192	225 006 517	South Africa
4 176 600	31 747 781	6 945 666	603 950 771	27 593 165	631 543 936	Tanzania
0	-49 627	0	-49 627	-1 749	-51 376	Chad
0	856 222	0	856 222	30 173	886 395	Togo
15 093 979	19 061 457	8 502 395	228 070 990	11 232 545	239 303 534	Uganda
10 278 000	6 202 653	2 418 227	188 428 013	11 430 957	199 858 970	Zambia
9 399 922	16 595 517	4 999 489	80 107 105	6 282 502	86 389 607	Zimbabwe
114 171 508	23 177 598	20 518 242	774 780 653	27 303 177	802 083 829	Regional Africa
602 195 367	301 771 647	78 989 517	3 905 625 493	182 952 325	4 088 577 819	Total Africa
ASIA						
214 656 521	16 915 237	1 830 587	265 708 281	9 679 111	275 387 391	Afghanistan
6 378 000	0	0	6 378 000	226 912	6 604 912	Algeria
7 092 010	23 186 726	1 324 133	145 547 184	7 819 152	153 366 337	Bangladesh
0	868 162	0	5 068 872	180 337	5 249 209	Bhutan
0	4 601 936	0	10 660 887	379 285	11 040 172	Egypt
-8 546	7 147 993	49 945	15 099 751	537 208	15 636 959	Philippines
4 338 835	25 501 318	1 689 297	75 547 512	4 806 124	80 353 635	India
9 354 300	3 060 089	0	15 209 677	541 119	15 750 795	Indonesia
39 793 518	1 224 499	0	41 018 017	1 459 309	42 477 326	Iraq
14 350 000	0	0	14 350 000	510 534	14 860 534	Israel
0	0	0	40 625 301	1 445 337	42 070 638	Jordan
14 993 203	8 158 048	1 322 969	141 161 186	7 001 385	148 162 571	Cambodia
0	7 845 512	2 646 773	60 891 880	4 499 457	65 391 337	China
32 299 728	350 000	0	34 511 509	1 227 825	35 739 334	Korea, North
0	712 606	1 080 483	149 454 858	7 181 880	156 636 738	Laos
7 104 000	3 398 272	56 000	10 624 579	377 993	11 002 573	Lebanon
0	0	0	7 401 541	263 327	7 664 867	Morocco
-17 092	409	0	22 276 720	792 545	23 069 265	Mongolia
2 650 000	1 320 000	0	8 899 309	316 613	9 215 922	Myanmar
3 958 600	6 386 914	0	34 795 968	1 237 945	36 033 913	Nepal
954 300	10 557 540	0	11 819 663	2 708 084	14 527 746	Pakistan
0	1 231 522	0	1 231 522	43 814	1 275 336	Papua New Guinea
18 412 063	8 276 742	134 441	140 640 000	7 285 510	147 925 510	Sri Lanka
0	409	0	1 521 929	54 146	1 576 075	Syria
22 047 088	7 759 270	0	34 246 605	1 266 943	35 513 548	Thailand
0	-49 627	0	720 420	25 631	746 051	Tunisia
-65 190	1 851 113	109 808	8 375 513	297 978	8 673 491	Turkey
3 020 400	16 327 571	2 387 669	238 516 572	15 612 559	254 129 131	Vietnam
100 157 496	12 661 239	109 674	272 348 907	11 317 524	283 666 431	West Bank/Gaza
0	4 042 860	0	4 042 860	143 834	4 186 694	Yemen
5 800 000	2 408 629	26 500 000	35 864 115	1 275 947	37 140 062	East Timor
16 713 986	26 978 218	2 254 605	209 689 246	7 460 170	217 149 416	Regional Asia
523 983 220	202 723 205	41 496 386	2 064 248 387	97 975 535	2 162 223 922	Total Asia
LATIN AMERICA						
0	1 838 764	0	1 838 764	68 018	1 906 782	Argentina
1 294 000	18 688 278	958 417	162 944 101	9 267 073	172 211 173	Bolivia
0	19 185 655	0	19 185 655	709 697	19 895 352	Brazil
0	5 052 377	0	8 687 068	321 344	9 008 411	Chile
30 517 675	7 655 845	0	66 471 087	2 458 834	68 929 921	Colombia
0	5 626 842	793 127	10 539 685	389 874	10 929 559	Costa Rica
0	1 281 510	0	1 461 462	54 061	1 515 523	Dominican Republic

Appendix 1:2 continued. International development cooperation by country and operational area, SEK '000

Country/region	Democratic governance and humanrights	Sociala sectors	Infrastructure, private sector dev., urban dev. & financial system	Natural resources and the environment	Economic reforms	Research cooperation
Ecuador	131 604	0	0	0	0	0
El Salvador	11 414 916	6 830 089	20 365 348	0	0	0
Guatemala	46 413 244	12 164 803	17 821 858	8 110 808	0	0
Guyana	0	0	0	0	0	0
Haiti	4 230 658	0	0	0	0	0
Honduras	44 400 097	19 431 383	22 865 629	0	0	149 528
Jamaica	817 087	0	559 231	0	0	0
Cuba	14 651 081	2 386 130	0	0	0	0
Mexico	0	0	0	0	0	0
Nicaragua	64 213 707	25 230 839	13 644 696	24 392 707	60 000 000	21 278 500
Paraguay	4 291 047	0	0	0	0	0
Peru	14 191 757	0	0	0	0	0
Uruguay	0	0	0	0	0	0
Venezuela	0	0	0	0	0	0
Regional Latin America	41 821 976	20 365 254	24 195 189	40 283 433	0	29 096 205
Total Latin America	331 117 290	136 644 142	125 921 546	73 615 769	60 000 000	66 685 388
EUROPE						
Albania	20 568 251	5 715 264	4 935 415	4 372 501	0	0
Armenia	5 308 430	0	250 000	696 650	0	0
Azerbaijan	70 337	0	0	0	0	0
Bosnia & Herzegovina	71 043 733	15 791 544	111 023 944	15 719 018	0	0
Yugoslavia	93 222 998	6 113 202	132 562 605	13 824 683	0	0
<i>of which Kosovo</i>	34 207 457	3 919 402	81 317 201	5 141 408	0	0
<i>Montenegro</i>	7 370 123	547 800	0	9 670	0	0
<i>Serbia</i>	33 810 994	1 553 600	30 250 707	8 545 605	0	0
Georgia	5 524 550	2 461 307	0	2 010 774	0	0
Kazakhstan	4 459 980	0	0	0	0	0
Kyrgyzstan	6 296 347	1 766 658	0	0	0	0
Croatia	20 094 078	2 879 000	27 870 506	84 502	0	0
Macedonia	19 104 506	1 111 200	5 710 343	21 772 521	0	0
Moldova	22 017 290	15 197 789	4 548 377	155 176	0	0
Tajikistan	0	0	0	5 000 000	0	0
Uzbekistan	0	0	0	0	0	0
Regional Europe	20 315 211	5 732 485	25 285 657	1 627 823	0	0
Total Europe	288 025 711	56 768 449	312 186 847	65 263 647	0	0
Global contributions	198 342 818	205 647 875	182 859 767	212 203 444	9 086 177	362 749 013
Total excluding administrative costs	1 726 497 891	1 366 317 146	1 550 715 662	901 614 504	514 446 403	846 240 816
Administrative costs	47 578 856	64 397 369	56 699 867	57 354 604	20 400 331	68 811 378
TOTAL	1 774 076 746	1 430 714 515	1 607 415 530	958 969 108	534 846 734	915 052 193

	Humanitarian contributions and conflict prevention	NGOs	Other operational areas	Total exclusive administrative expenses	Administrative expenses	Total	Country/region
	0	5 680 525	0	5 812 130	214 997	6 027 126	Ecuador
	-498 034	11 840 217	1 478 840	51 431 376	1 902 500	53 333 876	El Salvador
	6 561 591	15 216 254	2 728 946	109 017 504	6 220 584	115 238 088	Guatemala
	0	-8 887	0	-8 887	-329	-9 216	Guyana
	0	818	34 396	4 265 871	157 799	4 423 670	Haiti
	8 002 167	6 257 274	5 824 834	106 930 912	6 109 149	113 040 061	Honduras
	0	0	0	1 376 318	50 911	1 427 229	Jamaica
	0	0	877 136	17 914 347	662 670	18 577 017	Cuba
	-2 417	3 590 066	0	3 587 649	132 711	3 720 360	Mexico
	149 450 844	17 402 759	58 990	375 673 042	19 023 254	394 696 296	Nicaragua
	147 000	7 997 653	0	12 435 700	460 009	12 895 710	Paraguay
	3 686 500	20 418 885	0	38 297 142	1 416 651	39 713 793	Peru
	0	1 245 379	0	1 245 379	46 068	1 291 447	Uruguay
	0	1 050 000	0	1 050 000	38 841	1 088 841	Venezuela
	17 726 918	52 627 835	6 600 233	232 717 044	8 608 445	241 325 488	Regional Latin America
	216 886 244	202 648 049	19 354 919	1 232 873 348	58 313 160	1 291 186 508	Total Latin America
							EUROPE
	0	0	2 666 523	38 257 954	1 319 091	39 577 046	Albania
	0	3 238 695	0	9 493 775	327 335	9 821 109	Armenia
	2 862 900	0	0	2 933 237	101 135	3 034 372	Azerbaijan
	40 026 247	7 144 937	1 484 193	262 233 615	9 828 825	272 062 440	Bosnia & Herzegovina
	21 463 135	0	6 670 884	273 857 507	9 442 301	283 299 808	Yugoslavia
	16 433 799	0	3 293 423	144 312 690	4 975 740	149 288 430	<i>of which Kosovo</i>
	0	0	0	7 927 593	273 335	8 200 927	Montenegro
	2 979 336	0	1 477 537	78 617 778	2 710 653	81 328 431	Serbia
	3 000 000	0	3 200	12 999 831	448 220	13 448 051	Georgia
	0	0	126 920	4 586 900	158 151	4 745 051	Kazakhstan
	0	0	0	8 063 005	278 003	8 341 009	Kyrgyzstan
	-107 715	-2 487	2 067 061	52 884 946	1 823 414	54 708 360	Croatia
	6 444 361	0	3 205 547	57 348 478	2 172 916	59 521 395	Macedonia
	0	0	1 696 854	43 615 486	1 503 813	45 119 300	Moldova
	14 150 009	0	0	19 150 009	660 271	19 810 280	Tajikistan
	954 300	409	0	954 709	32 917	987 626	Uzbekistan
	35 989 340	7 245 383	1 375 409	97 571 308	3 364 150	100 935 458	Regional Europe
	124 782 577	17 626 936	19 296 593	883 950 761	31 460 541	915 411 302	Total Europe
	132 692 878	170 806 893	1 366 282 881	2 840 671 745	91 701 035	2 932 372 780	Global contributions
	1 600 540 286	895 576 731	1 525 420 295	10 927 369 734	-	10 927 369 734	Total excluding administrative costs
	36 232 557	11 893 000	99 034 635	-	(462 402 598)	462 402 598	Administrative costs
	1 636 772 844	907 469 731	1 624 454 930	10 927 369 734	462 402 598	11 389 772 332	TOTAL

Appendix 1.3. Cooperation with Central and Eastern Europe, by country and operational area, SEK '000

Country/region	Common security	Deepening the culture of democracy	Economic transition	Social security	Environment	Total
Bulgaria	0	548 630	252 304	29 799	44 135	874 867
Estonia	2 255 473	6 317 237	1 171 897	4 283 471	2 838 707	16 866 784
Latvia	2 333 494	10 002 395	2 894 508	2 550 554	19 206 915	36 987 866
Lithuania	1 821 748	14 481 208	5 417 135	6 264 958	54 122 289	82 107 338
Poland	0	1 416 670	4 538 897	1 136 516	21 684 493	28 776 575
Rumania	174 789	667 292	1 379 282	249 735	44 135	2 515 233
Russia	10 088 569	24 046 910	61 103 445	44 825 694	83 249 344	223 313 962
<i>of which the Barents region</i>	5 276 295	4 970 002	13 090 199	6 990 173	37 886 324	68 212 992
Slovakia	0	0	687 712	0	226 035	913 748
Czech Republic	0	240 387	355 877	68 040	5 737 501	6 401 806
Ukraine	1 523 720	20 525 604	12 824 020	7 156 598	4 263 242	46 293 185
Hungary	0	22 067	243 885	0	341 966	607 918
Belarus	52 394	15 243 124	3 204 830	4 974 155	145 367	23 619 871
Regional Central and Eastern Europe	8 253 638	60 448 687	27 394 074	58 847 154	36 134 535	191 078 087
Total Central and Eastern Europe	26 503 826	153 960 211	121 467 864	130 386 675	228 038 665	660 357 240
Other countries	0	0	0	0	1 469 868	1 469 868
Total	26 503 826	153 960 211	121 467 864	130 386 675	229 508 533	661 827 108

Appendix 1.4. Peace promotion activities, by country, SEK

Country/region	Peace promotion	Administrative expenses	Total
Azerbaijan	52 477	4 250	56 727
Bosnia & Herzegovina	3 169 053	256 642	3 425 696
Yugoslavia	6 782 393	549 265	7 331 658
<i>of which Kosovo</i>	6 190 178	501 305	6 691 483
<i>Serbia</i>	592 215	47 960	640 175
Georgia	619 698	50 186	669 883
Croatia	57 048	4 620	61 668
Macedonia	2 462 470	199 421	2 661 891
Sri Lanka	5 418 746	438 831	5 857 577
Tajikistan	438 066	35 476	473 543
Uzbekistan	346 423	28 055	374 478
Total	19 346 375	1 566 746	20 913 121

Appendix 2. Contributions to the UN and other international organisations

Sida shall submit a report on the total amount of support channelled by the agency to international organisations such as UN agencies development banks etc.

In comparison with 2001, the outcome for UN agencies and other international organisations decreased by SEK 941 million, of which SEK 245 million refers to UN agencies, basic support, SEK 138 million to UN agencies, project cooperation, and an increase of SEK 189 million to Other International Organisations.

Appendix 2:1. UN agencies, basic support, SEK million

	2002	2001
UNDP	540.0	795.0
UNICEF	297.0	297.0
UNFPA	165.0	160.0
UNDCP	38.5	38.5
UNAIDS	52.0	47.0
Total UN organisations, basic support	1 092.5	1 337.5

Appendix 2:2. UN Organisations, project coop., SEK million

	2002	2001	2000
World Bank group	402.0	371.3	484.2
UNICEF	374.0	395.0	417.3
UNDP	259.0	372.0	285.9
WHO	126.4	109.6	97.6
UN-DHA/UNOCHA	90.0	82.7	77.3
FAO	61.4	91.0	77.4
ILO	55.2	63.7	46.5
UNHCR	55.0	13.8	5.0
UN	53.0	41.4	28.5
WFP	50.0	63.1	44.8
PAHO	46.0	75.0	53.5
UNESCO/IEP	26.2	13.5	8.8
WMU	25.0	24.0	22.0
Habitat/UNCHS	20.0	8.8	7.8
UNEP	17.5	22.0	4.7
UNHCHR	12.5	5.4	1.0
UNRISD	10.0	8.5	7.0
UNECA	10.0	8.5	0.0
IMF	10.0	0.0	0.0
ICTP	9.0	4.0	5.0
WTO	7.4	1.0	0.0
UNOPS	7.2	24.2	-0.2
ECLAC	6.9	0.5	1.5
UNCTA	6.2	0.6	0.0
UNHCR	4.5	30.6	16.2
UNCTAD	4.5	4.0	0.0
UNDCP	3.0	3.0	5.4
UNFPA	2.0	9.3	7.2
ITC	1.5	3.1	-0.1
UNAIDS	1.1	3.7	4.0
UNV	1.1	0.5	3.1
IFAD	0.7	17.7	2.5
UNIDO	0.5	-0.6	-0.5
ESCAP	-0.3	1.0	3.1
Other	0.0	24.6	10.5
Total UN agencies, project cooperation	1 758.5	1 896.5	1 727.0
Total UN	2 851.0	3 234.0	1 727.0

Appendix 2:3. Other international organisations, SEK million

	2002	2001	2000
ICRC	231.0	205.0	269.5
Lutheran World Federation	93.7	91.3	55.2
IPPF	70.0	69.8	109.6
IUCN	36.5	42.1	53.7
OAS	32.6	17.0	40
Asian Institute of Technology	20.9	31.3	14.5
ICRAF	19.6	15.0	17
Save the Children	18.4	29.6	6.0
IOM	15.9	60.6	10.0
Mekong Committee	12.4	11.3	11.8
Mines Advisory Group	12.2	5.0	18.1
European Bank	7.5	12.0	15.3
Asian Development Bank	5.1	0	0
African Development Bank	3.3	0	0
Others	685.8	485.9	381.3
Total Other international organisations	1 264.9	1 075.9	1 002.0
TOTAL UN and OTHER INTERNATIONAL ORGAN.	4 115.9	4 309.9	2 728.7

Appendix 3. Credits programme, import guarantees and concessionary credits

For each new type of guarantee Sida shall report the guaranteed capital debt, the guarantee reserve where applicable, expenses and income in respect of guarantees and the accumulated risk-valued result.

Credits programme

No guarantees were given under the credits programme in 2002.

Import guarantees

Sida's guarantee commitments amounted to SEK 0.8 million at the year-end. This is SEK 0.8 million less than in 2001. Sida's risk level for import guarantees has been at approximately 10 per cent for the last ten years. Due to this, the risk of losses decreased by SEK 70,000 compared with 2001 and now amounts to SEK 100,000.

Independent guarantees

Sida's commitments in respect of independent guarantees amounted to SEK 256.2 million as at December 31, 2002.

In May 2002 the Swedish Government approved a Sida guarantee for Mozambique, amounting to USD 12 million, for the rehabilitation of the port in Maputo. Sida is guaranteeing a bank loan for the co-financing of the rehabilitation of the port in Maputo, which is in great need of renovation after 20 years of civil war (as a result of Mozambique's independence in 1975). As a result of the guarantee the currency of the loan can be extended to twelve years, which is a reasonable repayment period for this investment.

The project has the aim of rehabilitating the port to the extent necessary to enable it to resume competition with other ports, primarily that in Durban. In the long term this will provide development effects for the entire country and also create confidence for future investments and economic growth in the country.

Concessionary credits

The Export Credit Guarantee Board has valued the risk of Sida's guarantee commitments and outstanding claims as at December 31, 2002, in accordance with a new accounting principle approved by Parliament. Sida's guarantee commitment in respect of concessionary credits amounted to SEK 5 540 million at December 31, 2001 of which SEK 4 656 million refers to outstanding obligations and SEK 884 million to outstanding commitments. This means that the volume has decreased considerably since 2001 which

can be partly explained by a reduction in the amount of new credits, but above all by the fact that the conversion from USD was made at a considerably lower exchange rate in 2002. The valuation made by the Export Credit Guarantee Board indicates an average risk of loss, excluding the concentration risk, of 15.2 per cent, or SEK 706 million, which can be compared to 13.6 per cent or SEK 852 million in 2001. The corresponding figures for 2000 were 8.7 per cent or SEK 603 million. Accordingly, the risk of loss has increased in recent years as a proportion of the portfolio.

In the final accounts consideration has also been given to the risk premium that arises due to the fact that guarantees and claims are concentrated to a small number of countries. The provision for the concentration risk amounts to SEK 11 million. The corresponding figure in 2001 was SEK 65 million. The reason for the change in the concentration risk is partly that the Export Credit Guarantee Board's model has been changed and it now takes into consideration that risks in Sida's lending activities are in respect of governments and therefore it is not necessary to take sector concentration into consideration. Together with the risk of loss of SEK 706 million, this gives a total provision of SEK 717 million. This can be compared with 2001 when the corresponding figure was SEK 915 million.

Sida's outstanding claims amount to slightly more than SEK 1 billion and are largely unchanged. The valuation of these claims, taking into consideration expected losses and the risk concentration, amounts to SEK 337 million, an increase of SEK 8 million.

The year's result, SEK 89 million, can be mostly explained by changes in the value of the risk of the commitments, above all in Pakistan and Zimbabwe. Agency capital, i.e. assets minus liabilities and provision for risk, has thus increased from SEK 458 million to SEK 547 million. The cash flow result is similar to previous years. However, Sida's compensation payments continued to increase and during the year settlements were made in respect of more than SEK 182 million (SEK 114 million in 2001). The main reason for the increase is compensation a result of negative developments in Zimbabwe. Sida also disbursed a considerable amount of compensation in respect of Pakistan in accordance with the Paris club agreement and further settlements within the framework of the extended HIPC initiative. It is expected that these types of settlements will increase in the future when more countries reach the so-called final point

and are then offered debt write-off of up to 100 per cent. Algeria, which is making payments under the Paris Club agreement, also dominated repayments in 2002.

Sida's conclusion is that the present level of the contingency reserve well covers the estimated risk level.

Appendix 4. Field appointments financed by the development cooperation appropriation

Sida shall provide a specification of all posts financed by the development cooperation appropriation as at January 1, 2002, to the Ministry for Foreign Affairs, and shall report on changes to this specification. The report shall also provide:

- the number and orientation of full-time posts in the field debited against the development cooperation appropriation and the unit cost of these posts;
- the number and orientation of temporary posts, the proportion of these posts which were recruited externally and the unit cost of these posts;
- the total consultant cost per year debited against the development cooperation appropriation.

The number of full-time posts (posts exceeding one

year) amounted to 100 in 2002, at a cost of SEK 147 million. The unit cost of these full-time posts amounted, on average, to SEK 1.47 million.

The number of locally employed programme officers was 70 in 2002, at a cost of SEK 23 million. The unit cost of these posts amounted, on average, to SEK 0.33 million.

In 2002 113 short-term posts (posts not exceeding one year) were financed at a cost of SEK 7.6 million. The unit cost of these short-term posts was, on average, SEK 67 200. None of the short-term posts were recruited externally.

The total average consultant cost debited against the development cooperation appropriation in 2002 amounted to SEK 1 613 million.

Appendix 4:1. Posts financed by development cooperation appropriation as at December 31 2002, number of persons, SEK '000

	Africa			Asia (incl. West Bank and Gaza)			Latin America			Global		Europe			Total
	< 1 year*	> 1 year	>1year local empl.*	< 1 year*	> 1 year	>1year local empl.*	< 1 year*	> 1 year	>1year local empl.*	< 1 year*	> 1 year	< 1 year*	> 1 year	>1year local empl.*	
Coordinators	7	5		1									12		25
Reconstruction															
Humanitarian/Disaster Relief	4	3		3	2										12
Democracy/human rights	2	8		5	3	4		3							25
Trade promotion															
Private sector development	1	2			1	1		1					1		7
Economic development	1	1				2		1							5
Infrastructure	4	4		1	5			1							15
Energy/Contract-financed technical cooperation		1		2	1	1		1							6
Water	4	4													8
Natural Resources	5	4		9	6	3		1							28
Education	5	6		2	1	3		2							19
Health	6	2		2	2	3		2							17
Socio-culture		1													1
Culture Media	4			3		1									8
Other sectors	11	8	32	14	2	5	10	3	10	4	1	3		5	108
Total	54	49	32	42	23	23	10	15	10	4	1	3	12	5	284
Cost	3 870	78 415	11 665	2 201	34 688	6 660	967	19 488	3 707	431	1 679	116	12 805	988	177 680
Unit cost	72	1 600	365	52	1 508	290	97	1 299	371	108	1 679	39	1 067	198	

* Due to a lack of information from the embassies on sector responsibilities of locally employed programme officers, this category of staff has been included under "Other sectors".

Appendix 4.2. Planned posts financed by development cooperation appropriation as at January 1st 2002, number of persons, SEK '000

	Africa			Asia (incl. West Bank and Gaza)			Latin America			Global		Europe			Total
	< 1 year*	> 1 year	>1year local empl.*	< 1 year*	> 1 year	>1year local empl.*	< 1 year*	> 1 year	>1year local empl.*	< 1 year*	> 1 year	< 1 year*	> 1 year	>1year local empl.*	
Coordinators	7	3								1			7		18
Reconstruction															
Humanitarian/Disaster Relief	21	2			2										25
Democracy/human rights	8	9		9	3	4	5	2							40
Trade promotion															
Private sector development	5	2		1	1	1									10
Economic development	5			1		2	2	1							11
Infrastructure	7	2		7	5	1	4	1							27
Energy/Contract-financed technical cooperation				4	2	1		1							8
Water	5	4													9
Natural Resources	10	4		12	6	3	4	1							40
Education	4	8		7	1	3	3	1							27
Health	5	4		5	3	3	5	1							26
Socio-culture		1													1
Culture Media	8			2		1									11
Other sectors	18	9	42	16	2	6	8	4	16			8	4	7	140
Total	103	48	42	64	25	25	31	12	16	1		8	11	7	393
Cost	8 310	80 200	12 150	3 760	34 590	7 550	2 530	19 900	5 900	400	2 100	600	17 815	1 260	195 805
Unit cost	81	1 671	289	59	1 384	302	82	1 658	369		2 100	75	1 620	180	

* Due to a lack of information from the embassies on sector responsibilities of locally employed programme officers, this category of staff has been included under "Other sectors".

Appendix 5. Global

All activities that cannot be referred to a specific land or to cooperation in a region are reported under *Global*. Global includes, for example, support to international organisations and networks, the international training programmes provided by Sida, pilot projects in the IT field, methods development and learning activities.

From the year 2001, Sida took over responsibility for some of the annual grants to UN agencies from the Ministry for Foreign Affairs. This is the reason for the considerable increase in the total outcome for these organisations. In 2002, Sida made payments to UNDP, UNFPA, UNICEF, UNAIDS and UNDCP amounting, in total, to SEK 1 092.5 million. The reduction in the outcome for *Global* is mainly due to a reduction of 18 per cent in these annual grants.

Appendix 5. Global, expenditure in SEK '000

	2002	2001	2000
Global contrib. excl. UN grants	1 748 172	1 826 349	1 577 488
Annual grants to the UN	1 092 500	1 337 500	–
Other countries/regions	–	28 163	13 872
Total	2 840 672	3 192 012	1 591 360
Administrative costs	91 701	99 349	56 629
Total costs	2 932 373	3 291 361	1 647 989
Operational areas			
Democratic governance and human rights	198 343	157 352	119 573
Social sectors	205 648	392 441	225 882
Infrastructure, priv. sector dev., urban dev. and financial systems	182 860	148 932	142 503
Natural resources	212 203	268 834	215 065
Economic reforms	9 086	–	–
Research cooperation	362 749	384 457	348 327
Humanitarian assistance and conflict prevention	132 693	221 957	107 330
Non-Governmental Organisations	170 807	196 066	191 522
Other operational areas	1 366 283	1 421 972	241 159
Total	2 840 672	3 192 012	1 591 360
Forms of support			
Project support	1 825 234	1 983 466	452 355
Sector programme support	32 283	32 586	46 541
Personnel assistance incl. contract-financed technical coop.	113 488	129 558	135 883
International training programmes	114 677	125 519	156 374
Credits	–29	109	500
Guarantees	194	171	9 331
Economic reforms	9 086	–	–
Humanitarian assistance	132 162	216 473	103 539
Research	362 749	384 457	348 327
Grants to NGOs	250 828	319 674	338 510
Total	2 840 672	3 192 012	1 591 360
Channels			
Multilateral organisations	1 550 826	1 928 202	463 735
Swedish NGOs	820 040	850 325	731 151
Organisations in partner countries	108 550	27 494	23 371
Organisations in other countries	85 317	112 577	100 412
International and local NGOs	275 939	273 415	272 690
Summa	2 840 672	3 192 012	1 591 360
Combating poverty			
Direct effects	151 564	238 920	147 595
Projects and programmes that include the poor	219 941	123 510	129 433
Indirect effects through policies and institutions	1 946 629	2 328 185	852 406
Indirect effects through national support	271 873	267 035	253 111
Other	250 666	234 362	208 815
Total	2 840 672	3 192 012	1 591 360
Total number of contributions	1273	1314	1286
<i>of which: Agreements >SEK 15m</i>	72	58	46
<i>Number of new contrib.</i>	480	551	574

Abbreviations and acronyms

2002

Abbreviations and acronyms

ABC	African Books Collective
ADP	Area-Development Projects
AFREPREN	African Energy Research Policy Network
ANAFE	African Network for Agroforestry Education
BAT	Best Available Technology
BBE	Bilateral Associate Expert
BioEarn	East African Regional Programme and Research Network for Biotechnology, Biosafety and Biopolicy
CAP	Change Agent Programme
CBM	Centre for Biological Diversity
CDM	Clean Development Mechanism
CGIAR	Consultative Group on International Agricultural Research
CILSS	Permanent Inter-State Committee for Drought Control in the Sahel
CRIC	Committee for the Review of the Implementation of the Convention (Convention on Desertification)
CSD	Commission on Sustainable Development
CST	Committee for Science and Technology
CTSD	International Centre for Trade and Sustainable Development
DAC	Development Assistance Committee
Danida	Danish International Development Assistance
DFID	Department for International Development (Great Britain)
DGIS	Directorate-General for International Cooperation (Netherlands)
DOTS	Directly Observed Treatment Short-course
EAIF	Emerging Africa Infrastructure Fund
EAPGREN	Regional Network for Gender Issues in East Africa
EBRD	European Bank for Reconstruction and Development
ECHO	European Community Humanitarian Office
Ecosoc	Economic and Social Council of the United Nations
EIA	Environmental Impact Assessment
EIB	European Investment Bank
ENERGIA	International Network on Gender and Energy
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
EUF	European Development Fund
FAO	Food and Agriculture Organization
FAO-IUPGR	International Undertaking on Plant Genetic Resources
FAWE	Forum for African Women Educationalists
FEMNET	African Women's Development and Communications Network
FHRI	Foundation for Human Rights Network
Finnida	Finnish International Development Agency

Forum Syd	Swedish NGO centre for development cooperation
FTI	Fast Track Initiative
GMO	Genetically Modified Organisms
GNI	Gross National Income
GNP	Gross National Product
GRAIN	Genetic Resources Action International
GRUPHEL	Gender Research on Urbanisation, Planning, Housing and Everyday Life
GWP	Global Water Partnership
GWPO	Global Water Partnership Organisation
Habitat	United Nations Centre for Human Settlements
HELCOM	Helsinki Committee – Action Programme for the Baltic Sea
HIPC	Heavily Indebted Poor Countries
HURIDOCs	Human Rights Information and Documentation System
HURINET	Human Rights Information Network
IBRD	International Bank for Reconstruction and Development
ICRAF	World Agroforestry Centre
ICRC	International Committee of the Red Cross
ICTP	International Centre for Theoretical Physics
IDA	International Development Association
IDASA	Institute for Democracy in Southern Africa
IDB	Inter-American Development Bank
IDEA	The International Institute for Democracy and Electoral Assistance
IFAD	International Fund for Agricultural Development
IFES	International Foundation for Electoral Systems
IIDH	Inter-American Institute for Human Rights
ILO	International Labour Office
IMF	International Monetary Fund
IOM	International Organisation for Migration
IP	International programme Office
ISIS	Women’s Information and Communications Network
ISP	International Sciences Programmes
ISPA	Instrument for Structural Policies for Pre-Accession
IT	Information Technology
IUATLD	International Union Against Tuberculosis and Lung Disease
IUCN	World Conservation Union
JPO	Junior Professional Officer
LDC	Least Developed Country
LFA	Logical Framework Approach
MFS	Minor Field Study
MISA	Media Institute of Southern Africa
MUCHS	Muhimbili University College of Health Sciences
NAI	The Nordic Africa Institute

Nato	North Atlantic Treaty Organisation
NBI	Nile Basin Initiative
NEFCO	Nordic Environment Finance Corporation
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisations
NIB	Nordic Investment Bank
Norad	Norwegian Agency for Development Cooperation
NPRS	National Poverty Reduction Strategy
OAS	Organization of American States
OAU	Organization for African Unity
OCHA	Office for the Coordination of Humanitarian Affairs
OECD	Organization for Economic Co-operation and Development
OHR	Office of the High Representative
OPEC	Organization of Petroleum Exporting Countries
OSCE	Organisation for Security and Cooperation in Europe
PA	Palestinian Authority
Phare	EU's programme for Cooperation with Central Europe and the Baltic States
PIC	Rotterdam Convention on the reporting of hazardous chemicals
POPS	Stockholm Convention on Persistent Organic Pollutants
POVNET	Network on Poverty
PPC	Project Coordinator
PPFS	Pro-poor Financial Systems
PRM	Peer Review Mechanism
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Papers
QAM	Quality Assurance Mechanism
Ramsar	Wetlands Convention
RAPIDC	Regional Air Pollution in Developing Countries
Relma	Regional Land Management Unit
REPSI	Resources Policy Support Initiative
RTPD	Network for Research and Training in Parasitic Diseases
SAA	Stabilisation and Association Agreement
SADC	Southern African Development Community
Sapard	EU's programme for support to agriculture and rural development in Central and Eastern Europe
SAK	Swedish Afghanistan Committee
SEI	Stockholm Environment Institute
SENSA	Swedish Environment Secretariat for Asia
SPA	Strategic Partnership for Africa
SWAPO	South West Africa People's Organisation
TAIEX	Technical Assistance Information Exchange Office
TWAS	Third World Academy of Sciences

TWN	Third World Network
TWOWS	Third World Women in Sciences
UAPS	Union for African Population Studies
UN	United Nations
UNAIDS	Joint United Nations Programmes on HIV/Aids
UNCED	United Nations Conference on Environment and Development
UNCDF	United Nations Capital Development Fund
UNCDP	United Nations Capital Development Program
Unctad	United Nations Conference on Trade and Development
UNDAC	United Nations Disaster Assessment and Coordination
UNDAF	United Nations Development Assistance Framework
UNDCP	United Nations Drug Control Programme
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
Unesco	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
Unicef	United Nations Children's Emergency Fund
UNIDO	United Nations Industrial Development Organization
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
WRI	World Resources Institute
WSSD	World Summit on Sustainable Development
WTO	World Trade Organization

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ISBN: 91-586-8622-3

PRODUCTION: KOMBINERA

GRAPHIC DESIGN: JOHAN NILSSON/KOMBINERA

IDEA FOR FRONT COVER: CHRISTINE CLIFSTOCK

PRINTED BY: ELANDERS NOVUM, GOTHENBURG, MAY 2003.44841

THE INLAY IS PRINTED ON SVAN-MARK PAPER

SVAN-MARK IS THE NORDIC ECOLABEL

THE COVER IS PRINTED ON EMAS LABELLED PAPER

ARTICLE NUMBER: SIDA160IEN

annual report

2002

The objectives of Swedish international development cooperation

The overall objective of Swedish development cooperation is to improve the living standards of poor people. Six development cooperation sub-goals have been laid down by Parliament that interact to achieve the overall goal. Development cooperation shall contribute to

- economic growth
- economic and political independence
- economic and social equality
- democratic development
- sustainable use of natural resources and the protection of the environment
- equality between women and men.

The objective of cooperation with Central and Eastern Europe is to promote sustainable development, deeper integration and partnership in the Baltic Sea region, on the basis of the needs in the partner countries and by utilising the Swedish resource base.

Do you want to know more?

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