

annual report

2001

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 co-operation. 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.

annual report 2001

annual report 2001

Table of contents

Introduction	7
Overview, general review of reports requested and assignments	11
Policy area “International Development Cooperation”	17
The year’s results from the perspective of the objectives	18
Review of operational areas	23
<i>Democratic governance and human rights</i>	26
<i>Social sectors</i>	36
<i>Infrastructure, private sector development, urban development and financial systems</i>	44
<i>Natural resources and the environment</i>	50
<i>Economic reforms</i>	58
<i>Research cooperation</i>	62
<i>Humanitarian contributions and conflict prevention</i>	66
<i>Non-governmental organisations</i>	74
<i>Other operational areas</i>	78
Overview of cooperation with regions	84
<i>Africa</i>	86
<i>Asia</i>	90
<i>Latin America</i>	94
<i>Europe and Central Asia</i>	98
Policy area “Cooperation with Central and Eastern Europe”	101
Cooperation with Central and Eastern Europe	102
<i>Support for the promotion of security</i>	106
<i>Democracy</i>	108
<i>Socially sustainable economic transition</i>	113
<i>Environmentally sustainable development</i>	118

About Sida	123
Note on the performance report	129
Financial documents	133
Comments	134
Summary of major expenditures	135
Income statement	137
Balance sheet	138
Appropriation accounts	140
<i>Appropriation accounts</i>	140
<i>Income under Government budget revenue headings</i>	141
<i>Authorisations</i>	141
<i>Financial conditions</i>	142
Statement of changes in financial position	144
Notes	146
Approval of the annual report by the Board of Sida	153
Appendices	155
1. Expenditure summarised by operational area, region and country	156
2. Grants to the UN and other international organisations	163
3. Credits programme, import guarantees and concessionary credits	164
4. Field appointments financed by the development cooperation appropriation	165
List of abbreviations and acronyms	167

Introduction

2001

Introduction

Sida's mission is to contribute to reducing poverty. This is a long-term undertaking. However, this undertaking can be affected by events in the world that can sometimes change the situation in our partner countries within the space of a few hours. The terror attacks in the USA on September 11 were an event of this type. They led to the conflict in Afghanistan, which resulted in large numbers of refugees and the threat of starvation. Humanitarian needs in Afghanistan dominated the latter part of 2001 and a country strategy for Afghanistan was submitted to the Government. The intention expressed in the strategy was that the amount of disaster relief should increase, and should eventually focus on reconstruction.

In the Middle East, the escalating conflict has changed the situation where Sida's programmes of development cooperation with the Palestinian Authority are concerned. As a result of the conflict, the new strategy for West Bank/Gaza was limited to a period of one year only.

Where Asia is concerned, the economic situation, particularly in South East Asia, was negatively affected by the decline in the world economy. There is thus a risk that economic recovery after the Asian crisis will be delayed and it will be difficult to make further reductions in poverty. In 2001, openings appeared in the peace process on the Korean peninsula. Sida is providing support for some activities that have the aim of stimulating reforms in North Korea, for example in respect of economic issues in cooperation with the Stockholm School of Economics.

Latin America was also greatly affected by the international economic decline, which was further exacerbated by the financial crisis in Argentina and the low prices of raw materials. Three of Sweden's most important partner countries in the region, Honduras, Bolivia and Nicaragua, have produced national poverty strategies. Long-term development cooperation has been established with Honduras after the initial contributions that were provided after the hurricane Mitch struck the country in 1998.

In Africa, the difficult and uncertain situation in

several countries had the effect that Sida's development cooperation with the region did not expand as anticipated. In 2001, the Swedish Government decided to terminate all development cooperation with the government of Zimbabwe due to the increasing number of violations of human rights and the economic policy pursued by the government. One of the critical issues in Africa is the HIV/AIDS epidemic, which is having negative effects on efforts to reduce poverty in a number of countries.

In Eastern Europe, there were considerable variations in development between the countries. In the Western Balkans, the pace of reform in Serbia was maintained at a high level, while political unrest dominated in other countries, including Macedonia. Poverty problems were conspicuous in southern CIS particularly in Moldova. The region is one of Sida's fastest growing working fields, and disbursements to the Balkans increased by 51 per cent during the year, to SEK 809 million.

In the area close to Sweden, EU integration remained in focus in the Baltic region. Activities in Russia are extensive, with the environment as one major focus.

SCOPE OF OPERATIONS

Disbursements for international development cooperation amounted to SEK 11.9 billion in 2001, an increase on the previous year of almost SEK 2 billion, or some 19 per cent. A large part of the increase is due to the fact that, from 2001, the responsibility for making disbursements of some of the general grants to multilateral organisations was transferred to Sida from the Ministry for Foreign Affairs. Where cooperation with Central and Eastern Europe is concerned, SEK 648 million was disbursed, compared to SEK 657 million in 2000.

The number of contributions decreased during the year from 6708 to 6497, a reduction of three per

cent. The ambition to reduce the number of contributions is necessary since the volume of cooperation is expected to amount to SEK 15.3 billion in 2005, and it is unlikely that the administration appropriation will increase at the same rate. By reducing the number of contributions, it is possible for Sida to maintain the quality of its programmes of development cooperation when there is an increase in volume.

Support to infrastructure, private sector development, urban development and financial systems amounted to SEK 2 035 million (excluding administration costs), compared to SEK 1 874 million in 2000. In the evaluation of Sida's support for private sector development, recommendations were made for an increase in support to private sector development and for a coordinated approach that would include support to infrastructure, agriculture and the informal sector.

The second largest operational area in 2001 was *humanitarian assistance and conflict prevention*, which amounted to SEK 1 666 million (excluding administration costs). This work was dominated by the earthquakes in El Salvador and India at the start of the year and by the conflict in Afghanistan: three events that placed considerable demands on the mobilisation and coordination capacity of the international humanitarian system.

Democratic institutions, a democratic culture and respect for human rights are essential for extending the freedom of poor people. Sida's support to the operational area *democratic governance and human rights* amounted to SEK 1 520 million (excluding administration costs), compared to SEK 1 354 million in 2000.

Investments in education and health contribute to increasing productivity and are a basic foundation of the poverty strategies produced by several of Sida's partner countries. They also constitute major components in Sida's support to *social sectors*. The outcome here was SEK 1 504 million (excluding administration costs) in 2001, compared to SEK 1 248 in 2000.

In the operational area *natural resources*, the focus has been shifted from production based on renewable natural resources to conditions of a more general nature for creating growth in rural areas. The outcome amounted to SEK 929 million (excluding administration costs) in 2001, compared to SEK 791 million in 2000.

Support to *non-governmental* organisations reached more than 100 countries, via twelve major Swedish NGOs with which Sida cooperates to promote the development of a vigorous and democratic civil society in developing countries. Support amounted to SEK 876 million (excluding administration costs).

Support for *research cooperation* increased, not least in poor partner countries, and amounted to SEK 828 million (excluding administration costs). Together with contributions for IT development, it contributes

to social development and to making it possible for partner countries to participate in international co-operation.

Support for *economic reforms* is provided with the aim of contributing to macroeconomic stability and reforms that can improve economic growth. The support, which is given in the form of general support and debt relief, amounted to SEK 499 million (excluding administration costs).

To meet an increase in the number of partner countries, Sida is investigating new possibilities for cooperation with other donors. During the year Sweden and Norway concluded an agreement on development cooperation with Malawi, which has the effect that Swedish support is being channelled through Norad. This cooperation improves Malawi's donor coordination and leads to a more efficient use of the professional expertise and administration at Sida and Norad. Sida has also decided to channel Swedish education support to Mali via the Netherlands.

The profile of Sida's partner countries is largely unchanged. During the year there was an increase in development cooperation with Afghanistan, Nepal, Cambodia and Uganda, while development cooperation with Tanzania, Honduras and Nicaragua decreased.

The largest partner countries were Tanzania, Mozambique, Vietnam, Honduras, Uganda, Bosnia & Herzegovina, Bangladesh, South Africa, Nicaragua and West Bank/Gaza.

MORE SPECIFIC FOCUS ON POVERTY

The mission of development cooperation is to contribute to making reductions in poverty possible. This means that the contributions focus on supporting development processes determined by the partner country and that coordination between different donors is important.

A number of Sida's partner countries have produced Poverty Reduction Strategies (PRS) within the framework of the debt relief initiative HIPC-2 (Highly Indebted Poor Countries). The debt relief initiative releases public resources that can be used by the countries for combating poverty.

The countries that produced PRS in 2001 included Mozambique, Tanzania, Honduras, Nicaragua and Bolivia. The national strategies are important for the development of effective policies to combat poverty that are pursued by the countries themselves. The poverty strategies provide guidance for Swedish development cooperation with these countries. They also provide a platform for improved donor coordination. In several countries budget support is also linked to the implementation of the poverty strategies.

In several operational areas there has been a shift from project support to programme support. This makes the effects of the contributions more dependent on their context. They are also expected to provide sustainable results in the long term.

The Ministry of State Administration in Mozambique and the public administration reform, PRI, in Bolivia are examples of programme contributions that received support during the year. Other examples are the health sector in Zambia and a cultural fund in Tanzania.

During the year Sida compiled a report on its experience of sector programme support and an inventory of its support to sector programmes.

Experience shows that programme support requires a great deal of preparation and is hindered by a lack of expertise and capacity in the partner countries. Often a considerable amount of time is required for donor coordination at the beginning of contributions, but thereafter this form of support leads to greater efficiency since the donors' resources are concentrated to specific purposes and there is less overlapping between donors.

The objectives of Sida's programmes of development cooperation are being increasingly integrated and contributions are being given several objectives. This means that activities are becoming more complex and are being given a more composite poverty perspective. A major evaluation of gender equality in development cooperation was made during the year. It showed that the objective of integrating gender equality in development cooperation is starting to gain acceptance and support in Sida's operations. Experience shows that it also is important to supplement the integration of objectives with targeted contributions, for example mention can be made of the initiative for the participation of women in decision-making processes in the Carere project in Cambodia.

Sida started to produce a new health policy that will broaden approaches to health issues. A strong focus on HIV/AIDS has had the effect that this issue has become important in all operational areas. The HIV/AIDS epidemic has created a need for broad contributions in a number of social and economic fields. It must be taken into consideration in all fields: from rural development to education programmes.

Sida's poverty project, which started at the end of 1999, continued in 2001. A number of studies and seminars were held that analysed and discussed poverty reduction. These have had the result that Sida's operations now have a more specific poverty focus, which can be seen in several new country and regional strategies. A new strategy for poverty reduction shall be presented in 2002. In the autumn, Sida held a two-day conference on poverty and education. Information material, in the form of a newspaper

supplement, was also spread via the major daily newspapers in Sweden.

SIDA'S ORGANISATION

One of Sida's priorities is to consolidate its field organisation and during the year new duty stations manned by seconded staff were established in Burkina Faso, Egypt, Moldova, Albania, Ukraine, Russia, Croatia and Yugoslavia (Belgrade).

Activities at Sida Sandö were discontinued at the end of the year. This was the result of a Government assignment to establish a training institute in Härnösand. The new institute, Sida Civil Society Center, will start operations in the beginning of 2002.

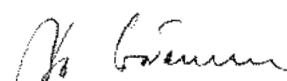
A division for multilateral issues was established at Sida. This division is responsible for the administration of matters relating to the EU Commission, the UN system and the World Bank.

A project was implemented which considerably simplified and reduced Sida's regulations. A plan of action was also implemented for Sida's procurements. This resulted in new regulations for procurements, a new handbook and a consolidated internal procurement advisory service.

The work of the Parliamentary Commission on Swedish Policy for Global Development in the future proceeded during the year. Sida participated in a number of seminars and visits for the Commission and produced extensive responses to 20 direct questions posed by the Commission.

The number of employees increased by 31 persons to a total of 879. An organisational survey was made in which 77 per cent of the staff participated. All in all, Sida was given a good assessment – a "Satisfied Staff Index" of 4.07 (of a maximum of 6 points). The survey also showed that Sida's staff are strongly committed to their work, but feel that they have a heavy workload.

A public opinion poll made by Statistics Sweden on the preparedness of the Swedish people to support development cooperation showed that 62 per cent of the respondents felt that the amount of development cooperation provided by Sweden is about right or should increase, compared to 53 per cent in last year's poll.



Bo Göransson
Director General

Overview, general review of reports requested and assignments

2001

Overview, general review of reports requested 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 results from the perspective of the objectives of international development cooperation.

Under operational area 4. Natural resources:

1. *Sida shall submit a report on the work it has done to follow up Sweden's undertakings in the conventions in respect of biological diversity and bio-security, climate change, desertification, the Rotterdam Convention (PIC), the Basel Convention and the Montreal protocol, in accordance with the guidelines for each instrument.*

Presented under operational area Natural resources.

2. *Sida shall submit a report on its contributions for the conservation and use of 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 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.

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 knowledge 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 recruitment programmes (including outcome) for international organisations and missions 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 programme for Bilateral Associate Experts and the Young Consultants trainee programme is concerned, Sida shall submit a report on the breakdown of costs by different sectors and countries. For the Minor Field Studies programme, the Linnaeus-Palme scholarship programme, and practical training at international*

organisations, the number of scholarships and breakdown by continent/organisation, sex and sector shall be presented.

Presented under operational area Other operational areas.

5. Sida shall submit a report on training activities per training area and the number of participant days in respect of resource base development, regardless of whether the training was financed by the development cooperation appropriation or the administrative appropriation.

Presented under operational area Other operational areas.

6. Sida shall submit a report on any costs incurred in the operational area in addition to 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. Support for the promotion of common security:

1. Sida shall submit a report each quarter to the Government's working group for support for the promotion of security on projects for which final reports have been received by Sida.

Reported on separately.

2. Sida shall submit a report every six months to the Government's working group for support for the promotion of security on the police contributions that are financed with the aid of funds for the promotion of security.

Reported on separately.

Under operational area 2. Democracy:

1. 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 and in a table under Overview of cooperation with Central and Eastern Europe.

2. Sida shall submit a report on the number of information grants approved.

Reported under operational area Democracy.

C. 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.

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, 2001, 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 in the appropriation A1 Development Cooperation and B1 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 separate documents dated 2001-02-19 for appropriation A1 and 2001-05-07 for appropriation B1.

4. Sida shall submit expenditure forecasts to the Ministry for Foreign Affairs at sub-item level for the year 2001 and 2002 for all appropriations placed at the disposal of the agency. The forecasts shall be submitted no later than 19 January, 8 March, 15 May, 1 August, 9 August and 31 October.

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, forms of support and channels for the five largest countries from the expenditure perspective. 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 and in the review of operational areas in respect of deviations in relation to the forecasts made in the budget documents.

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. Sida shall submit a report on the focus of, and lessons learned from, support to each of the countries that received humanitarian support during the budget year exceeding SEK 50 million and for which the government has not made special frame decisions.

Reported under operational area Humanitarian assistance.

8. Sida shall submit a report on the results of its work to ensure that democratic governance and human rights have an impact in other operational areas. The report shall focus on instruments produced and any special difficulties encountered, and shall analyse conclusions for future work.

Reported under the operational area Democratic governance and human rights.

9. No later than May 1, 2001, Sida shall submit a report to the Government on Sida's evaluations and internal audits for the budget year 2000. The report shall summarise major conclusions and recommendations 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 2001-04-27.

10. At least once a quarter, Sida shall submit a report on the use of appropriation sub-item 8, humanitarian assistance and conflict prevention, to the consultative group for humanitarian assistance. In its annual report Sida shall state its total use of funds under the sub-item, broken down by countries, purpose and channels.

Reported under operational area Humanitarian assistance and in a separate report.

11. Sida shall start a development programme that has the aim of showing indicators of the agency's internal efficiency

in the different parts of its work in the annual report for 2002.

Reported under Sida.

12. Sida shall submit a list of all posts financed by the development cooperation appropriation as at January 1 2001 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 costs of these posts.
- the number and focus of short-term posts, the proportion of these that were externally recruited, and unit costs of these posts.
- total cost per month, number of current consulting contracts, and number of consulting hours/months charged against the development cooperation appropriation.

Reported in appendix 4.

13. No later than May 1, 2001, 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 to the Government 2001-05-02.

Policy area 9. Cooperation with Central and Eastern Europe.

14. Sida shall submit a report on its activities and an analysis in relation to the objectives of the operational areas. Sida shall analyse changes in relation to previous years.

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

15. A report shall be made for each country in respect of Poland, Lithuania, Latvia, Estonia, Russia, Ukraine, Belarus and other countries. Cooperation and contributions in the Barents region shall be reported on separately. Moreover, the total contributions in each operational area shall be reported for all partner countries. Sida shall provide special comments on how contributions provided for EU's candidate countries promote their membership of the European Union.

For each operational area, information shall be provided on the EU links and gender equality aspects of the contributions. The gender equality objective shall be broken down with analyses and reports on individual contributions specially aimed at promoting equality between women and men and an analysis of how gender equality aspects have been integrated into all approved contributions. A comparison shall be made with previous years.

Reported on under each operational area and in appendix 1.

16. 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 the section Cooperation with Central and Eastern Europe.

17. In the first month of each quarter, Sida shall make a report in respect of the previous quarter of approved individual contributions, broken down into different operational areas, and state whether the contributions have links to EU and gender equality aspects. The report shall be made to the Ministry for Foreign Affairs' database of Swedish development cooperation with Central and Eastern Europe. The report shall be made through the export of data in agreed forms from Sida's planning system (PLUS). The report shall be made for each country in respect of Poland, Lithuania, Latvia, Estonia, Russia, Ukraine, Belarus and other countries. Cooperation with the Barents region shall be reported on separately.

The Ministry for Foreign Affairs is making a review of the database. During the period of the review, no reports can be made from Sida's planning system (PLUS) to the database. However, Sida shall store its information and, when the database is in operation again, an accumulated delivery shall be made on quarters for which reports have not been submitted in accordance with the reporting requirements above.

The database is not in operation. (In its letter for appropriations for 2002, Sida has been given the assignment to establish this database).

1.2. ASSIGNMENTS

Policy area 8. International development cooperation

1. No later than November 15, within a framework to be determined later by the Government, Sida shall submit proposals on support to economic reforms and debt relief for 2002, including a breakdown by recipient, forms and channels of the support.

Report to the Government 2001-12-14.

2. 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 sample 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 November 30, 2001.

Respite granted. Report to the Government 2002-01-29.

3. In 2001, Sida shall draw up criteria for the selection of frame organisations. The assignment shall be implemented in a dialogue with the organisations.

Report to the Government 2001-12-21.

4. 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.

Report in accordance with the letter of appropriations for 2002.

5. Sida shall start a methods project that has the aim of developing performance reports in respect of the democratic development objective. The methods project shall intensify the analysis of the problem, provide clearer descriptions of objectives, and select indicators that improve measurability over time.

Reported under operational area Democratic governance and human rights.

6. In 2001, Sida shall submit proposals to the government in respect of country/area strategies for the following countries/areas: Afghanistan, Bangladesh, Cambodia, Mozambique, Mongolia, West Bank/Gaza and Turkey

Afghanistan: Proposal presented to the Government 2001-12-17.

Bangladesh: Proposal presented to the Government 2001-07-05.

Cambodia: Proposal presented to the Government 2001-11-18.

Mozambique: Proposal presented to the Government 2001-09-28.

Mongolia: Proposal presented to the Government 2001-06-15.

West Bank-Gaza: Proposal presented to the Government 2001-06-08.

Turkey: Respite granted – Government decision 2001-11-15. Proposal to be presented to the Government no later than 2002-03-01.

No later than September 1, 2001, Sida shall submit proposals to the Government on a strategy for Swedish support for regional and sub-regional cooperation in Africa.

Respite granted. Proposal to be presented to the Government 2002-01-31.

In 2001, in consultations with the Ministry for Foreign Affairs, Sida shall study the possibility of increasing contributions somewhat in Burma, taking into account the current political restrictions in respect of cooperation with Burma.

Respite granted. Included in the Letter of Appropriations for 2002.

No later than November 1, 2001, Sida shall submit a report on the initiation of development cooperation with Burkina Faso and Mali in accordance with Sida's communications of the October 30, 2000

Burkina Faso: Proposal presented to the Government 2001-10-30.

Mali: Proposal presented to the Government 2001-10-30.

Policy area
“International Development
Cooperation”

2001

The year's results from the perspective of the objectives

Report: 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 effects that cooperation shall achieve in the long-term. 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.

An annual report does not give a picture of the long-term effects, even if certain trends can be discerned, for example through the results of studies and reviews that cover long periods of time.

RAISING THE LIVING STANDARDS OF POOR PEOPLE

In Sida's action programme for combating poverty it is emphasised that the long-term and sustainable reduction of poverty requires several different approaches. The following approaches have been identified and are used in Sida's internal classification system:

- A. Direct effects (project support and sector programme support in which there is a direct focus on poor local communities or groups of poor people)

- B. Projects and programmes that include the poor
- C. Expected indirect effects through policies and institutions (that promote equitable, growth-oriented policies, macro-stability, reforms that support the poor by eliminating systematic obstacles at national and international levels)
- D. Support to the national level that is expected to have an indirect effect on poverty reduction (balance of payments support and debt relief, investments in infrastructure and the private sector, and projects for the economical use of natural resources)

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

Table A 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.

Table A can be used for overall analyses of the initial intentions of the projects in respect of effects. The information does not show how Sida or the projects worked towards achieving the effects or how successful the projects were in these matters. Differences in interpretation of how projects should be classified cannot be excluded

The *poverty project*, that was initiated at the end of 1999, continued in 2001. A proposal for a new strategy for Sida's work with development and poverty reduction will be presented in 2002.

In this project, a number of studies were made with the purpose of strengthening Sida's work. These studies show that Sida should continue to work in the fields of security, capacity and opportunities. The capacity of poor people is strengthened through, for example, contributions in the fields of education and health. Greater opportunities for escaping poverty are created through work in, for example, natural resources and rural development programmes, and through the provision of support to democratisation processes. There is a focus on security in, for example, social investment funds, reforms of the legal system and humanitarian contributions.

In 2001, a number of seminars were also arranged to discuss poverty reduction. These seminars were for Sida staff working in Stockholm and the embassies. They have contributed to creating a clearer focus on poverty. The effects are visible today, for example, in a number of new country and regional strategies.

In the autumn, Sida held a two-day conference on poverty and education. Here the poverty objective was linked to the sub-goal for education, which is included in the international development objectives. Information material – in the form of supplements in 30 major daily newspapers – was also distributed to Swedish households.

In 2001, Sida initiated a project that has the aim of improving its knowledge of *Poverty Reduction Strategy Papers* (PRSP) and their implications, and of for-

mulating an approach to this new framework for international development cooperation.

In 2001, Sida contributed to the PRSP process, both internationally and nationally, through its work in the *Strategic Partnership for Africa* (SPA), support to EUROAD's PRS Watch, and a number of national consultation processes

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. 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*, in the form of general budget support and debt relief, contributes to providing macro-economic stability and gives funding and incentives for further comprehensive reforms with the aim of improving economic growth and combatting poverty.

A major part of Sida's support is given with the

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

	2001		2000		1999		2001	2000	1999
	Outcome	%	Outcome	%	Outcome	%	No. of contrib.	No. of contrib.	No. of contrib.
Poverty reduction									
A Direct effect	1 927	17	1 494	16	1 512	19	556	500	423
B Projects and programmes that include the poor	1 982	17	1 998	21	1 863	24	828	936	1 047
C Indirect effects through policies and institutions	4 543	40	2 796	29	2 390	31	2 150	2 106	2 017
D Indirect effects through national support	1 885	16	2 246	24	1 233	16	903	956	897
Peace, democracy and human rights									
Principal objective	2 453	21	1 920	20	1 583	20	1 616	1 577	1 462
Significant objective	5 744	50	3 985	42	3 486	45	2 028	1 989	1 946
Environment and sustainable development									
Principal objective	1 348	12	1 068	11	1 042	13	911	893	884
Significant objective	5 348	47	3 559	37	2 655	34	1 605	1 537	1 433
Gender equality									
Principal objective	708	6	682	7	653	8	556	602	607
Significant objective	7 018	61	4 911	52	3 866	49	2 580	2 463	2 284

aim of making the *public administration* in developing countries more efficient, both the central public administration and the administration in the sectors where Sida is working. Sida's support to reinforce legal systems shall strengthen the protection of private ownership and guarantee that business contracts are binding, which reduces the transaction costs of business and facilitates economic growth. Sida is continuing to promote improvements in the administration of public finances, which assists our partner countries to implement strategies to reduce poverty.

It is a well-known fact today that initiatives in the fields of *education and health* can lead to significant improvements in productivity. Sida's support in these sectors includes a large number of contributions to make health services and education more efficient, which should thereby increase productivity.

A major evaluation of Sida's support for *private sector development* was made during the year. The evaluation recommends the provision of more support to the private sector and a better-coordinated approach that covers support to industry and infrastructure as well as agriculture and the informal sector.

One of the great challenges to development cooperation today is to find forms for private sector development that include poor people in both urban and rural areas. During the year Sida has tried to develop innovative methods on a number of fronts, for example:

- commercialisation of farming products in Niassa province in Mozambique
- establishment of a micro-credit organisation, AFRICAP,
- development of decentralised models for village electrification in Zambia
- reform of the administration and funding of roads in rural areas in Laos,
- utilisation of local capital markets for extending telecommunications services in rural areas in Uganda, and
- new forms of funding for municipal investments and credits for micro-entrepreneurs in slum districts in Central America.

The results are promising but are dependent to a high degree on general trends in the economic, social and political situation in the partner countries.

The natural resources sector is the largest business sector in many developing countries and receives considerable support from Sida.

Different types of *discrimination* violate human rights and also hamper economic growth. There are, for example, indications that initiatives that benefit women often give considerably higher financial returns than the same initiatives for men.

In recent years attention has been drawn to the devastating effect of *conflicts* on economic growth. For

example, many of the countries in Africa that have had the lowest rates of economic growth over a long period of time have also been subjected to armed conflicts. Poverty reduction also promotes peace.

2. Economic and political independence

The importance of this goal has changed considerably since it was originally established. Most countries have now achieved formal political independence. What remains to be done is to give these new states greater legitimacy through strengthening democracy, improving respect for human rights and establishing efficient public administrations.

No country in the world is economically independent in the sense of being self-sufficient, and this is not worth aiming at. Rather, the objective should be to create economic freedom of action through initiatives that are intended to lead to increased economic growth.

The external debt burden still represents a major obstacle for many of Sida's partner countries. Some of the support for economic reforms is given in the form of debt relief. Our partners in cooperation can also choose to use other support for reforms of their debt service. In 2001, Sida also made contributions to build up capacity in the countries for debt administration.

Research is one way for a country to obtain the necessary expertise and analytical capacity to be able to govern its own development and to increase its independence.

3. Economic and social equality

The same studies that compare economic growth and poverty in different countries also show that a relatively even distribution of productive assets makes rapid and sustainable economic growth possible. The capacity of the poor to be economically productive – to contribute to economic growth – is increased by:

- increasing the access of poor people to productive resources,
- increasing their capacity to use their resources effectively,
- reducing the vulnerability of the poor and the potentially poor, and
- supplying the very weakest with so-called social safety nets.

Major productive assets for the poor are education, health care, technology and micro-credits. Much of Sida's support for education, health care, natural resources, private sector development, urban development and financial systems can make the poor more productive. Support for democratic governance should also make public taxes and expenditure less regressive.

The poor could use their resources more effec-

tively with the aid of good governance, protection of their human rights, macro-economic stability, infrastructure such as roads and electricity, and efficient capital markets. Sida is active in all these areas.

Recently attention has been drawn to the large number of people who live on the poverty borderline and can become poor as the result of external, economic events. The vulnerability of the poor and the almost poor can be reduced by, for example, education, health services and micro-credits. Sida also provides support in these fields.

4. Democratic development

The democracy objective contributes to the overall poverty objective by giving prominence to the capacity and will of the political institutions and the public administration to promote opportunities for poor people to participate in and exert an influence on decisions that concern their lives. The obligation of the state to promote, protect and respect human rights is closely linked to this responsibility.

Disbursements for contributions in which democratic governance was the principal objective or a significant objective also increased in 2001, as well as in the proportion of the total support and number of contributions.

In the field of democratic governance, including human rights, Sida continued its work on developing its methods, analyses and skills in 2001.

The year was characterised by efforts to permeate Sida's development cooperation with a democracy and human rights perspective, including children's rights. The actual impact of the perspective in development cooperation was examined with the aid of a questionnaire and a study of documents. Responses to the questionnaire showed that a positive change had taken place since 2000 in respect of the support programme officers feel that they are given to integrate the perspective. The study of documents shows that the principle expressed in the Government's paper on democracy and human rights in development cooperation has still not been transformed into action in a consistent and thorough way. However, in the documents studied there are tendencies that show a change in approach, for example the promotion of children's rights linked to the Convention on the Rights of the Child.

The study made in 2000 on grants to Swedish and international NGOs working with democracy and human rights, and forms for Sida's cooperation with these organisations, had the result that, in 2001, the support for these organisations was rationalised and made more efficient. Guidelines were drawn up, and it is intended that the portfolio of contributions should be based on longer agreements and larger volumes, mainly in the form of programme support, to fewer organisations.

During the year, the so-called participatory method was used in the evaluation of Sida's support through Forum Syd and Diakonia to NGOs in Cambodia. It led to an understanding of how participatory methods can be developed, for example by giving the organisations concerned real opportunities for actual participation throughout the entire process. This is of value since there are very few instances of documented evaluations in which those concerned have participated.

The institutional reform programme in Bolivia gave valuable experience of programme support. Programme support is just as suitable in cross sector public administration reform as in the social sectors. In these cases there is a clearly delineated policy area within which donors and recipients can agree on a joint strategy for development. However, a great deal of time and energy is usually spent on coordination in the initial phases of the contributions. However, after the event it can be stated that positive experience was gained from concentrating resources and thereby reducing overlapping between the contributions of individual donors.

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. In principle all the measures taken up in the programme have now been implemented and work has now begun on revising the action programme. The integration of environmental aspects has been gradually improved. Major measures taken during the year include:

- Training to obtain acceptance and support for Sida's guidelines for environmental impact assessments (EIA) continued in the form of courses in the field and in Stockholm.
- EIA rules were drawn up for Sida's new regulations
- Guidelines were drawn up for environment-friendly procurements in development cooperation
- Work continued on improving integrating environmental aspects into the country strategies.
- During the year work was started on developing a special strategy for Sida's future work on climate issues.

The two support functions, one for EIAs in projects and programmes at the EIA centre at the Swedish University for Agricultural Sciences in Uppsala, and one for strategic environmental analysis and the integration of environmental aspects in the country strategy processes at the Environmental Economics Unit at Gothenburg University, have intensified their

work. This means providing regular analyses and comments on Sida's work on projects and programmes as well as country strategies. Furthermore, the support functions participate in the work on EU's development cooperation within the framework of support to countries in Africa, West Indies and the South Pacific area.

In the regular work of creating understanding and providing information on the relationship between the environment and different subject areas, booklets have been published on the environment and health, the environment and human rights, and the environment and poverty. Sida financed a study of the environment and vulnerability, produced by the Stockholm Environment Institute.

In addition to the regular newsletters on the environment, development and conflicts, published by the Peace and Development Research Institute at Gothenburg University, and those on population and the environment, published by Sodeco in Lund, a new newsletter on sustainable development was financed in 2001, published by Albaco, which is linked to the Department of System Ecology at Stockholm University.

In 2001, there was an increase in the proportion of costs that can be referred to contributions where the "environmental goal" was the principal objective or a significant objective. The number of contributions has also increased.

6. Equality between women and men

A gender equality perspective shall permeate all development cooperation. The most effective strategy for achieving gender equality, and thereby combating poverty, is mainstreaming. An analysis of the relations between women and men shall be included in all decisions on contributions and documents at Sida.

In 2001 Sida commissioned a major evaluation of gender equality work in the field. The results were presented at the end of the year. In brief they show that the mainstreaming concept is slowly gaining a foothold in the organisation.

In 2001, slightly less than six per cent of the contributions had gender equality as a principal objective, which is a slight decline in comparison with previous years. However, 61 per cent of the contributions have gender equality as a significant objective,

which is a pronounced increase on the previous two years.

There are many examples of interesting contributions that promote equality between women and men:

- A ten-year programme of support to censuses of 80 million people, including gender-disaggregated statistics, has been started and encompasses Namibia, Tanzania, South Africa and Honduras.
- In Cambodia, Sida is supporting, through Diakonia and Forum Syd, a number of small NGOs that work with both women and men. Examples here are networks for men and contributions to prevent violence against women.
- In Nicaragua, Sida has continued to support a project that has received a great deal of attention. It concerns special police stations for assaulted women. At the same time other NGOs are working actively to support men's groups in the country.
- In the former Yugoslavia, Sida has supported some 60 organisations working with a wide range of activities, from trauma treatment to legal consultations through an NGO, Kvinna till Kvinna (Woman to Woman). During the year Kvinna till Kvinna was also commissioned by Sida to produce a report *"Getting it Right? A Gender Approach to UNMIK Administration in Kosovo"*.

Apart from the internal networks and the regular courses that Sida holds for both Sida staff and consultants, Sida has also attended a number of conferences and seminars where gender equality has been taken up. These conferences have then been transformed into internal seminars and reports at Sida.

Internationally, Sida has consolidated its strong position in the gender equality field in OECD/DAC and the EU. Sida has participated in the international exchange of experience on gender budgeting through conferences and support to the Tanzania Gender Networking Programme. Sida is working with "women and war", and internationally and multilaterally on women in Afghanistan. At Sida, this field has been given emphasis through the mainstreaming of all UN appeals from OCHA.

Review of operational areas

Sida's operational areas in 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 development of policies and strategies has had effects that can be discerned at different levels in this year's performance report. There has been a shift from project support to programme support in different operational areas. Examples of programmes contributions that were prepared during the year are support to the Ministry of State Administration in Mozambique, the reform of the public administration, PRI, in Bolivia, and support to the health sector in Zambia. There was also a shift in focus in the preparation of a number of large-scale rural development contributions – from production to creating the requisite conditions for growth in rural areas.

Experience acquired in the field of education, the sector in which Sida has made most progress in its work on sector programmes, shows that programmes of this type require extensive preparatory work and that one major obstacle is the lack of expertise and capacity in the partner countries. This form of support should be seen as a long-term process in which capacity development, human resource development and institutional development are included as major components. Research cooperation contributions for strengthening systems of knowledge in the countries, through support to universities and IT systems, have been made in the form of parallel long-term investments.

Evaluations of contributions in the field of democracy indicate that cooperation with the organisations of civil society appears to be stronger and more effective if it is supplemented by support to relevant political institutions. Similar experience has been gained in the sectors of infrastructure, private sector development and urban development, where contributions at policy and institutional level are supple-

mented by contributions at enterprise level. The support for the establishment of an energy regulation authority in Zambia has facilitated reforms in the electric power industry.

Debt relief has been granted to Bolivia, Mozambique, Tanzania and Uganda, four of the countries that have met the criteria of the international debt relief initiative, HIPC (Heavily Indebted Poor Countries). The support has been tied to the countries' strategies for combating poverty.

Sida's contributions for rehabilitation after the Mitch disaster in Central America came to an end during the year. Among other things, eleven bridges were built in Honduras. These humanitarian contributions, as well as the support provided after the earthquakes in El Salvador and India, were also planned with the possibility of national coordination taken into consideration. This re-orientation towards coordinated and integrated programmes is expected to provide results of a more sustainable nature in the long term. However, the complexity and of the contributions and their dependence on broad contexts make it difficult to identify and measure direct effects of the Swedish contributions.

One tendency has been a broadening of the narrow sector perspective, for example, the health policy that was developed during the year has a broad view of health matters. The HIV/AIDS perspective justifies the need of contributions in a number of social and economic fields and has been taken into consideration in all areas, from rural development to education. The focus on natural resources for the reduction of poverty necessitates changes at national poverty level and the participation of the private sector. The activities are characterised by processes

that include everything from production, HIV/AIDS effects, further processing of products, markets and financing to national and regional policies and structures.

At the same time as a process of integration, often referred to as mainstreaming, has taken place in certain profile areas such as gender and the environment in an increasing number of contexts, contributions with a supplementary focus have also proved to be valuable, for example the focus on the participation of women in decision-making processes in the Carere project in Cambodia and the construction of eco-villages in the centre of Kimberley in South Africa. During the year Sida started making an analysis of climate issues in order to make targeted contributions of a similar type. The need of linkages between the local, national, regional and international level is illustrated in the policy produced for road safety and in the work on water issues that has taken place at a number of different levels, from local contributions to participation in EU policies and UNDP initiatives in the field. Support for the development of standards, for example in the UN system, and support for international research strengthen the access of developing countries to global public commodities.

Contributions with a strategic focus make it necessary for both partners in cooperation and Sida staff to obtain an overview and to have the capacity to make analyses. Different contributions for capacity development and human resource development were

supplemented during the year by the preparation of contributions for RT development in the partner countries. Sida's internal human resource development programmes have covered a number of fields. Their point of departure has been current policies, strategies and action programmes. Considerable progress was made in respect of awareness and knowledge of the HIV/AIDS problem at Sida – with courses, the production of guidelines for different subject areas and operational areas, and an extensive debate on how the problems affect Swedish development cooperation. Information directed towards the Swedish public has also focused on improving understanding of complex relationships and of strategies for combating poverty. Special programmes have been developed to engage young people in development issues.

COSTS 2001

In 2001, costs in these operational areas amounted to SEK 11.4 billion, excluding administration costs, which is an increase of SEK 1.9 billion or 19 per cent on 2000.

In 2001, the number of contributions was fewer than in 2000. The size of the portfolio decreased from 5 644 to 5 476 contributions. The average volume per contribution increased from SEK 1.7 million to SEK 1.8 million.

Overview of operational areas, Policy area International development cooperation, costs in SEK million, per cent of outcome and number of contributions

	2001			2000			1999			2001	2000	1999
	Out- come	Outcome exclusive adm. costs	%	Out- come	Outcome exclusive adm. costs	%	Out- come	Outcome exclusive adm. costs	%	No. of contri- butions	No. of contri- butions	No. of contri- butions
International development cooperation												
Democratic governance and human rights	1 559	1 520	13	1 390	1 354	14	1 186	1 152	15	1 543	1 544	1 488
Social sectors incl. annual grants to UN agencies*	1 561	1 504	13	1 304	1 248	13	1 185	1 127	14	869	910	922
Infrastructure, private sector development, urban development and financial systems	2 124	2 035	18	1 961	1 874	20	1 317	1 226	16	1 009	1 032	1 066
Natural resources	973	929	8	832	791	8	715	674	9	599	598	567
Economic reforms	514	499	4	570	550	6	453	430	5	19	15	13
Research cooperation	886	828	7	781	727	8	658	608	8	372	370	410
Humanitarian assistance and conflict prevention	1 681	1 666	15	1 673	1 645	17	1 522	1 496	19	596	696	750
NGOs	905	876	8	964	954	10	843	831	11	121	119	93
Other incl. annual grants UN agencies*	1 700	1 581	14	493	387	4	386	274	4	438	484	406
Total	11 903	11 437	100	9 966	9 529	100	8 266	7 818	100	5 562	5 768	5 715
Total number of contributions**										5 476	5 644	5 580

* From 2001 annual grants to UN agencies amounted to SEK 1 338 million, of which SEK 160 million refers to social sectors and SEK 1 178 million to other operational areas.

** 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 given above.

There was a considerable increase in Other operational areas on account of the fact that, from 2001, Sida took over the responsibility for multi-year contributions to UN agencies, amounting to SEK 1.2 billion, from the Ministry for Foreign Affairs.

Deviations from Sida's budget forecasts for 2001

When making comparisons between forecast and outcome, it should be taken into consideration that the forecast in Sida's budget request did not contain support for multilateral assistance. The operational area Humanitarian Support and Peace Promotion was reintroduced by the Government in the letter of appropriations for 2001, and this operational area was thus not included in the forecast. It is important to note that the table above contains outcome per operational area, including balances carried forward.

The forecast in the budget documents is based only on appropriations, excluding balances carried forward.

No major deviations can be observed between the forecasts in the budget request for 2001 and the outcome where the percentage share of the different operational areas is concerned, if adjustments are made for the increase in the annual contributions to UN agencies in the year 2001. However, it can be noted that in the operational area Natural Resources, support for global environmental contributions has increased somewhat. Globalisation and a rapidly growing understanding of the economic and social effects of destruction of the environment have the effect that a larger number of parties than before are now trying to find ways of solving the problems of sustainable development in a global perspective.

Democratic governance and human rights

The operational area includes the sub-sectors democracy including media, public administration and the legal system. The objective of the operational area is to contribute to democratisation, to strengthening respect for and observance of human rights

GENERAL

Sida provides support for democratic development in Sweden's partner countries. Sida's priorities include support to political institutions and the media, the public administration, human rights and the legal system.

The number of democracies in the world has increased in recent years. In most cases, however, this is a question of formal democracy, i.e. that the countries meet *formal* democratic criteria such as free election systems, but that authoritarian forms of government remain in place and most people are still powerless. The main aim of Sida's contributions is to strengthen political institutions and the public administration, promote a democratic culture, and to strengthen the participation of poor people in social life and their power over their own lives. The increase in attention to this area attracted by the fall of authoritarian regimes (for example in the Western Balkans) and comprehensive reform processes (for example in South Africa and Russia) have influenced the countries' requests for support in the field of democratic governance.

Sida works with long-term support for human rights. The global human rights situation is not without problems. Many of Sweden's partner countries are permeated by political and social environments that lack respect for human rights. The absence of independent legal systems makes it particularly difficult for contributions to have a real and permanent impact. In such cases Swedish support is mainly a

question of increasing awareness over time and of introducing the human rights issue on to the political agenda.

Analysis of outcome

Mozambique is the largest single recipient after a considerable increase in the volume of contributions during the year (more than 60 per cent). The volume of contributions in Mozambique increased mainly on account of the fact that a number of long planning processes were transformed into project implementation in 2001. The operational area is given high priority in Mozambique due to the weak position of democracy in the country. South Africa is in second position, despite the fact that the volume of contributions decreased during the year by some 20 per cent.

Most of the support provided in this operational area, some 62 per cent, is project support. However, it is interesting to note that the proportion of sector programme support is increasing, in line with Sida's intentions to channel more resources through this form of support. Two major contributions are taking place in Mozambique (support to the Ministry of State Administration) and Bolivia (support to the public administration reform, PRI) and in 2001 SEK 25 million was disbursed within the framework of these contributions.

[Picture removed]

A woman casting her vote in the elections in Uganda, for which Sida provided support. Sida's support for democratic development has the principal objective of strengthening political institutions and the participation of poor people in society.

DEMOCRACY INCLUDING MEDIA

Performance analyses, evaluations and sector programme support

A performance analysis of Sida's support for democratic governance in Cambodia was finalised during the year. In relation to the objective of "consolidating democratic progress in connection with the elections in 1998", Swedish support has contributed to a great extent to putting issues of democracy and human rights on to the political agenda and has had a considerable effect where raising awareness is concerned. But real changes in respect of legal protection, in the exercise of public authority or in attitudes towards women and children have not yet taken place to any appreciable extent. The reason for this is partly that the support focuses to a great extent on changing attitudes, which takes time and is difficult to demonstrate, and partly that development in the country is generally somewhat precarious. The issues pursued by local NGOs that cooperate with Forum

Syd and Diakonia have had an impact in the media and in government policies. A small number of initiatives behind government bills can be traced to these contributions. However, corruption and a lack of independence in the legal system has the effect that the massive education and training programmes implemented by the organisations have not yet had permanent effects.

At the beginning of 2001 an evaluation was made of SUTRA, an NGO in the Indian state of Himachal Pradesh, and its efforts to strengthen the influence of the local community in the ongoing decentralisation process. Sida's support, provided since 1997, has mainly been used for the mobilisation and training of special women's groups that work in different ways to introduce a specific gender perspective into the decisions made on local resources. The evaluation indicates that the contribution has assisted in making the locally elected officials more aware of the needs and human rights of vulnerable groups. At the same time, it is clear that further efforts are needed to

make the women's groups, which number more than 300 today, financially sound and to spread the lessons learned in the project beyond the existing, fairly limited, geographical area.

During the spring of 2001, an evaluation was made of the support provided by Sida to Georgia in the field of democracy and human rights. The first cooperation project was started in 1996, with the Georgian parliament administration as the partner in cooperation. The evaluation also studied a gender project, cooperation with the relatively newly established ombudsman institution – with the Raoul Wallenberg Institute as the implementing party, and a local democracy project. The evaluation makes the judgement that the contributions have achieved their overall objectives to varying degrees and that, in general, they have all been successful. According to the evaluation, the Swedish projects constitute a constructive combination of contributions at central and regional level, with the training programmes in gender and human rights as a suitable supplementary component. The relevance of these types of contributions is considerable since Georgia largely lacks experience and knowledge of democracy and human rights. However, the opinion was expressed that the

sustainability of the contributions can be questioned since the principle of cost-sharing has not always been observed to a degree that guarantees that the Georgian partner in cooperation always takes sufficient responsibility for the contribution.

An evaluation has been made of the Media Institute for Southern Africa, MISA. The study focuses on MISA as an organisation and sheds light on management issues. MISA's role to encourage free, independent and pluralistic media in southern Africa is emphasised, as is the fact that MISA has been successful in achieving its operational objectives. However, there are weaknesses in its administration and in its coordination of donors and therefore, in the future, support should be given for programmes. Better coordination is also recommended.

Analysis and discussion of problems

Cooperation with organisations in civil society appears to be stronger and more effective if it is supplemented with support to relevant political institutions and vice versa. It is essential that there is a political will at all levels to implement and secure changes. In cases where political intentions are weak, cooperation via organisations in civil society can contribute

[Picture removed]

Sida wishes to contribute to gender discussions at local level by providing support for the education of women's groups in Vietnam.

to generating support for reforms. The performance analysis in respect of Cambodia shows, however, that central institutions in a democracy, for example the legal system, must function properly if contributions are to have a lasting effect.

Methods work, policy changes and human resource development

A methods project on political institutions was finalised during the year. The aim of the project was to improve the expertise of Sida's Division for Democratic Governance and to improve strategies in the field.

In November 2001, the Government approved new guidelines for support via organisations associated with Swedish political parties for building democracy in developing countries and in countries in Central and Eastern Europe. The new guidelines have the effect that there will be a stronger focus on the development of functioning party systems, rather than individual parties. For this purpose, special funds have been allocated for projects that take place in cooperation with at least two Swedish organisations associated with political parties and at least two parties in the partner country. In addition, cooperation between a Swedish organisation and a sister organisation can continue. Where Sida is concerned, the guidelines mean a stronger role for quality assurance where this form of support to democracy is concerned.

In January 2001, the Department of Government at Uppsala University organised a course in Democracy and Human Rights (10 points) on behalf of Sida and the Ministry for Foreign Affairs. During the year a total of 40 persons from Sida and the Ministry participated in the basic training programme on democracy, human rights and the rights of children. Three media seminars were arranged in during the year: Media and Conflict, Public Service and the Media, and IT.

Sida and the Ministry for Foreign Affairs arranged a conference on support to democracy in November. A hundred participants, mainly from the Government Offices, government agencies, NGOs and universities, and a large group of Swedish election observers, participated in the debate "Can democracy be promoted from the outside?".

Example

Cooperation with the South African Parliament Office in the promotion of the participation of women in politics has had the effect that the influence of women has been strengthened and that attitudes to their participation have been improved in popularly elected assemblies, where the men concerned have acquired knowledge of the importance of gender questions. The Office supports both the national parliament and the provincial parliaments.

Analysis of outcome

In the field of *democracy*, a relatively small proportion of the financial contributions are considered to have a direct effect on combating poverty. The democracy contributions mainly focus on the institutional framework, for example parliament and other organisations that influence democracy. However, an indirect effect on poverty reduction is achieved through the target groups for these contributions, for example by making it possible for organisations in civil society, as well as individuals, to participate in political life and thereby acquire greater power over their life situation.

PUBLIC ADMINISTRATION

Performance analyses, evaluations and sector programme support

Since 2000, Sida has supported the institutional reform programme (PRI) in Bolivia through programme support. The programme has the objective of reforming the institutional framework of the entire central government administration and includes major changes in personnel policies and the role and functions of public servants, the central system for financial control and follow-up, and relatively far-reaching measures to combat corruption. Sida has participated in the follow-up of the programme within the framework of extensive donor coordination and, in this context, has been able to exert an influence on the implementation of the programme. The reform programme in Bolivia provides valuable experience of programme support as a form of development cooperation. This applies above all to the possibilities available to Sida and to problems in the follow-up made by the donor collective.

During the year, Sida's project support to the Ministry of State Administration in Mozambique was transformed into programme support. The support disbursed during the 1990s has contributed to a reinforcement of the ministry's capacity and, for the period 2001–2003, Sida makes the assessment that the ministry can assume responsibility for the contribution. A special group shall monitor the progress of programme support with the aid of indicators developed during the year.

Analysis and discussion of problems

Public administration is the largest operational field in the operational area, due to the fact that there are considerable shortcomings in the systems, capacity and expertise of the public administration in the partner countries. The public administration field is large and engages most donors. The outcome is often that the contributions of the different donors

are often uncoordinated or overlap each other, and little progress is made. Different attempts at cooperation between donors and recipients are therefore made in this field through sector programme support.

Experience hitherto shows that programme support is highly suitable in a cross-sector context such as public administration reforms and for well-defined social sectors such as health and education. The reason for this is primarily that, in these cases, there is clear policy demarcation that enables donors and recipients to reach agreement on a joint strategy for the development for the field. However, as a rule a great deal of time and money is spent on coordination in the initial phases of the contributions, which also tend to be long and drawn out. Clear positive effects of coordination are most often seen at a later stage, when resources have been concentrated and there is less overlapping between the contributions of different donors. Recipients and donors obtain a completely different overview of the sector through active cooperation. This overview provides, in turn, a better basis for the allocation of resources and for finding common policies. When everyone cooperates on a common strategy, the costs incurred by the recipients for administering cooperation decrease. Through donor coordination the recipients have fewer speaking partners and their administration can be reduced.

Methods work, policy changes and human resource development

A methods project on good governance was finalised during the year. The aim of the project was to improve the skills of Sida's Division for Democratic Governance and to improve strategies in this field.

Example

Since 1996 Sida has supported the South African tax authorities through the Swedish National Tax Board. This support has contributed to increasing tax revenues in the country by some 20 per cent, purely by improving efficiency. This has made it possible to reallocate resources to the poor part of the population. However, South Africa is still one of the most unequal countries in the world where the distribution of resources is concerned.

Analysis of outcome

Even if support for public administration decreased somewhat during the year, it is still the largest sub-area in the operational area. As with the support to democracy and the media, its contributions have mainly had an indirect effect where combating poverty is concerned. Its effects are achieved through the development of public administrations and institutions to better meet the economic, social and infor-

mation needs of society. A cost-effective public administration also reduces the costs of the public sector and makes resources available for other purposes.

HUMAN RIGHTS

Performance analysis and evaluations

In 2000 Sida started an evaluation of support to NGOs in Cambodia via Forum Syd and Diakonia. During the year the participatory method was evaluated. The so-called meta evaluation led to insight into how participatory methods can be developed, for example by giving the organisations concerned real opportunities to participate in the entire process.

The training in human rights for prosecutors and police in Vietnam that the Raoul Wallenberg Institute has worked with since 1997 was evaluated during the year. Those who have been trained have improved their knowledge, but there is no evidence of any dissemination effects in addition to this. According to prosecutors in the country, this is partly due to the lack of resources, political support and a legal system that has not yet been harmonised with the international conventions on human rights. The evaluators recommend that lectures and international case studies are partly replaced by relevant local examples and state that the political will of the Government is of fundamental importance for success in the project.

With the aim of stimulating awareness of gender issues and of strengthening the grass roots organisations, Sweden's embassy in Vietnam established a fund for gender issues in 1997. Denmark's embassy joined the fund in 2000. An evaluation was made during the year with the purpose of investigating the relevance, implementation and results of operations, and the advisory group that leads activities. The projects that have received financing have contributed to making demonstrable changes both in attitudes and in daily life: men are participating to a greater extent in household work and women are participating more in public life. Discussion groups have been formed in many villages with the aim of solving different problems. The evaluators' conclusion is that the model of having a special fund has functioned well and that it can be used to advantage in other countries at a similar level of development: Laos and China are two examples. The model appears to have more capacity than traditional macro-models of development cooperation by giving support for development at grass root level based on the initiatives and creative force of people in the villages.

Analysis and discussion of problems

Cooperation gains a great deal by making it possible

for those affected by projects and programmes to exert a real influence on the projects rather than to participate symbolically in their planning and implementation. Real influence for those involved is in line with the democracy and rights perspective that shall permeate development cooperation. However, it can be difficult to find suitable forms and methods. Genuine participation can take time in the short term but, in the long term, cooperation becomes more relevant and effective.

Methods work, policy changes and human resource development

A methods project on popular participation was concluded during the year. The aim of the project was to improve the expertise at Sida's Division for Democratic Governance and to develop strategies in the field.

As a result of a recommendation made in a study, organisational support has been collected in a network of a few programme officers and a co-ordinator in the Division for Democratic Governance, with clear guidelines for its work.

Examples

In 2001, at the request of Sida, the International Organisation for Migration, IOM, created a regional project covering the entire Balkans in respect of the trafficking in women and children. The project is a constituent component in the action plan of the Stability Pact against trafficking in South-East Europe. The Stability Pact is a coordinatory body for the Balkans that is closely allied to the EU. In 2001 more than 340 women in Bosnia & Herzegovina and Macedonia received assistance to enable them to return home and to be integrated in their home countries – most often Moldova, Ukraine or Romania. The separate country programmes for Albania, Kosovo and Macedonia continued in 2001 and were gradually phased into the regional programme.

In addition Sida is supporting the work done by an NGO, Kvinna till Kvinna, with women affected by trafficking throughout the region.

Analysis of outcome

Contributions intended to contribute to improving respect for human rights increased considerably in 2001. This shall partly be seen as a consequence of the fact that Swedish development cooperation gives priority to human rights issues – partly as a result that preparatory work done in previous years is now providing results in the form of higher volumes of contributions.

Contributions in the human rights field are seldom directed to the poorest groups in society. On the other hand, the majority of contributions are considered to have an indirect effect through the

[Picture removed]

Swedish support to South Africa has contributed to strengthening the influence of women in society and to changing attitudes towards the participation of women in politics.

institutions and policies covered by the support.

In 2001, approximately 30 democracy, public administration and human rights' organisations and ten media organisations received support. In addition a certain amount of support was given to the work done by UN agencies in the field. In respect of volume, most support was given to human rights organisations. This was followed by support to the work of UN agencies, media organisations and public administration and democracy organisations.

THE LEGAL SYSTEM

Evaluations

In the spring of 2001, an evaluation was made of the Andean Jurist Commission (CAJ), which has its headquarters in Peru and works for human rights, democracy and strengthening the rule of law in countries in the Andean region of South America. The Commission was formed in 1982 and has received Swedish support since 1985.

The study largely confirms the positive picture of CAJ and points out that the organisation has a well-established reputation as a professional organisation, with considerable expertise in its field. The support provided by CAJ to ombudsman institutions in the region is mentioned as being of special value, as are parts of its educational and information activities. At the same time the evaluation would like to see strategic considerations to meet future challenges, a focusing of activities, and measures to increase its regional

[Picture removed]

Strengthening democracy and human rights permeates Sida's development cooperation in Latin America.

presence. Furthermore, it is recommended that CAJ should strengthen its quality controls where its publications are concerned. Finally, prominence is given to the need of a funding strategy in order to decrease dependence on a small group of donors.

Analysis and discussion of problems

Most of Sida's partner countries lack an *independent* legal system. This constitutes a fundamental obstacle to democratic social development. Sida's contribu-

tions have a clear focus on creating requisite conditions for systems of this type. Before independent legal systems are established, development cooperation can provide support in individual legal cases, influence legislation, and speed up institutional development in the sector.

Methods work, policy changes and human resource development

A methods project on development cooperation in

example by building up resources and capacity at the centres for legal aid in the provinces. The purpose is to simplify and improve the access of poor people to legal aid. The most common problems concern disputes over land. Women and ethnic minorities have had problems hitherto in establishing their rights.

Analysis of outcome

Contributions to the legal sector are rarely particularly extensive in terms of volume, but, as a rule, they require considerable administrative resources. As opposed to other fields in the operational area, the support (SEK 25 million) is considered to have a relatively direct effect on poverty reduction. One main reason for this is the large number of contributions that have the aim of offering legal aid to people who have no prospects themselves of paying for a legal representative.

REPORTING REQUIREMENTS

Sida shall start a methods project that has the aim of developing performance reports in respect of the development cooperation objective of democratic governance.

The methods project shall intensify the analysis of the problem, provide specific definitions of objectives and select indicators that improve measurability over time.

This task constitutes a special challenge in light of the fact that the techniques and methods that are used internationally in the field are undeveloped and rarely adapted to the needs of development cooperation. In 2001, Sida started work on and implemented a number of activities intended to increase Sida's knowledge of existing methods and applications. A seminar was held in the spring at which Swedish NGOs presented their methods, indicators and baseline studies in the field. Sida also participated in meetings with international organisations and Swedish consultants that have undertaken relevant work in the field. Towards the end of the year, an internal seminar was held at Sida that had the aim of evaluating existing measurement methods and of working practically with the formulation of objectives and identification of indicators.

Sida shall report the results of its work to obtain an impact for democratic governance and human rights in other operational areas. The report should focus on the instruments produced and describe special difficulties and analyse conclusions for further work.

During the year Sida devised a number of instruments that have the aim of facilitating the integration of a democratic governance and human rights perspective in development cooperation, in particular a battery of questions in the field of democratic governance for use in country analyses in country strategy

[Picture removed]

the legal sector was concluded during the year. The aim of the project was to improve the expertise of Sida's Division for Democratic Governance and to improve strategies in the sector.

Examples

During the year cooperation was initiated with the Department for Legal Aid in the Ministry of Justice in Vietnam. The programme has the aim of strengthening the development of the rule of law, for

processes and a definition of what a democracy and human rights perspective is and what consequences it has.

A number of courses have been held to provide information on working methods in the sector. The persons working with direct democracy and human rights contributions constitute important resources for spreading this knowledge further in the organisation.

As an introduction to the work of determining the results of the work done to achieve an impact for democratic governance and human rights in other operational areas, a study has been made of the actual impact in some of Sida's documents. The selected documents have been classified into four main categories:

- Documents referring to cooperation with one country (country analyses, regional strategies, country strategies/country plans)
- Documents referring to individual contributions (plans, assessment memoranda),
- Analyses of results
- Evaluations

In an attempt to systematise the content of directives, certain central questions have been selected: common values, partnership, the democracy perspective, the rights perspective, dialogue, popular participation, impact analysis.

The results indicate the following. Without exception, light is shed on common values in a more highly developed and penetrating way in respect of the democracy perspective than the rights perspective. The partner country's values and principles are taken up to a certain extent in the assessment memoranda. In most of the documents there is a tendency to consider good democratic governance as a basic

pillar in Swedish cooperation. In different risk analyses of individual contributions, corruption is taken up as a considerable risk and the political will for democratic development on the part of the Government and civil servants in the partner country as an important precondition for functioning cooperation.

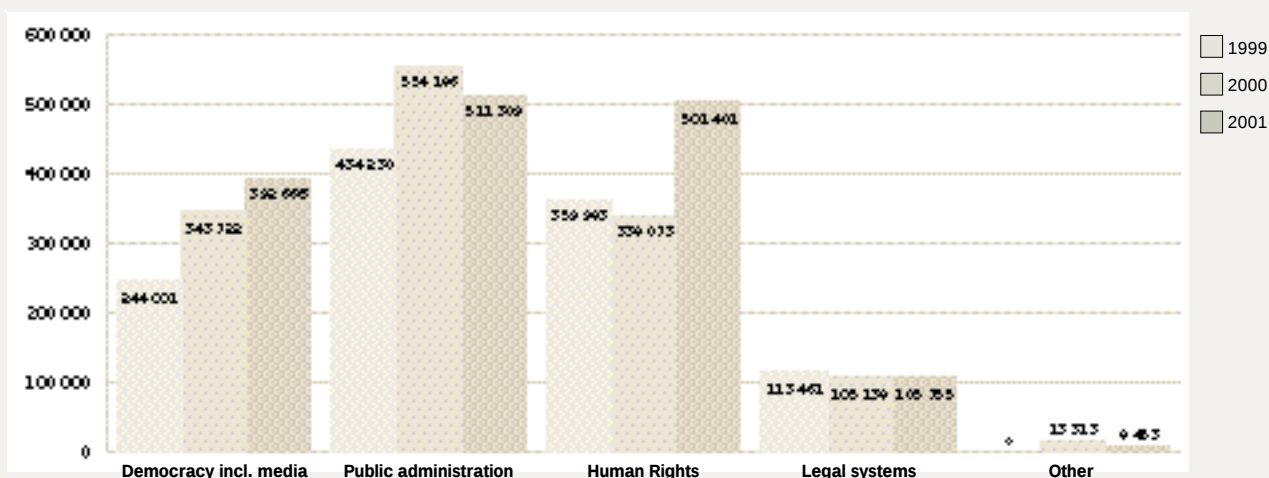
In the country analyses and strategies studied, partnership issues are taken up in depth, particularly in respect of ownership and dialogue. Ways in which partnership should be developed and transformed into practice is taken up in all the documents studied.

Where the democratic perspective is concerned, it is evident that all country analyses and country strategies contain sections that take up the partner country's political structure and other conditions of importance for an assessment of the country's status in a democracy perspective. A more fundamental analysis of the political conditions in the partner country is normally made for the projects that have direct points of contact with government institutions and authorities. The importance of civil society in the development of democracy and respect for human rights is particularly emphasised in the documents studied.

Most country analyses and strategies lack information on the partner country's status in the matter of the six UN conventions. However, a focus on the rights of women and children is given prominence in most documents. The follow-up of implementation and results in a rights perspective is given in a few of the documents studied.

Matters relating to the dialogue are normally treated fairly exhaustively in country analyses and strategies, but to a lesser extent in assessment memoranda for individual contributions. In one document

Outcome, expenditure in SEK '000



it is stated that, in the dialogue on development issues, the international conventions that have been ratified by Sweden and the recipient country should be given special attention. In other documents, combating corruption and democratic development are given prominence as important dialogue matters.

Most assessment memoranda provide descriptions of how people participate in the design of projects at a general level. In country analyses and strategies, the matter is taken up in very general terms. Aspects of participation are well described in the areas of development cooperation that have used participatory methods for a long time, for example within the framework of rural development.

In most project documents there is a discussion of the consequences that the project will have on different groups such as women and men or particularly vulnerable groups. On the other hand, the effects of cooperation/contributions on democracy and human rights – both positive and negative – are not taken up to the same extent.

The results reflect expectations relatively well, for example aspects of participation are described in more detail in contribution-related documents than in the country-related and conversely, where dialogue issues of a more general type are concerned, they are discussed to a greater extent in the country documents.

The study will be discussed at Sida with the intention of developing suitable methods to follow-up the impact of democratic governance and human rights in other operational areas.

A rights perspective is being introduced into relevant policy documents. In 2001 Sida's new education policy, *Education for All: a Human Right and Basic Need* was finalised, as well as a position paper: *Education, Democracy and Human Rights in Swedish Development Cooperation*.

Democratic governance and human rights, expenditure in SEK '000

	2001	2000	1999
The five largest partner countries			
Mozambique	101 753	59 730	64 330
South Africa	100 870	125 367	128 380
Vietnam	79 712	82 343	90 360
Honduras	78 952	85 318	33 532
Nicaragua	62 982	68 304	53 927
Sub-total	424 268	421 061	370 528
Other countries/regions	1 095 316	933 373	781 147
Total	1 519 584	1 354 434	1 151 674
Administrative costs	39 370	35 052	34 324
Total costs	1 558 954	1 389 485	1 185 999
Instruments			
Project support	943 542	891 327	736 905
Sector programme support	46 326	2 117	7 997
Pers. assist. incl. contract-financed tech. coop.	131 334	159 781	133 782
International training programmes	33 179	25 072	32 494
Credits	16 310	0	4
Guarantees	0	9 300	0
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	348 893	266 836	240 492
Total	1 519 584	1 354 434	1 151 674
Channels			
Multilateral organisations	328 288	213 678	162 463
Swedish NGOs	688 843	641 439	593 065
Organisations in partner countries	339 468	302 535	236 431
Organisations in other countries	101 141	144 037	123 861
International and local NGOs	61 843	52 744	35 854
Total	1 519 584	1 354 434	1 151 674
Total number of contributions	1 543	1 544	1 488
Of which: Agreements >SEK 15 million	90	76	68
Number of new contributions	559	553	514

Combating poverty, per cent of the sub-sector's total expenditure

	Democracy incl. media			Public administration			Human rights			Legal systems			Other			Total		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Direct effect	3,7	3,7	1,5	8,0	4,6	3,6	5,7	3,3	4,7	26,6	17,6	25,8	64,7	0,0	–	7,7	5,0	5,7
Projects and programmes that include the poor	6,1	11,6	6,1	17,7	13,4	9,6	16,0	10,4	6,9	17,9	13,8	7,4	22,6	0,0	–	14,2	12,1	7,8
Indirect effects through policies and institutions	61,7	43,2	24,9	48,8	51,9	52,2	49,4	53,1	65,1	45,7	40,0	32,7	3,5	0,1	–	51,9	48,6	48,5
Indirect effects through national support	4,7	6,6	14,9	16,5	16,9	12,1	14,2	14,3	2,8	0,3	10,6	13,1	0,0	0,0	–	11,5	13,0	9,9

Social sectors

This operational area includes the sub-sectors of health, education and other social sectors including culture. The objective of the operational area is to contribute to making access to social services possible from a rights-based perspective.

GENERAL

The rights perspective in the social sectors was given further emphasis in 2001. This was made clear in the new Sida policy for education as well as in the preparation of many contributions in the health and education sectors. Several contributions are based on an explicit children's rights perspective, both in respect of the right to education and the right to sexual and reproductive health.

The social sectors are a basic foundation of many of the poverty strategies produced by most of Sweden's partner countries. A focus on basic education and basic health services is given highest priority; there are often discussions on various forms of social safety nets; and the social investments are being linked more explicitly to the macro-economic analysis. With the aim of finding broader approaches and new methods to handle social development issues that meet the new needs, Sida has started a methods project.

Analysis of outcome

Support in the operational area Social sectors increased by more than SEK 250 million. The largest increase was in the health sector and consists mainly of operational support for UNFPA, amounting to SEK 160 million. However, this implies no real change since it merely is a question of an administrative change in responsibility for the contribution. A large increase of some SEK 50 million can also be seen in other social sectors in comparison with 1999–2001. The largest single item was Emergency Employment in Bolivia amounting to SEK 20 million. There was also an increase in regional cultural support, mainly in Africa.

A deliberate focus on sector programme support

resulted in an increase in this form of support of SEK 70 million. There are sector programmes in all sub-sectors.

The reduction in support to Bangladesh can mainly be referred to lower costs for the health programme. The increase in Tanzania mainly took place in the education sector where sector programme support accelerated after several years' stagnation. A large non-recurrent disbursement was made to the health sector in Vietnam in support of a national health study. This explains the unusually high outcome in 2001. The project, which has been delayed for several years, is being channelled via the World Bank.

HEALTH

Results analyses, evaluations and sector programme support

An evaluation of lessons learned in *health support to Vietnam 1994–1999* was finalised in the spring of 2001. It established that the programme of cooperation had been of significance for the major changes that have taken place in Vietnamese society. The support has consolidated progress towards a more open society and the internationalisation process that has taken place. The evaluation shows that the flexible planning mechanism that is used in programmes of development cooperation has facilitated learning and gradual adjustment to changes. Mutual trust has gradually been strengthened, Vietnamese "ownership" has gradually been reinforced, and the contributions of the foreign advisers have had a greater effect. Investments in human resource development have resulted in an expansion of local capacity for

[Picture removed]

Information meeting on AIDS in Tanzania. In 2001, Sida's support to the Public Health Institute in Tanzania has resulted in courses on HIV/AIDS for youth advisers.

policy development and planning. An impressive capacity for taking initiatives has been demonstrated, not least in the area of health funding which can have great importance for equality and combating poverty. The evaluation states that there is now a need to concentrate support to activities that improve quality rather than to increasing quantity, and there should be a stronger focus on implementing existing policies rather than developing new policies.

A new agreement on *sector programme support to the health sector in Zambia* was prepared. After a turbulent period, the Zambian health sector programme has taken several steps forward towards an extended budget support mechanism. Better donor coordination has resulted in greater regularity in the flow of resources to health care services at district level. It has also been possible to see good results from the Swedish support for institutional capacity building that was evaluated in 2001. But despite this many challenges remain. There is a great shortage of both financial and personnel resources, the HIV/AIDS epidemic is having a devastating effect on a sector that is already under great pressure, and the political uncertainty caused by the frequent changes of ministers creates unstable relations between donors and the Ministry of Health.

In *Bosnia*, Sweden has provided contributions to

modernise the country's mental health care sector since 1998. An evaluation of the support shows that the reform for decentralised care has made considerable progress.

Together with Norad, Sida made an evaluation of a regional contribution for *combating intra-family violence* in seven countries in Central America. The evaluation shows that the contribution has succeeded in drawing attention to intra-family violence to such an extent that the ministries of health now recognise it as a public health problem. In Nicaragua, Belize, Costa Rica and Panama it is now a component in a basic package of primary health care services.

Analysis and discussion of problems

Evaluations and performance reports are without exception positive to the Swedish health contributions, particularly in respect of human resource development and institutional development. However, much remains to be done. The partner countries still lack sufficient expertise and capacity to guarantee all their citizens health and medical services of satisfactory quality. At the same time it is obvious that poor countries also need to receive massive transfers of resources for many years to come in order to be able to offer adequate medical care to all their citizens. This is particularly evident in the countries in Africa

[Picture removed]

Many of Sida's contributions focus on the right of children to education. In Cambodia, for example, basic education is given highest priority.

most severely affected by HIV/AIDS. Sweden's ambition to channel support to an increasing extent in the form of sector programme support therefore appears correct. The intensive work now being done to establish a global HIV/AIDS fund can hopefully also be an important contribution to a solution. The fact that the health of the people is of such vital importance for both economic development and for positive democratic social development is beginning to be scientifically substantiated. The report of the Commission on Macro-Economics and Health (see below), in which Sida has been active, sheds light on this.

Methods work, policy changes and human resource development

As a step towards developing health systems in developing countries and extending knowledge of health economics, Sida and USAID arranged an international conference on *National Health Accounts* (NHA) in York, England. NHA are important for understanding the flows of resources in the health sector and for increasing knowledge of financial barriers and inequalities in economic distribution. In cooperation with the Institute of Health Economics (IHE) in Lund, Sida has also made a study of the use of NHA in the world today, which was presented at the York conference.

[Picture removed]

programme for Sida's support in the field of abortions, and guidelines for health contributions in humanitarian assistance. Theme documents have been drawn up on better access to basic medicines, on the relationship between health, development, poverty and ill health, and on the environment and health.

In the autumn Sida and the WHO jointly arranged a human resource development programme in Geneva with twelve seminars on different health themes and discussion of Sida's draft health policy. Programme officers at Sida's different divisions in Stockholm, programme officers seconded to embassies and local programme officers participated.

Analysis of outcome

More than 95 per cent of Sida's contributions in the health sector have a direct or indirect focus on poverty. In 2001, the number of contributions with a direct effect on poverty reduction increased. This can partly be explained by the addition of new contributions in Rwanda with a special focus on increasing the access of poor groups to care services. A deliberate focus was placed on contributions that guarantee more equitable access to health and medical care. This has increased the proportion of contributions with an indirect effect on poverty through policy and institutional cooperation. Cooperation with UN agencies and the International Planned Parenthood Federation (IPPF) continued and a new global initiative, the Global Alliance for Vaccine and Immunisation (GAVI) was established during the year. New forms of development cooperation such as sector programme support and close cooperation with other donors have the effect that there has been a decrease in the support provided in a direct dialogue with poor groups.

EDUCATION

Performance analyses, evaluations and sector programme support

Education is the social sector in which Sida has made most progress in its work of supporting sector programmes. Sector programmes in the education sector have been prepared or are being prepared in Bolivia, Mozambique, Mali, Tanzania, Namibia and Cambodia and with eight regional and global organisations.

According to the performance analysis of support to Mozambique, progress towards sector programme support has been a strong feature in recent years. Sweden has had a prominent role in its position as "lead agency", which means that Sida undertakes to coordinate and be the driving force among the donors. In this context, Swedish funds have been used for several consultant contributions, for exam-

In 2001, a new Sida health policy was produced. Most of Sida's sector departments participated. The policy reflects a broad view of health and development and represents a shift in policy that was inspired by, among others, the report of the Swedish National Public Health Committee.

Sida has also participated actively in one of the six working groups that worked under the Commission on Macro-economics and Health (CMH). Furthermore, Sida has also participated in the international work of establishing a global health fund for combating HIV/AIDS, malaria and tuberculosis.

During the year Sida produced strategies for Sida's cooperation with WHO and UNFPA, an action

ple in respect of financial management and follow-up. As an example of progress made, it can be mentioned that the Government and the largest donors have reached agreement on a joint planning and budget cycle. At present, an interim solution is being developed by coordinating support to the sector with the aid of a fund. An interim solution is necessary since the financial management systems in the sector have shortcomings.

The performance analysis of Sida's support to basic education in Cambodia shows that the programme has contributed to improving education planning and administration and to greater efficiency in the schools. The support has resulted in the development of curricula, textbooks and teachers' guides, a country-wide information system, a system for pre-schools, the further education of 80 000 teachers and the reconstruction of 2 000 classrooms. Students and teachers at all schools have been informed about HIV/AIDS. However, the implementation and sustainability of the programme have been hampered by the low pay of the teachers, the lack of qualified human resources and the considerable dependency on aid.

During the period 1998–2001, Sida provided support for education programmes in Moldova for staff at institutions and local authorities who are responsible for the care of vulnerable children and elderly persons. An evaluation shows that the contribution is functioning well. Among other things the contribution to a children's home has had the result that bed-ridden, mentally retarded boys can now get up during the day.

Analysis and discussion of problems

Performance analyses and evaluations show that Sida's support for education has had a positive effect on the sector and has been relevant in relation to the problems it was intended to solve. The lack of expertise and capacity in the partner countries constitutes the greatest obstacle to the achievement of planned results and sustainability in the contributions. This has become clear in the preparations for sector programme support where, for example, there are no financial routines, follow-up mechanisms and strategic planning, which has had the result the preparations have been long and drawn out. One conclusion is that sector programme support should be regarded as a long-term process in which capacity development, human resource development and institutional development are important components.

Methods work, policy changes and human resource development

In April 2000, Sida adopted its first overall policy for education cooperation. This policy lays down that Sida should focus on basic education while tak-

ing developments in the entire sector into consideration. Its point of departure is that education is a human right and fundamental need. The project *Education, democracy and human rights in Sweden's international development cooperation* was concluded in April. It resulted in a documented approach that can be used in analyses and dialogues with partner countries and to develop Sida's methods for cooperation in the education sector. A series of seminars and a discussion forum in connection with the project aroused great interest, both externally and internally, and led to a greater exchange of knowledge in the field.

As one of its new forms of cooperation, Sida has developed methods to function as a *silent partner* in programme support, and a process for cooperation of this type has been started in Mali and Rwanda. The poverty focus in education support was given prominence for example in the Poverty Conference under the theme *Education – a way out of poverty* which was directed towards persons who shape opinion, NGOs and researchers.

With the aim of extending and intensifying Sida's expertise on education reforms, a one-week university course was held for members of staff at Education Division.

Examples

In Mozambique, Sida's support has had the result that all students in classes 1–2 and a large proportion of students in classes 3–7 have obtained access to free textbooks which, in turn, has had the effect that more children have enrolled at school. School administration, education research and the working methods of the teachers have been strengthened through special human resource development programmes. Shortcomings in the schools administration have hampered development in the sector to some extent.

In order to create contacts and to exchange experience, a South African delegation visited Sweden. The delegation consisted of persons from the national Ministry of Education and researchers working with education research. They visited schools and universities and discussed similarities and differences in the Swedish and South African educational systems with the Swedish Ministry of Education, the National Agency for Education, the National Agency for Higher Education and the Swedish Association of Local Authorities. Two seminars were held with a comparative perspective on the democratisation of educational systems, fundamental values, decentralisation, funding etc. The initiative resulted in an exchange of experience and institutional cooperation, to the benefit of all parties.

Analysis of outcome

Support to education increased by SEK 13.3 million

[Picture removed]

One of the young South Africans participating in the music programmes for poor young people run by the School of Music and Musicology in Gothenburg.

compared to 2000. The increase is primarily due to the fact that cooperation started on the sector programme in Tanzania.

There was a continuation of the trend of transition from project support to programme support, which could be discerned last year. Support for sec-

tor programmes increased by SEK 58 million last year and constitutes 30 per cent of the total support to education. The considerable increase in sector programme support reflects Sida's deliberate focus in the education sector where this form of support is concerned. One clear effect of the sector programme

support approach is that education support focuses increasingly on systems.

Over 97 per cent of the support has a direct or indirect focus on poverty.

CULTURE AND OTHER SOCIAL SECTORS

Results analyses, evaluations and sector programme support

Where culture is concerned, a form of cooperation that focuses on programmes is sought. For example, mention can be made of the cultural fund in Tanzania, which has been included in the country programme since 1998. A dialogue has also started on a regional cultural fund under the auspices of SADC for working at the regional level in a corresponding way.

Prior to the country strategy work for Mozambique, an evaluation of cultural cooperation was made. The evaluation emphasises that cultural support has an important role to play in a country such as Mozambique, which is moving towards democracy. Support has also contributed to increasing capacity at different levels in the sector.

Analysis and discussion of problems

Preliminary reports from the network for international policy development show that the lack of political will in the partner countries can sometimes have a negative effect on cultural cooperation. This is often the result of uncertainty and ignorance of the role of culture in development cooperation. When the partner organisations are fully aware of their roles, sustainability increases and positive effects are achieved. Sida is of the opinion (an opinion shared

by the World Commission for Culture) that the cultural dimension is necessary for the attainment of sustainable and long-term social development. Sida feels that culture is much more than an instrument or a means to achieve a special short-term objective. Nonetheless, specific indicators are required. Many contributions indicate that cultural cooperation, through its many forms of expression, has the potential to directly engage the interest of young people from poor environments.

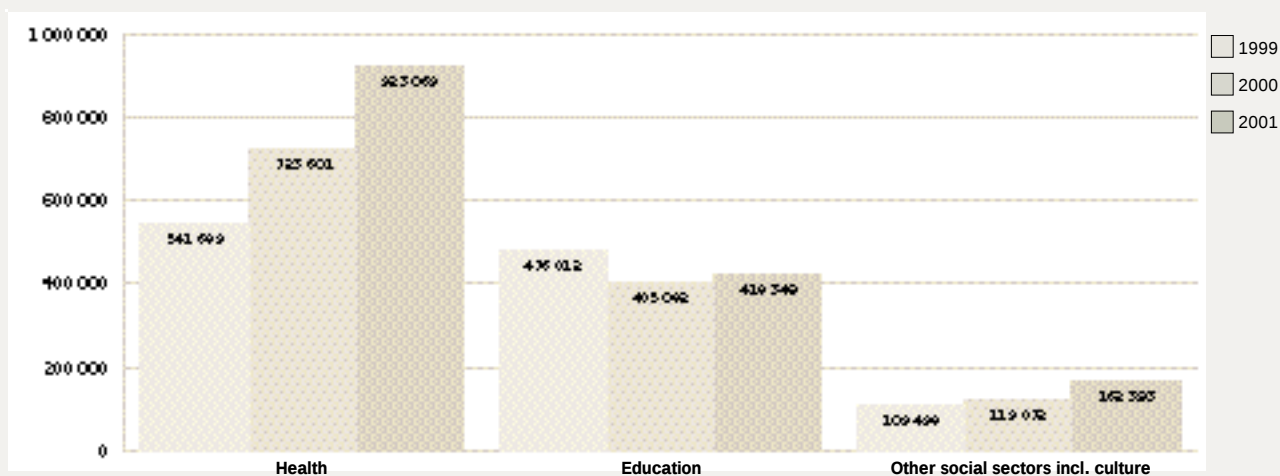
Methods work, policy changes and human resource development

Sida participates in networks for international policy development. In this respect progress was made during the year. The first step was finalised with an international conference in cooperation with the Bank of Sweden's Jubilee Fund. In-depth guidelines have been produced in the fields of music, cultural heritage, museum cooperation, media and literature. Data for guidelines for cooperation in the field of culture and media in the Middle East and North Africa region, MENA, were produced during the year.

In the work of finding new methods for cooperation, a programme of institutional cooperation was started during the year with the National Heritage Board. The aim is to create a network in the cultural heritage sector. In several fields, for example literature and dramatic art, Sida has supported the establishment of networks as a method for development.

With the aim of improving quality assurance in cultural cooperation, an extensive methods project was implemented during the year. Routines and proposals for different models were produced. In connection with the literature seminar held in Alexandria in May, Sida's Culture Division visited Egypt to improve its knowledge of culture in the MENA region

Outcome, expenditure in SEK '000



and to create a common platform for further work in the region.

Examples

The School of Music and Musicology at Gothenburg University channels support to musical projects in South Africa. The support refers to music school training, further training of teachers of music, development of teaching methods in the subject of music, creating networks, and exchange programmes. In 2001, five NGO schools received support, five courses were held for the further education of teachers of music, and three educational exchange projects were implemented with music teachers and students. Several of the projects are specially aimed at the disabled, street children and the unemployed. The students are recruited almost exclusively from underprivileged environments. Some 90 per cent of them have, at best, only a primary school background, and more than half are girls/women. Some 5 000 students and 700 teachers participate in the different projects.

Analysis of outcome

Support to cultural cooperation increased by SEK 45 million. The increase is partly due to the growing volume for culture in some partner countries and to the increase in regional cooperation in Africa.

The increase in volume in the partner countries can be seen, for example, in Zimbabwe. When cooperation with the Government of Zimbabwe was discontinued, support through NGOs increased in order to make it easier for them to participate in the social debate. A similar trend can be noted in West Bank/Gaza, with an increase in support, primarily for reading and theatre activities for children. Regional cultural cooperation increased in Africa, mainly on account of the fact that some countries in West Africa have started to participate in the regional programme of cooperation for Africa, in the preservation of culture, and in museum cooperation, and through an increase in programme oriented support with the Nordic countries.

Social sectors, expenditure in SEK '000			
	2001	2000	1999
The five largest partner countries			
Bangladesh	104 382	130 358	73 934
Tanzania	96 663	74 082	69 870
Bolivia	67 072	53 163	41 067
Vietnam	65 250	32 464	46 073
Zambia	61 787	73 612	37 296
Sub-total	395 154	363 679	268 240
Other countries/regions	1 108 655	884 077	858 958
Total	1 503 809	1 247 756	1 127 198
Administrative costs	56 902	55 820	57 069
Total costs	1 560 711	1 303 575	1 184 267
Instruments			
Project support	1 004 307	799 930	857 371
Sector programme support	316 438	244 531	173 438
Pers. assist. incl. contract-financed tech. coop.	23 675	29 309	20 677
International training programmes	24 893	27 542	37 832
Credits	23 700	20 600	0
Guarantees	0	0	0
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	110 796	125 844	37 880
Total	1 503 809	1 247 756	1 127 198
Channels			
Multilateral organisations	587 815	478 839	349 615
Swedish NGOs	290 882	273 336	245 193
Organisations in partner countries	493 942	436 543	477 915
Organisations in other countries	90 962	47 509	47 375
International and local NGOs	40 208	11 529	7 100
Total	1 503 809	1 247 756	1 127 198
Total number of contributions	869	910	922
Of which: Agreements >SEK 15 million	86	94	99
Number of new contributions	276	306	296

Combating poverty, per cent of the sub-sector's total expenditure

	Health			Education			Other social sectors incl. culture			Total		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Direct effect	12,0	9,6	9,1	16,7	14,5	25,2	5,9	2,0	2,5	12,6	10,4	15,3
Projects and programmes that include the poor	17,4	23,2	27,6	39,4	40,5	28,8	24,0	22,2	18,6	24,2	28,7	27,2
Indirect effects through policies and institutions	62,6	57,9	54,5	33,7	33,4	31,9	30,7	30,3	53,7	51,1	47,3	44,9
Indirect effects through national support	3,7	4,5	2,6	7,5	7,9	8,0	3,6	5,8	1,8	4,7	5,8	4,8

Infrastructure, private sector development, urban development and financial systems

This operational area includes the sub-sectors infrastructure, private sector development and trade, urban development and housing, and financial systems. The objective of the operational area is to contribute to making sustainable growth possible.

GENERAL

One characteristic of all four sectors in the operational area is that contributions are made in parallel at different levels in the economy:

- support for policy reforms and institutional development at sector level
- contributions at enterprise level that demonstrate how obstacles to the creation of efficient markets and to the participation of the poor in these markets can be eliminated
- transfer of resources for public and (in certain cases) private investments, principally in infrastructure

One interesting trend is that the previous focus on sector reforms in the infrastructure sector is now being supplemented by contributions that have the aim of developing decentralised market solutions. Examples can be found in the fields of energy and municipal solid waste management.

Where the financial sector is concerned, an increase in emphasis can be noted in respect of the development of institutions at the macro/sector level. In the same way, where private sector development is concerned, an increasing amount of attention is being given to trade policy matters and to strengthening the capacity of developing countries to work with these questions.

One important instrument at both macro and micro levels is participation in different sector-related

initiatives that are based on international collaboration. Initiatives of this type contribute actively to policy coordination between donors and to the dialogue with decision-makers in the partner countries.

In this context it can also be mentioned that Sida has participated actively in Sweden's preparations for several major international conferences, including the five-year follow-up of the UN General Assembly's conference on living and urban development issues (Habitat) and the UN's third conference on the least developed countries.

Sida continued to pursue programmes of human resource development in the operational area's strategic knowledge and methods areas (referred to as the "INEC academy").

Analysis of outcome

The costs in the operational area amounted to SEK 2 035 million. This means that the volume of disbursements continued to increase, but not at the same rate as in previous years.

INFRASTRUCTURE

Results analyses and evaluations

A results analysis has been made of support for the establishment of an energy regulating authority, ERB, in Zambia. The analysis shows that the support has contributed to the reform of the energy sector and

that the ERB has assumed a leading role, for example in the process of reorganising the electric power industry. The ERB is the first of its type in the SADC countries.

An evaluation has been made of energy support to Mozambique. This shows that, in most respects, the support has been cost-efficient and effective. The activities relating to personnel development and reductions in distribution losses are emphasised as being particularly successful. The latter activity now runs itself and provides a good return on investments.

Analysis and discussion of problems

Reform processes are taking place in the infrastructure sector in many of Sida's partner countries. The role of the state is in the process of being changed with the aim of making private investments possible in the sector. This poses a clear challenge to development cooperation, which has previously most often been based on direct support to public utilities in, for example, the power and telecommunications sectors. The performance analysis of the support to ERB in Zambia is a good illustration of how Sida can contribute to the implementation of sector reforms.

One major aim of the sector reforms is to increase the flow of private capital to infrastructure investments. One considerable obstacle is, however, the high degree of risk experienced by private investors in the developing country environment. Sida is

attempting to develop methods to reduce the level of risk in investments of this type, for example with the aid of the new guarantee instrument.

In parallel with the support for the reform processes at national level, Sida is trying to develop forms of support for the extension of infrastructure in rural areas. The above-mentioned example of energy support to Mozambique provides an example of successful electrification that was implemented in a traditional way, i.e. under the auspices of a government agency. In Tanzania, for example, Sida is trying instead to contribute to the development of a market for energy supply in rural areas.

Without a considerable extension of infrastructure in rural areas, it is impossible to eliminate poverty for a large proportion of the people living in Sida's partner countries. Considerable efforts are being made. However, there is a risk that these efforts will be short-lived without stable maintenance funding and an effective operation and maintenance organisation. In several countries Sida is trying to combine support for sector reform at the national level with decentralised programmes for infrastructure in rural areas.

Methods work, policy changes and human resource development

During the year Sida produced a policy for road safety cooperation which, among other things, emphasises that Swedish experience in the road safe-

[Picture removed]

Sida wishes to strengthen local development in Nicaragua by providing small loans (micro-credits) for the construction of houses.

[Picture removed]

In Niassa province in Mozambique a method is being tested that has the aim of making it easier for farmers to sell their products through partnerships with purchasers.

ty field should be used in development cooperation. In cooperation with the Swedish National Road Administration, support is now being given to an international initiative for road safety within the framework of the Global Road Safety Partnership (GRSP). Support is being given to the Swedish National Road and Transport Research Institute's development of an innovative road safety network in southern Africa.

Example

In 2001, two Sida-financed electrification projects were finalised in the Nampula province in Mozambique at a total cost of SEK 51 million. A follow-up study made in November 2001 in the Ribaue district showed that electrification has had a number of positive effects. Industries, markets, maternity clinics, the hospital and schools in the three largest villages in the district have been given a stable supply of electricity. The cotton factory in the area has increased its production by some 30 per cent, operations are now performed at the local hospital, and street lighting in the communities has created greater security, a factor that is mentioned especially by the women.

Analysis of outcome

Support to infrastructure has declined since previous years, but still accounts for some 44 per cent of the costs in the operational area. Some 33 per cent of the support for infrastructure has a direct effect on or includes poor people.

PRIVATE SECTOR DEVELOPMENT AND TRADE

Evaluations

Sida's Department for Evaluation and Internal Audit has made an extensive evaluation of Sida's approach to private sector development and of Sida's ways of organising support to the sector. This evaluation points out, among other things, that there is a need to develop a policy for support for private sector development and to integrate private sector aspects in all Sida's operational areas.

Analysis and discussion of the problems

The evaluation points out in particular the importance of broad economic growth that involves poor people in rural areas. One central challenge faced by Sida's support for private sector development is therefore to find methods that make it possible to contribute to growth of this type in an efficient way. The example below on the commercialisation of agricultural products in Mozambique provides a concrete illustration of how Sida is working in this area. It also shows the importance of cross-sector collaboration at Sida between expertise in different operational areas (in this concrete case, expertise in agriculture, private sector development and financial systems).

Another major challenge faced by private sector support is to find effective ways of strengthening the participation of developing countries in the WTO.

Methods work, policy changes and human resource development

In connection with its work on the country strategies, Sida has given greater attention to analyses of the potential for, and obstacles to, development of the private sector and trade in the partner countries. This has also been a major theme of Sida's human resource development programmes in the operational area.

Furthermore, Sida has worked actively to find efficient forms for its support for private sector development, for example in respect of the administration of the Start-South and Start-East programmes.

A help-desk has been established at INEC/Private Sector Development Division to provide advisory services for Sida and embassies on trade policy matters. An important step in the ambition to increase knowledge of and interest in trade questions inside and outside Sida is the Sida-financed study "The least developed countries and world trade", which was published in May 2001.

Examples

In Malonda, a private sector programme, a method is being tested in Niassa province in northern Mozambique that is intended to make it easier for farmers to find a market for production additional to their own requirements. The programme forms partnerships with local and international buyers and shares profits and losses with them. The enterprises have acquired the capacity to handle the entire chain of activities from buying and transport to storage and sales abroad in a province that is poorly equipped where infrastructure is concerned. This year the farmers have therefore found markets for all the products they have wanted to sell.

Sida has participated in the financing of South Center in Geneva, an interest organisation that, among other things, trains negotiators and produces studies and information for negotiation purposes so that the countries can monitor their interests in the world trade organisation, WTO. To enable the delegates from the least developed countries to attend the organisation's fourth meeting of ministers, the WTO established a fund. Sida has contributed SEK 1 million to the fund.

Analysis of outcome

Support for private sector development and trade accounts for twelve per cent of the costs in the operational area. Costs have increased somewhat over the last three years. Some 83 per cent refers to indirect poverty reduction through support for policies, institutions or other types of contributions at national level.

URBAN DEVELOPMENT AND HOUSING

Evaluations

The programme for local development in Nicaragua (Prodel) has been evaluated. In the report it was stated that the infrastructure project is being implemented with the active participation of the residents in the housing areas, not least women. The combination of credits for the construction of houses and technical advisory services is said to be particularly valuable.

In 2001 an evaluation was made of UNICEF's water and sanitation programme in India, 1966–1998. According to the evaluation, UNICEF has been an important catalyst by developing, testing and supporting technological and institutional change, which has led to an increase in state initiatives in the water and sanitation field.

During the year Sida evaluated support to a regional water and sanitation cooperation programme "Water Utility Partnership for Capacity Building" (WUP) in Africa. The evaluation showed that the contribution has contributed to developing models for efficient operation, planning and maintenance of water and waste-water activities in five towns in Africa.

Analysis and discussion of problems

At the end of the 1990s, support for urban development underwent rapid expansion. Initially the focus was often on providing loans for self-construction activities. This perspective has been gradually extended and today Sida also focuses on strengthening local authorities and municipal infrastructure. Support is given, for example, to overall municipal development plans that are based on interaction between the public sector and the private sector, participation by the citizens, and consideration of the environment (Agenda 21).

The evaluation of the water and sanitation programme in India illustrates a similar type of change in the focus of development cooperation. From having previously mainly concentrated on improving access to clean and safe water and latrines, the focus is now on trying to find sustainable solutions, both technical and institutional, including reforms of the local authorities that are responsible for water supplies. With the point of departure in the ongoing decentralisation process, the ambition is to strengthen local expertise and the power to make decisions locally.

Methods work, policy changes and human resource development

As a consequence of the fact that the Government proclaimed the year 2001 to be the "Year of Architecture", work started on developing methods for support to historically valuable building environments.

Together with FIG, the international land survey union, Sida has developed international guidelines for surveyors with the aim of safeguarding the rights of women where access to land is concerned.

The environmental function for the development of urban environmental issues and the strengthening of internal advisory services, established in 1999 at Sida's Department for Infrastructure and Economic Cooperation, INEC, consolidated its work during the year. Activities were pursued to a greater extent in project groups over division and sector borders. Work on identifying contributions with an environmental focus in the Lake Victoria region was intensified.

During the year Sida entered into a long-term agreement on further methods development and research in the field of ecological sanitation. The project also has the aim of spreading information and knowledge on alternative and more sustainable methods and of promoting South-South cooperation in the sanitation field.

Examples

In South Africa, support is being provided for the construction of an "eco-village" in central Kimberley. The housing area, consisting of 13 houses, has been designed to integrate different groups of people with varying incomes, and differs from other housing areas in that it is more densely built, is administered by a housing association, and uses sustainable technologies.

In the year there was an increase in the support provided for an integrated area programme in the *Balkans*, with the reconstruction of houses as a central component. Support amounting to SEK 245 million was approved for the reconstruction of 3 123 houses or flats in the region. The main part of this support refers to Bosnia, which still has considerable

reconstruction needs. One important aim is to make it easier for minorities to return to their homes.

Analysis of outcome

Support for urban development increased by 56 per cent in comparison with 2000 and now accounts for 37 per cent of the costs in the operational area. Approximately 45 per cent of this support has a direct effect on, or includes, poor people.

FINANCIAL SYSTEMS

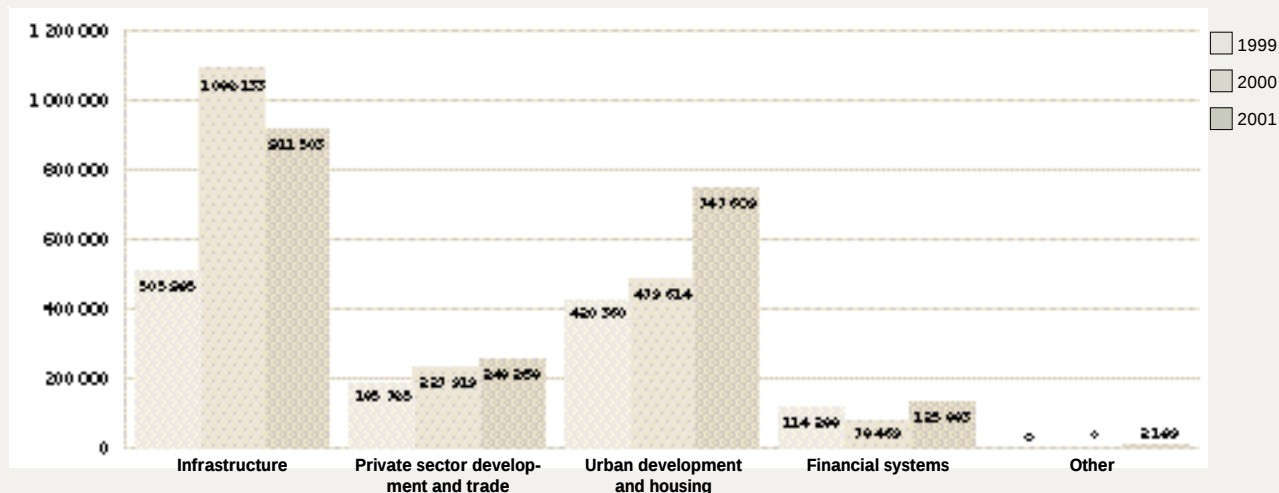
Results analyses and evaluations

A joint donor analysis was made of the micro-finance organisation "Pride Africa". Pride Africa provides management and capacity development services for a network of local micro-finance organisations (MFO) in Malawi, Uganda, Tanzania and Zambia. The analysis revealed weaknesses in Pride Africa's activities that could be remedied by a reconstruction of the organisation. This included a separation of core activities – in the form of management services – from activities of a research nature in order to achieve a better focus and greater efficiency.

Analysis and description of the problem

The problems shown in the analysis of Pride Africa are relatively typical for the micro-finance sector in Africa. A lack of donor control and generous public funding has contributed to considerable donor dependence and structures that have not been adjusted to the market throughout the sector, primarily in respect of education and training, capacity building and other services directed towards MFOs. At the same time there is a growing understanding among both MFOs and donors of the importance of

Outcome, expenditure in SEK '000



adjusting to the market in order to achieve sustainable solutions.

Methods work, policy changes and human resource development

Sida has initiated new forms of support in the financial sector. For example a mentorship programme (a form of institutional cooperation) has been started between the central banks of Sweden and Uganda, similar to that which was started in 2000 with the central bank in Sri Lanka. Furthermore, support of a sector programme character was started in the financial sector in Uganda.

Within the framework of a pilot project with guarantees, Sida has focused on developing innovative forms of infrastructure financing and developing local capital markets.

In the field of micro-finance, Sida has contributed to the formation of a risk capital company, AFRICAP. This company shall invest in African micro-finance banks and also participate in extending the knowledge of the management and boards of the micro-finance banks.

Examples

To facilitate the construction of the telecommunications network in rural areas in Uganda, Sida has issued a guarantee of SEK 80 million that covers a part of the risk in a series of promissory notes issued by the "2nd National Operator" on the Ugandan capital market.

The increase in new subscribers has exceeded expectations and telephone density in the country has increased sharply since the programme started. The issue has been well received by both investors and supervisory authorities and it is anticipated that it will have a vitalising effect on the local capital market.

Analysis of outcome

Support to the financial sector accounts for only six per cent of the costs of the operational area. A large proportion of this support is used for micro-finance contributions that have a direct effect on or include poor people.

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

	2001	2000	1999
The five largest partner countries			
Bangladesh	142 712	104 620	83 263
Bosnia-Herzegovina	138 290	79 611	112 535
Nepal	135 000	0	1 007
Uganda	130 403	62 453	46 412
Sri Lanka	122 143	19 105	10 840
Sub-total	668 547	265 790	254 057
Other countries/regions	1 366 906	1 608 345	972 361
Total	2 035 453	1 874 134	1 226 418
Administrative costs	88 107	85 992	89 887
Total costs	2 123 560	1 960 127	1 316 305
Instruments			
Project support	992 846	1 100 438	919 738
Sector programme support	53 470	10 818	795
Pers. assist. incl. contract-financed tech. coop.	51 641	68 796	68 443
International training programmes	53 870	75 004	77 045
Credits	663 209	464 676	24 262
Guarantees	583	619	2 339
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	219 836	153 783	133 796
Total	2 035 453	1 874 134	1 226 418
Channels			
Multilateral organisations	327 280	199 906	147 412
Swedish NGOs	928 150	852 092	633 649
Organisations in partner countries	534 514	535 375	354 201
Organisations in other countries	131 196	217 195	73 961
International and local NGOs	114 312	69 567	17 195
Total	2 035 453	1 874 134	1 226 418
Total number of contributions	1 009	1 032	1 066
Of which: Agreements >SEK 15 million	134	115	116
Number of new contributions	236	264	270

Combating poverty, per cent of the sub-sector's total expenditure

	Infrastructure			Private sector development			Urban development			Financial systems			Other			Total		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Direct effect	9,3	5,1	3,2	2,4	2,7	6,0	33,9	37,0	35,6	17,0	42,7	44,2	4,1	–	–	18,0	14,5	18,6
Projects and programmes that include the poor	23,4	25,8	26,8	8,6	5,8	10,4	11,0	12,6	17,7	33,0	33,8	29,4	0,0	–	–	17,6	20,3	21,4
Indirect effects through policies and institutions	5,6	7,5	5,4	46,6	38,7	29,2	14,8	18,1	35,1	16,9	22,1	13,1	0,0	–	–	14,7	14,6	19,9
Indirect effects through national support	55,6	55,8	51,0	36,2	36,6	39,5	24,6	6,4	3,6	1,7	–4,4	8,9	95,9	–	–	38,5	38,3	29,1

Natural resources and the environment

This operational area includes natural resources, pollution, and forms of protection for the environment.

The objective of the operational area is to create the requisite conditions for growth and better living conditions through long-term, sound and productive use of natural resources and consideration of the environment.

GENERAL

In this operational area, Sida has focused to an increasing extent on creating the requisite conditions for sustainable growth that benefits the poor people living in rural areas. During the year preparations were made, or were started, for new major rural area contributions in Ethiopia, Tanzania, Zambia, Laos, Vietnam, Cambodia and Nicaragua. All these contributions are characterised by a holistic approach, decentralisation of resources to the level concerned, and the participation of local administration, civil society and the private sector. This means that the focus of the operational area has been shifted from production based on renewable natural resources to general conditions for the creation of growth in rural areas. Activities have therefore been extended to include trade and market aspects, as well as the development of institutions that promote growth, for example advisory services and financing, the legal framework, democratic local organisations. Effects of HIV/AIDS on agricultural production and food security have become a prominent component, above all in Africa.

Analysis of outcome

In total the volume of expenditure has increased steadily since 1999. This has had the effect that the operational area has retained its proportion of the development cooperation appropriation, i.e. just under ten per cent.

Where the breakdown between countries is concerned, no dramatic changes have occurred. The five

largest recipients in 2001 have all been among the top ten during recent years. Shifts in the ranking order are largely due to the position of the major rural area programmes in the project cycle.

Broken down by type of support, it can be stated that project support accounts for almost half the increase in volume. Even if the item is still relatively small, grants to NGOs have more than doubled.

Where channels are concerned, the increase in volume has been distributed in approximately the same way as in previous years. However, a weak trend can be discerned: a larger proportion is being channelled via multilateral organisations.

Fewer new contributions were made during the year but, despite efforts, the total number of contributions in the operational area has not been affected to any great extent.

NATURAL RESOURCES

Results analyses, evaluations and sector programme support

In Cambodia Sida has provided support for investments in infrastructure in rural areas and local institutional development through the Carere project (Cambodia Area Rehabilitation and Regeneration Project). The core of the project has consisted of developing and spreading methods for local participation in planning and implementation. The performance analysis shows that efforts to increase the participation of women in the decision-making process have been successful. The project has also played an

[Picture removed]

In Cambodia local participation in infrastructure development in rural areas is supported and inspired through a number of different projects

important role in re-integrating people from areas previously controlled by guerrilla forces, with a consequent reduction in poverty. Carere has inspired, and become the model of, both decentralisation and the forthcoming municipal reforms in the entire country.

The performance analysis for Mozambique points out that increases in the income of small farmers are a main objective of Mozambique's development, according to the country's own strategy for poverty reduction (PARPA). Improving access to markets and increasing productivity are key areas. Extended services for agriculture through advisory services, a programme for seeds, and better farming methods are proposed, as well as greater access to credits.

In the performance analysis for Sub-Saharan Africa, SADC stands out as the most important regional actor. In, for example, the water sector, SADC-WSCU (Water Sector Coordinating Unit) has an important role as the coordinator of regional activities in the member states as well as for the donor community. Cooperation has been expressed, for example, in the "SADC protocol for shared water courses",

which has been ratified by almost all the member states.

It can be seen from the analysis that Relma (Regional Land Management Unit) is relevant and in demand, but the Unit should attempt to introduce a stricter focus into its activities. A new programme for forthcoming years has been produced in cooperation with the national committees in the countries in East Africa, which extends activities to cover three components: production aspects (including HIV/AIDS), market aspects, and policy aspects of relevance for poverty reduction and food security in the region.

The results of the evaluation of the rural development programme in Uganda (Uganda Land Management Programme, ULAMP) are promising. ULAMP is well in line with national policies and is of value for possible Swedish sector cooperation in the future. Therefore, the evaluation recommends further and extended support. ULAMP should develop a strategy for greater integration with other actors in the private sector and for a better impact on poor families and women. It should build up the capacity as well as the independence of rural groups and individuals,

increase the element of small enterprise thinking in the agricultural sector, and expand geographically.

The evaluation of the rural development programmes in Zambia included the agricultural sector as such and the sub-projects Economic Expansion in Outlying Areas, Land Management and Conservation Farming, and Multiplication and Distribution of Seed and Planting Material. The evaluation states that support to the sector is still relevant. However, support should not continue in the same format but be based instead on the sector policy that is being produced and on suitable parts of existing projects.

The evaluation of the programme in Vietnam states that Sweden's dominant position among donors in the first half of the 1990s has declined now that other donors with more resources and greater influence on policies (for example the World Bank and the EU) have entered the picture.

Vietnam is undergoing a rapid process of transition towards a market-oriented economy and is in the forefront in its thinking where rural development

is concerned. International advisers can therefore now contribute little in this field.

MRDP has several in-built weaknesses, for example a lack of systems for comparative analyses, a weak central administration and a non-operational follow-up system.

An evaluation was also made of the FRAMA project, which refers to the reconstruction of small and medium-size agricultural production units after the disaster caused by Mitch in Nicaragua in the autumn of 1998. The project was a one-year project and came to an end in June 2000. The results are impressive: 2 685 farming families had their production units rehabilitated to pre-Mitch level; a further 6 315 families were given the requisite inputs for sowing and planting 0.7 hectares each; and thousands of families could once again use roads rehabilitated by FRAMA. On the basis of lessons learned from FRAMA, a programme for agricultural development was started in Nicaragua during the year. It focuses on diversification, improved product quality and marketing of various farming crops.

[Picture removed]

Water sellers filling their tanks. Through Sida's participation, several countries in Sub-Saharan Africa have signed an agreement that regulates the use of common water resources.

Analysis and discussion of problems

Activities focus to an increasing extent on how natural resources can contribute to reducing poverty. The analysis is based on a holistic perspective with the needs of poor people in focus. The result is often that the institutional conditions have to be changed to make possible sustainable economic growth, which benefits the poor small farmers. Changes at national policy level are essential as well as strategies in which civil society and the private sector participate. Therefore, activities are characterised to an increasing extent by support to processes, at the international, national and local level. It is a case of processes that take up everything from production, HIV/AIDS, further processing, markets and financing as well as national and regional policies and structures. Sida has participated actively in sector programme processes in the operational area in three countries (Mozambique, Zambia and Vietnam) and has contributed to improve donor coordination in this process. The new role for Sida makes new demands where the skills and organisation of the operational area are concerned. The dialogue based on this perspective, as well as at the overall policy level with both the partner country and other donors, is complex and requires great experience and capacity.

Methods work, policy changes and human resource development

During the year Sida produced a strategy for its work on coastal and marine resources. The strategy emphasises the importance of integrating the coastal zone problem in the production of country strategies and other policy documents. In connection with the Swedish presidency of the EU, Sida participated in the development of the EU's water policy in development cooperation. Sida also contributed to policy development in the water sector in UNDP. This support has focused on integrating aspects of gender equality in the UN's water activities. Sida has participated in the steering committee of the Global Water Partnership (GWP) and has worked there for the transformation of the GWP into an intergovernmental organisation.

Examples

During the year Sida entered into an agreement with Mozambique and eight other donors to assist in the production of sector programme support, PROA-GRI, in Mozambique. This is the first time that Sida has initiated cooperation for sector programme support in this operational area. This process will therefore be closely followed in order to learn and to develop methods. The programme of sector support has been established to make sustainable growth and poverty reduction possible in the agriculture and forestry sectors. It has emerged from a need for coherent

planning and financing of development initiatives in the agricultural sector. The main objective in a five-year perspective is to create better institutional mechanisms to finance and supply small farmers with agricultural and forestry services, and to improve capacity to supply the country efficiently with the products needed in the sectors that lie within the area of responsibility of the Ministry of Agriculture.

Analysis of outcome

In 1999, the volume of the contributions to the sector increased once again after having stagnated for two years. This trend continued in both 2000 and 2001, with annual increases in volume of over ten per cent.

The focus of the contributions on poverty reduction lies constantly at slightly more than 90 per cent of the total volume. Some 40 per cent constitute support to programmes with a direct effect and 48 per cent have had an indirect effect through capacity building or human resource development or through support to national programmes with a focus on poverty. The proportion of the volume with a direct effect has doubled to 16 per cent since 1999.

POLLUTION AND PROTECTION OF THE ENVIRONMENT

Analysis and discussion of the problems

Many of the critical issues facing the world are intimately linked to the negative effects of industrialisation and urbanisation in developing countries. Climate, issues relating to ozone and chemicals, and the right to clean air, water and sanitation in slum areas, particularly in Asian countries, are fields that were given priority by Sida in 2001.

Environmental issues are global in character. Sida therefore works with both overall issues by participating in the international policy dialogue and with concrete contributions. The aim is that these levels shall mutually reinforce each other.

Where ozone is concerned, Sida has worked actively with supporting the Swedish standpoint in the Montreal protocol by financing contributions to build up capacity in developing countries to phase out ozone-depleting substances.

It has only been possible for Sida to cooperate with countries in the Balkans in the environmental field during the last few years. The foundations were laid in 2000 and 2001 through strategic environmental analyses. The environment in the Balkans is under great strain in many areas and, due to the political circumstances, it has not been possible to give priority to contributions that would improve the situation. The wars and the movements of people have also further exacerbated the environmental situation. The environmental problems are concen-

trated, above all, to the water and solid waste fields, emissions from the energy, mining and other heavy industries, erosion, and a reduction in biological diversity. One characteristic of all the countries in the region is that their institutional capacity in the environmental field is very limited and awareness of the environment is low.

Methods work, policy changes and human resource development

The identification of a strategy for environmental work in the Lake Victoria region was implemented. During the year, internal policy work on developing a climate strategy for Sida was started. During Sweden's EU presidency, Sida produced material for the Habitat conference, gave points of view on the EU's strategy for transport, and produced material for meetings of the Commission for Sustainable Development (CSD).

Examples

Air pollution in Indian cities has increased dramatically and has led to considerable health problems and many premature deaths. Through Sida's support to the Centre for Science and Environment in Delhi, opinion has been successfully influenced with the effect that the state government of Delhi has been compelled to phase out the use of diesel on the city's buses and taxis. Air quality has thus been considerably improved. An air measurement programme has been started that shall check air pollution in the city continuously and spread information to its inhabitants.

Analysis of outcome

In 2001, the trend of considerable increases in costs for the sub-sector continued, by 24 per cent to SEK 103 million. The contributions focus to a great extent on combating poverty. Slightly less than 50 per cent of the contributions refer to projects and programmes that include poor people, an increase on six per cent on 2000.

REPORTING REQUIREMENTS

1. *Sida shall report on the contributions it has made to follow up Sweden's undertakings in the conventions on Biological Diversity and Bio-security, Climate Change, Desertification, the Rotterdam Convention (PIC), the Basel Convention and the Montreal Protocol in accordance with the guidelines that apply for each instrument.*

Convention on biodiversity and biosecurity

An important point of departure in the publication

"Sida and the Convention on Biological Diversity" is the attempt to integrate work on biological diversity into ongoing programmes of bilateral and regional development cooperation. In order to integrate issues and consideration of biodiversity into Sida's work, there are questions on biodiversity and biosecurity in the work with environmental impact assessments. Biological diversity also forms part of Sida's environmental courses. During the year Sida was also host to a meeting of an expert group in the EU that is taking up issues concerning biological diversity in development cooperation.

Where the conservation and sustainable use of biological diversity is concerned, support was provided to the global taxonomy initiative, education and research in respect of the biological diversity in arid areas, the RAMSAR Convention for protection and sustainable use of wetlands, organisations such as the World Conservation Union (IUCN), World Resources Institute (WRI), International Institute for Environment and Development (IIED), Swedish Society for the Conservation of Nature (SNF) North-South programme, Instituto Nacional de Biodiversidad (INBio), Centre for Information on Low External Input and Sustainable Agriculture (ILEIA), Forest, Trees and Peoples Programme (FTPP), International Centre for Living Aquatic Resources (ICLARM), and others. Sida is also supporting other activities that contribute to making it possible for the Third World to implement the convention, for example in respect of support to environmental agencies. In addition to this, Sida supports country programmes where the sustainable use of natural resources can also have a positive effect on the conservation and sustainable use of biological diversity.

In respect of support to the biosecurity protocol under the Convention on Biological Diversity, in 2001 Sida gave support to Bio-Earn which is active in East Africa in respect of building up capacity in biosecurity matters, to the African Centre for Technology Studies (ACTS) for its biopolicy work including biosecurity issues, to an Asian regional researchers' meeting that took up biopolicy and biosecurity, and to the publication and distribution of the magazine "Biotechnology and Development Monitor". During the year, Sida also gave support to NGOs, for example through a programme via GRAIN for work with capacity development in respect of biosecurity in Africa and to the Third World Network (TWN), which works with establishing national institutions and mechanisms to implement the biosecurity protocol.

The cost of contributions with the Convention on Biological Diversity as the principal objective amounted during the year to SEK 120 million. In addition to this, contributions amounting to SEK 278 million had the Convention as a significant objective.

[Picture removed]

Air pollution in towns in India has increased dramatically and causes considerable health problems. With Sida's support, opinion is being shaped for a reduction in the use of diesel as fuel for vehicles, which will improve the quality of the air.

The Climate Convention

Sida has played an active role in the negotiations on the implementation of the Kyoto protocol and, during the Swedish presidency of the EU, was a member of the expert group on developing country issues under the Council's working group for international environmental issues in its special constellation for the treatment of climate issues (WPIE/CG). The two persons who were placed at the disposal of the Government contributed expertise in the areas of technology transfer and capacity development and Non-Annex 1 reports.

Sida has presented Sweden's climate-related support in extensive underlying documentation for Sweden's third national report to the Climate Convention.

During the year, Sida decided to contribute to an exchange between industrial countries and developing countries with the aim of strengthening the prospects for technology transfer and capacity development in the South. This has been done through support to a workshop organised by the Swedish

National Energy Administration on the potential of biofuels to reduce effects on the climate.

Support was also given to the magazine and network newspaper *Il Tiempo* to extend the dissemination of information in the climate issue.

Sida started an internal strategy process to develop an approach to the climate issue in development cooperation and employed a person who shall work full-time until July 2002 on the climate issue.

The cost of contributions with the Climate Convention as their principal objective amounted during the year to SEK 48 million. Contributions with the Convention as a significant objective amounted to SEK 132 million.

The Montreal Protocol

Apart from its ongoing programme of cooperation with Stockholm Environment Institute, SEI, for the identification and administration of Swedish bilateral projects, the research project at Harvard University supported by Sida came to an end during the year. The project has attracted considerable attention and

the report provides both specific and general proposals on how to work effectively to phase out ozone-depleting substances in the Third World.

The costs for the year of projects with the Montreal Protocol as the main objective amounted to SEK 14 million. Contributions with the Protocol as a significant objective amounted to SEK 11 million.

Convention to Combat Desertification

At the request of the Ministry for Foreign Affairs, Sida participated actively in the work on the convention to combat desertification. In this respect, Sida participated in council meetings during the Swedish presidency of the EU. Furthermore, Sida participated in the work of the so-called Ad Hoc Working Group which, during a three-week period in March and April, examined the national reports of different countries. Finally, Sida participated actively in the fifth meeting of the parties, which took place in Geneva in September. Discussions were held with UNDP-UNSO on possible cooperation on the so-called Global Dryland Initiative.

The costs of contributions with the Desertification Convention as the principal objective amounted during the year to SEK 16 million. Contributions where the Convention was a significant objective amounted to SEK 164 million.

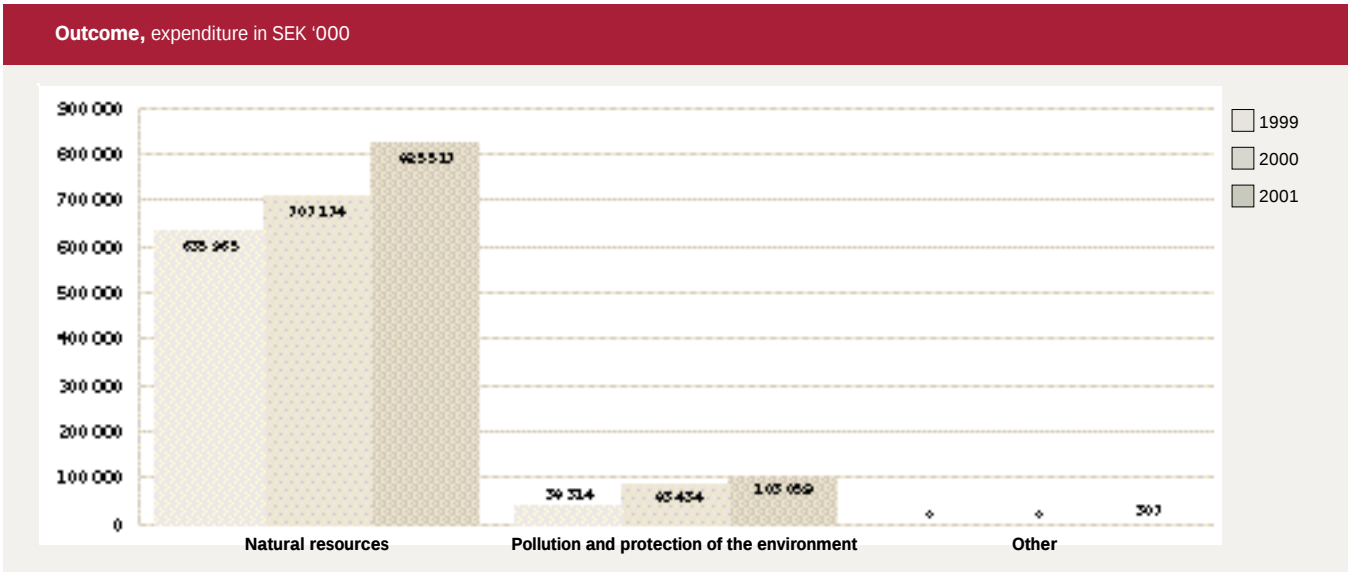
Other conventions

Sida has not had any special contacts with the Rotterdam Convention (PIC) or the Basel Convention during the year.

2. *Sida shall report on the contributions that concern the conservation and use of plant genetic resources, including research, that can be regarded as a form of support*

[Picture removed]

Sida supports different groups whose objective is to contribute to sustainable agriculture in southern Africa through the conservation of local plant-genetic resources.



for the Global Plan of Action within the framework of the international undertaking on plant-genetic resources (FAO-IUPGR).

Plant-genetic resources

Where plant-genetic resources are concerned, Sida gave support to, for example, the consultative group for international agricultural research (CGIAR) for the collection, classification, analysis, refinement and sustainable use of genetic material; to Crucible II which works with policy development on genetic resources, for example to develop alternatives for Third World countries prior to the revision of the WTO's agreements; to the FAO; to the International Centre for Trade and Sustainable Development (ICTSD) to strengthen the negotiating capacity of developing countries for the revision of the WTO's agreement on intellectual rights, negotiations on the international undertaking that concerns access to plant-genetic resources and an equitable distribution of these resources; to a seminar in Zambia with participants from the entire continent on methods to promote the sustainable use and conservation of biological diversity in agriculture; to the regional gene bank at SADC's Plant Genetic Resources Centre (SPGRC) and to the national gene banks that are members of SPGRC, whose objective is to contribute to better plant breeding and better, more sustainable agriculture in southern Africa through the conservation of local plant-genetic resources. Sida also gave support to NGOs working for the conservation and sustainable use of genetic resources, for example Genetic Resources Action International (GRAIN), Rural Advancement Foundation International (RAFI), and Community Biodiversity Development and Conservation Programme (CBDC) for their work in strengthening the work of small farmers on the conservation and sustainable use of genetic resources.

Natural resources and the environment, expenditure in SEK '000

	2001	2000	1999
The five largest partner countries			
Ethiopia	78 296	59 248	82 708
Vietnam	61 770	29 106	29 557
Tanzania	56 880	38 044	39 764
Zambia	49 237	54 893	43 127
Cambodia	39 685	33 092	24 292
Sub-total	285 868	214 383	219 448
Other countries/regions	643 015	576 225	454 831
Total	928 883	790 608	674 278
Administrative costs	44 432	40 740	40 649
Total costs	973 316	831 348	714 928
Instruments			
Project support	673 601	547 360	503 136
Sector programme support	94 289	105 423	64 616
Pers. assist. incl. contract-financed tech. coop.	30 667	36 734	53 686
International training programmes	50 714	47 984	50 950
Credits	50 000	41 100	0
Guarantees	0	0	0
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	29 612	12 008	1 891
Total	928 883	790 608	674 278
Channels			
Multilateral organisations	217 340	176 714	156 629
Swedish NGOs	242 938	218 401	213 867
Organisations in partner countries	270 314	233 769	222 402
Organisations in other countries	128 838	110 674	61 251
International and local NGOs	69 453	51 051	20 129
Total	928 883	790 608	674 278
Total number of contributions	599	598	567
Of which: Agreements >SEK 15 million	55	53	59
Number of new contributions	172	206	181

Combating poverty, per cent of the sub-sector's total expenditure

	Natural resources			Pollution and protection of the environment			Other			Total		
	2001	2000	1999	2001	2000	1999	2001	2000	1999	2001	2000	1999
Direct effect	16,3	12,5	8,3	2,9	0,0	0,0	0,0	–	–	14,8	11,2	7,9
Projects and programmes that include the poor	25,7	38,8	39,8	48,5	6,0	0,0	83,1	–	–	28,2	35,4	37,6
Indirect effects through policies and institutions	36,1	28,9	30,4	10,5	2,5	7,3	0,0	–	–	33,3	26,1	29,1
Indirect effects through national support	12,1	9,8	13,1	22,5	74,9	34,4	0,0	–	–	13,3	16,7	14,3

Economic reforms

This operational area includes balance of payments support, budget support and debt relief, and support for capacity development contributions in respect of debt management and debt strategies.

The objective of the operational area is to support poor countries that implement economic reform programmes to combat poverty, promote economic growth and contribute to economic and socially sustainable development.

General

Swedish support for economic reforms is given to a number of the poorest and most heavily indebted countries in the world. The support shall provide an incentive for further reforms and contribute to giving the heavily indebted countries a manageable debt burden. Support is mainly provided in the form of debt relief or budget support for the country's government budget.

Most of the countries have debt burdens that are so heavy that they qualify for debt relief within the framework of the international debt initiative, *Heavily Indebted Poor Countries Initiative* (HIPC initiative). The initiative was strengthened in 1999. Hitherto 24 countries have reached the decision point in the new HIPC initiative. This means that they have fulfilled the criteria for debt relief. Of these countries, Bolivia, Mozambique and Tanzania reached the final point in the initiative in 2001, which means that they have undergone the entire process and will have their debt burden reduced to a manageable level. Uganda reached the final point in the initiative in 2000. Sweden has contributed to giving these countries a lower debt burden by providing budget support and debt relief.

To receive debt relief within the framework of the HIPC initiative, the countries must draw up strategies to combat poverty, *Poverty Reduction Strategy Papers* (PRSP). These strategies shall be drawn up by the governments in the countries with extensive participation of other parties in society. In 2001 four countries (Bolivia, Nicaragua, Honduras and Mozambique) completed full PRSPs, which is one

condition (of several) for achieving the final point in the HIPC initiative.

In December 2000 Sida submitted a communication to the Government, which contained proposals for contributions for 2001. In May 2001, the Government made a decision on budget support and debt relief amounting to SEK 305 million to Bolivia (additional to funds approved earlier), Burkina Faso, Guinea-Bissau, Honduras, Malawi, Rwanda, Uganda and Vietnam. In addition to this, there are decisions made earlier covering several years in respect of support for Bolivia, Mozambique and Tanzania amounting to SEK 215 million for 2001. In addition to these contributions, the Government approved budget support to Mali amounting to SEK 40 million in November 2001.

Results analyses, evaluations

An extensive evaluation of Swedish programme support was made in 1999 and it is therefore considered that there is no need for a new general evaluation in the next few years. Regular follow-ups of economic reform programmes and PRSPs in the countries concerned are made regularly by the IMF, World Bank and bilateral donors.

Analysis and discussion of problems

The implementation of the economic reform programme has led to a reduction in the previously large macro-economic imbalances in the countries. In most of the countries that have pursued a consistent reform policy, stagnation has been transformed into a positive rate of growth of between four and six

[Picture removed]

Street market. Swedish budget support to Bolivia contributes to financing a government programme for economic recovery.

per cent per year. Progress has also been made in respect of structural reforms of the economies, such as deregulation, liberalisation of trade, privatisation of state-owned companies and reforms of the public administration. Efforts have been made to increase budget expenditure in areas that promote poverty reduction. At the same time it can be said that growth was not sufficient to make an obvious reduction in poverty in the 1990s. This has had the effect that the reform programmes now place a greater emphasis on combating poverty and that strategies for poverty reduction now form the basis for donor support.

One the major challenges in the work with poverty strategies is the link between objectives, increases in resources and concrete results in the form of less poverty. It is therefore of decisive importance that the poverty objectives are accompanied by an

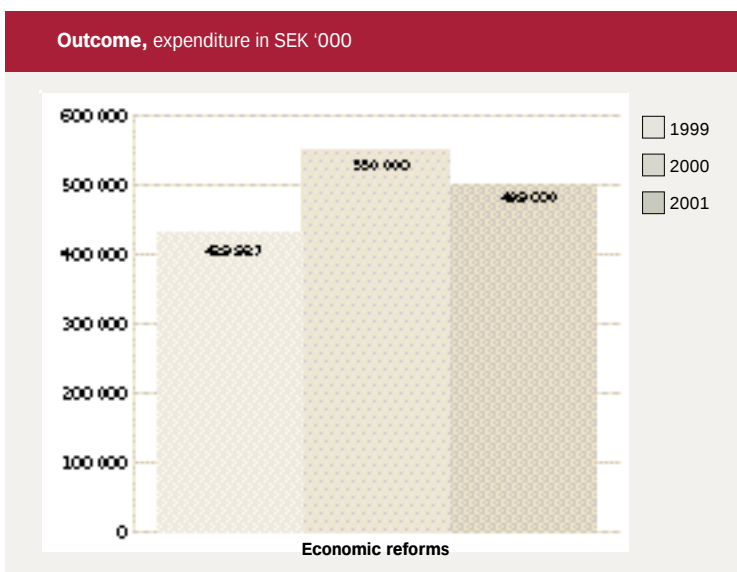
increase in the resources allocated in the government budgets and that these resources reach the poor, for example in the form of better health care. Therefore the strategies emphasise reforms that have the aim of strengthening important institutions, improving budget and monitoring systems, and making tax systems efficient.

Methods work, policy changes and human resource development

As more and more countries are expected to achieve a manageable debt burden through participation in the HIPC initiative, Swedish support for economic reforms will assume the form of budget support rather than debt relief. Issues that concern countries' government budgets will focus increasingly on the preparation and monitoring of support. This includes the formulation of budgets, government controls of

[Picture removed]

Village school in Mozambique. Education support is an important part of Sida's contribution to poverty reduction in Africa.



budget expenditure and the actual outcome of the budgets in relation to appropriations, the payments systems and accounting and auditing, i.e. what are usually referred to financial management systems. Sida is working to improve knowledge at Sida on public financial management, with the aid, for example, of training programmes. The expected increase in budget support as a form of development cooperation has justified further methods development work. During the year Sida formed a working group to disseminate information on programme support (general budget support and sector programme support) as a form of development cooperation and to further develop methods and ways of working for this type of support.

Sida is working to make support for economic reforms more efficient and to ease the administrative burden in partner countries by coordinating, wher-

ever possible, Sida's support with that provided by other donors. Coordination also facilitates the dialogue between governments and donors. In Mozambique and Tanzania, Sida and a number of other donors have joined forces and drawn up joint agreements between the donors and the governments.

Support for economic reforms has normally had a duration of one year. To make a longer planning horizons possible for the partner countries, Sida has the ambition to increase the number of programmes of support that cover several years in countries that demonstrate that they are making great efforts to implement economic reforms and to reduce poverty. In 2001, two-year agreements on budget support were concluded with Mozambique and Tanzania.

Examples

The joint donor group in Malawi took form last year. Through the group Sweden, Norway, Denmark and Great Britain have gradually coordinated their budget support. This coordination has had the effect that other donors have also started to become interested in the group's work. The donor group has joint meetings with the government and the IMF and this has created a unique opportunity to have a dialogue on the macro-economic situation in Malawi.

In Bolivia the government has drawn up a programme for economic recovery and employment after a two-year recession. The Swedish budget support to Bolivia contributes to funding this programme. Grant aid of this type fulfils an important function in a country such as Bolivia, which is greatly dependent on financing from multilateral lenders. Sweden is one of the few countries that give budget support to Bolivia, but several donors are now in the process of following suit.

Analysis of outcome

Most of the support is given to countries in Africa. The largest recipients are Mozambique and Tanzania. In 2001, disbursements amounted to SEK 499 million, which is lower than the disbursements made in 2000 (SEK 550 million). The reason for the higher amount in 2000 is that the support given to Tanzania in 2000 was support for two Tanzanian fiscal years (1999/2000 and 2000/2001), while the support given to Tanzania in 2001 referred to one Tanzanian fiscal year.

Economic reforms, expenditure in SEK '000

	2001	2000	1999
The five largest partner countries			
Mozambique	100 000	100 000	125 000
Tanzania	80 000	160 000	0
Bolivia	60 000	50 000	0
Honduras	60 000	70 000	0
Uganda	55 000	55 000	50 000
Sub-total	355 000	435 000	175 000
Other countries/regions	144 000	115 000	254 927
Total	499 000	550 000	429 927
Administrative costs	15 362	20 131	23 268
Total costs	514 362	570 131	453 195
Instruments			
Project support	–	–	–
Sector programme support	–	–	–
Pers. assist. incl. contract-financed tech. coop.	–	–	–
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	499 000	550 000	429 927
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	–	–	–
Total	499 000	550 000	429 927
Channels			
Multilateral organisations	124 000	170 000	160 000
Swedish NGOs	0	0	–73
Organisations in partner countries	375 000	380 000	270 000
Organisations in other countries	–	–	–
International and local NGOs	–	–	–
Total	499 000	550 000	429 927
Total number of contributions	19	15	13
<i>Of which: Agreements >SEK 15 million</i>	<i>18</i>	<i>14</i>	<i>12</i>
<i>Number of new contributions</i>	<i>10</i>	<i>11</i>	<i>2</i>

Combating poverty, per cent of the sub-sector's total expenditure

	Economic reforms		
	2001	2000	1999
Direct effect	27,9*	0,0	46,5
Projects and programmes that include the poor	0,0	0,0	0,0
Indirect effects through policies and institutions	28,1	0,0	0,0
Indirect effects through national support	44,1	100,0	53,5

* Actually refers to indirect effects.

Research cooperation

This operational area includes multilateral and bilateral research cooperation and support for research into developing countries in Sweden. The objective of the operational area is to strengthen the research capacity of developing countries and to promote research that focuses on development and poverty reduction.

General

The expansion of research cooperation after 1998 started with an increase in support to international research, a level that was stabilised in 2001. It has been possible to strengthen a number of neglected areas of knowledge in accordance with the objective of promoting access to relevant and important development-oriented research in developing countries. Sida's contributions have been followed up by active

participation in the governing bodies of international research programmes and policy-creating organisations. In the programmes, Sida has worked to enable researchers from developing countries to exert an increasing influence and for an orientation towards the problems and needs of the poorest countries.

The preparation of new contributions to strengthen the capacity of developing countries for local research and analysis, the second central objec-

[Picture removed]

Sida participates in different international research programmes. During the year a number of evaluations were completed, for example one on

tive of Sida's research cooperation, was started at the same time. The increase in support to the development of higher education and research has primarily focused on some of the poorest partner countries. Extensive contributions have been established in Bolivia, Burkina Faso and Bolivia. Research contributions that have been planned to strengthen central universities in the countries have focused on major problem areas: for example, contributions to Uganda have focused on problems associated with Lake Victoria.

Results analyses, evaluations

Bilateral research cooperation with Nicaragua has been evaluated and the programme of cooperation with the university in León was examined in 2001. This examination led to changes in the accounting routines at the university. The evaluation focused on the future orientation of cooperation and was performed in close collaboration with the universities in Nicaragua. Among other things, the evaluation indicates the importance of further developing the groups of researchers that have been formed by providing support for the inclusion of young research students. The preliminary report also states that one of the most successful research groups in epidemiology in Central America is being consolidated at León University.

An evaluation of cooperation with the university in Asmara, Eritrea, discusses the role of the Swedish

university as the partner in cooperation and supervisory institution. The evaluation emphasises the importance of students spending more time in Eritrea and that, in the programme of cooperation, there should be an ambition to form groups of researchers that involve more supervisors.

Armauer Hansen Research Institute (AHRI) in Addis Ababa, Ethiopia, made an external evaluation that forms the basis of discussions with Norad on how further cooperation with the institute shall be organised. The evaluation underlines the importance of institutional development at AHRI.

During the year three more evaluations were completed: on African forests and on the dry areas in East Africa. Forestry research cooperation is supported through the African Academy of Sciences (AAS) and research into the drylands in eastern Africa through the Regional Dryland Program in Eastern Africa (REDPA) and the Research Program for Sustainable Use of Dryland Biodiversity (RPSUD). The evaluation showed that AAS is an effective channel for the utilisation of widely spread, existing capacity. The evaluations had the result that forestry research was expanded while parts of the drylands research were phased out and other parts concentrated on the sustainable use of biodiversity. The third evaluation, Sida's support for the Internal Science Programme (ISP) in Uppsala, showed that there is a great need for mathematical research and knowledge in developing countries. One recommendation made in the

[Picture removed]

drylands in East Africa and one on African forests.

[Picture removed]

Students at the National Autonomous University León in Nicaragua. During the year one of the most successful research groups in epidemiology in Central America was consolidated at León University, which Sida has supported and cooperated with for some years.

evaluation was therefore that a mathematical component is included in the programme.

Analysis and discussion of the problems

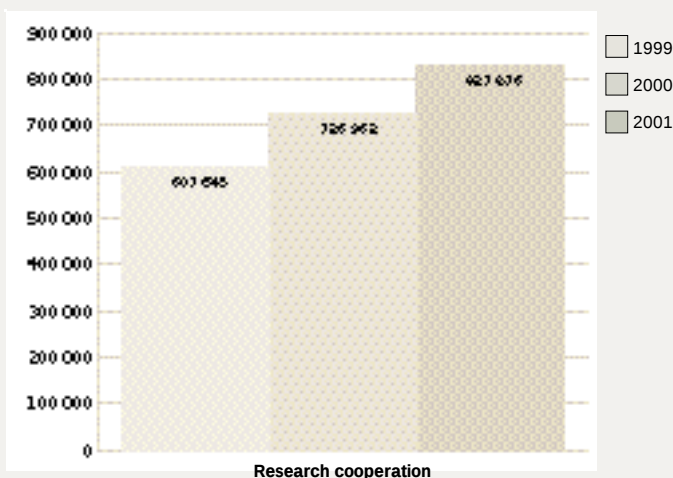
Bilateral research is designed to strengthen the structure and organisation of research in the partner countries and to strengthen the financing and administration of research in the countries. Important basic inputs for the planning of programmes of cooperation are therefore overviews of higher education and

research. In countries with very weak knowledge systems, support to basic institutional development is an important component in cooperation.

The postgraduate training of teachers is a vital component in the development of universities, both for the quality of education programmes and for creating the requisite conditions for long-term and sustainable development of research in the countries. The education of teachers at the universities has the ultimate aim of strengthening the capacity of the faculties to provide research programmes. In countries with more highly developed and differentiated systems, programmes of cooperation can be designed as support to national postgraduate study programmes. Forms for support for postgraduate studies should be adapted to national capacity in the discipline in question.

During the year, a review and analysis was made of research and postgraduate study programmes in social science faculties in Africa. The demand for social scientists from government authorities and organisations creates both opportunities and problems. There is a great need on the part of government, donors, universities and others for social science research. Research is governed to a great extent by the donor community and by the fact that there is a great need of support for independent social science research. Our analysis also shows that significant synergy effects can arise by linking bilateral and regional cooperation.

Outcome, expenditure in SEK '000



Methods work, policy changes and human resource development

The considerable expansion has made the need of methods analysis and development topical. In the internal audit study made in 2001 of Sida's research cooperation, the importance of clear guidelines and directions is emphasised as an important step in the administration of increasing volumes with good quality. Extensive work has been pursued during the year to produce the methods handbook "SAREC at Work", which contains a systematic description of decision-making procedures and monitoring work in research cooperation.

Several initiatives have been taken to promote cooperation between national universities and regional and international research institutes and thereby to increase points of contact and to create synergy.

Examples

In March 2001, an IT network was inaugurated that linked together researchers and students at four universities in Sri Lanka. Over a period of two years, local networks have been constructed at the different universities and radio links have been built up between them. Personnel have been trained in using the Internet and technicians in maintaining the networks. Postgraduate education programmes, an important component in the programme, have come halfway. The inauguration, which took place in Colombo with a video conference over the Internet to Stockholm University, attracted the attention of both Swedish technical journals and the daily press in Sri Lanka.

Within the framework of Sida's support to the WHO's special research programmes on tropical diseases, a breakthrough was reported in respect of introducing functional gene into malaria mosquitoes. It is hoped that the next step will be to exchange this gene for a gene that counteracts the development of the malaria parasite in mosquitoes. If it is possible to spread these modified mosquitoes in the future, the possibility of controlling malaria will increase.

Analysis of outcome

In 2001 research cooperation continued to expand. The costs correspond to an increase of 66 per cent in comparison with 1998, i.e. Sida is well on the way to doubling research cooperation that was decided on then. While the increase in the first year or two was in international research programmes, the preparation of new programmes of country cooperation and regional programmes resulted in the increase in costs in 2001. The special IT initiative at four universities in Sri Lanka came to an end during the year.

Research Cooperation, expenditure in SEK '000

	2001	2000	1999
The five largest partner countries			
Tanzania	50 006	43 179	37 993
Mozambique	29 045	26 868	26 701
Eritrea	28 309	5 383	13 145
Nicaragua	23 009	20 503	15 874
Sri Lanka	21 950	33 175	30 780
Sub-total	152 319	129 108	124 493
Other countries/regions	675 557	597 854	483 152
Total	827 876	726 962	607 645
Administrative costs	58 568	53 394	49 908
Total costs	886 443	780 356	657 553
Instruments			
Project support	–	–	–
Sector programme support	–	–	–
Pers. assist. incl. contract-financed tech. coop.	–	–	–
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	827 876	726 962	607 645
Support to NGOs	–	–	–
Total	827 876	726 962	607 645
Channels			
Multilateral organisations	60 811	61 675	76 660
Swedish NGOs	285 774	252 138	238 375
Organisations in partner countries	198 357	147 800	144 576
Organisations in other countries	88 888	66 325	52 484
International and local NGOs	194 046	199 024	95 549
Total	827 876	726 962	607 645
Total number of contributions	372	370	410
Of which: Agreements >SEK 15 million	42	34	25
Number of new contributions	116	91	122

Combating poverty, per cent of the sub-sector's total expenditure

	Research cooperation		
	2001	2000	1999
Direct effect	1,5	2,6	1,5
Projects and programmes that include the poor	1,7	1,8	1,2
Indirect effects through policies and institutions	89,9	90,6	92,0
Indirect effects through national support	3,3	2,3	2,3

Humanitarian contributions and conflict prevention

This operational area includes humanitarian assistance, conflict prevention and peace-building. The objective of the operational area is to meet emergency needs in respect of relief of the consequences of armed conflicts, systematic violations of fundamental human rights, and natural disasters. At the same time, long-term sustainable solution shall be promoted as far as possible, for example through local capacity development.

General

Severe natural disasters at the beginning of the year and the dramatic developments in Afghanistan in the autumn placed great demands on the capacity of the international humanitarian system to mobilise resources and coordinate them. The earthquakes in El Salvador and India in January claimed many lives. They also demonstrated national shortcomings where disaster prevention and states of preparedness to meet disasters are concerned. Sida provided emergency assistance and contributions for rehabilitation and reconstruction via, for example, the Swedish National Rescue Services Agency. In India, international cooperation in the field of disaster preparedness has started and has been given a place in Swedish strategies.

The possibility for peaceful development in Afghanistan after the events of September 11 had the effect that the forms for further humanitarian assistance, as well as the preparedness for an energetic Swedish participation in the rehabilitation and reconstruction contributions organised by the UN, could be included in the proposed country strategy that Sida submitted to the Government in December.

Results analyses, evaluations and sector programme support

The minor humanitarian contributions amounting to SEK 1.5 million that were implemented via the Swedish battalion in Kosovo were evaluated. The result shows that the battalion is a suitable channel for these types of contributions.

An evaluation of Sida's support for humanitarian mine management was published during the year. It recommended that Sida should give further support to the development of methods for the analysis of financial and social effects of mines and unexploded ammunition, should further promote coordination of humanitarian mine management with other humanitarian and development contributions, and should increase the long-term perspective in the funding of contributions.

Analysis and description of problems

The evaluation of Sida's mines support shows that issues concerning mines cannot be isolated from other development problems when a country is recovering from a conflict. Instead they should be included with other rehabilitation and reconstruction needs. Often the same demands for support for the development of national capacity should be made as in other sectors. The evaluation thus confirms Sida's view that effective humanitarian assistance has a development perspective and should be run in ways that permit a smooth transition from emergency to more long-term contributions.

Methods work, policy changes and human resource development

With the evaluation of Sida's support for humanitarian mine clearance as the point of departure, guidelines have been produced for support for mine operations. Sida intends to promote the integration of

[Picture removed]

Clearing up after the earthquake in India. Sida provided emergency assistance and contributions for rehabilitation and reconstruction as a result of the earthquake on January 26, which mainly affected the state of Gujarat.

mine management into the partner countries' development plans, for example where the need of national capacity and institutional development is concerned, and contribute further to coordination and a long-term perspective in implementation and financing. Sweden should continue to contribute its own expertise in areas where Sweden has comparative advantages.

A large proportion of Sida's humanitarian assistance consists of health contributions. Sida produced guidelines for humanitarian health contributions during the year. Priority should be given to primary health care and preventive contributions, for examples in the fields of water, sanitation and nutrition. Health work should take place through the utilisation of local resources and be coordinated with national authorities. Women and children are a central target group. The risks of sexual violence should be given attention, particularly in refugee situations, as well as the HIV/AIDS situation.

Development cooperation with Sri Lanka via Sida should have had a conflict perspective since 1998. Sida decided to make an in-depth study of its work

in light of some of the methods that were discussed and used in the production of the Development Assistance Committee's (DAC) guidelines for conflicts, peace and development cooperation. The evaluation shows that the conflict perspective has still not systematically permeated development cooperation contributions in Sri Lanka. The peace and conflict perspective should, in the opinion of the evaluators, be given a wider interpretation than has been the case hitherto.

Examples

At the end of the 1990s the peace process in Guatemala based on the peace agreement of 1996 came to a standstill. This was largely due to a lack of political will on the part of the government, a lack of financing from the government budget, and the rejection of institutional reform in the referendum of 1999.

The direct support for the implementation of the peace agreements in Guatemala is being provided in cooperation with the UN system. Among other things, support is being provided via the UN's special

surveillance commission, MINUGUA, for technical advisory services for Congress to promote the discussion and approval of government bills emanating from the peace agreements. In 2001, the project worked on the production of a priority agenda linked to the peace agreements and a seminar for all members of congress where this agenda was approved. Furthermore, technical advice was provided for the work on eight new laws.

Together with Norway, Sweden has provided support, also through MINUGUA, to two projects for strengthening the civil police force (PNC) that were formed through the peace agreements. *Human rights in police training programmes*. A special group has been created in the police force for intensifying human rights aspects in the everyday work at the police stations. *Police in a multicultural society* is directed towards police officers, police academy management and the teaching staff, and the trainees who underwent police training during the period.

Support is provided through UNDP for the reform and modernisation of the rule of law. Support in the legal area includes a new organisational structure, a new administrative and financial organisation, selection and training of local judges, and alternative solutions of conflicts. A strong emphasis on coordination with other parts of the system (prosecutors, police, prison system) is expected to improve efficiency in the legal system. Within the framework of the modernisation of the legal system, twelve projects have been implemented together with organisations from civil society. The reform of the prisons system, translation of the penal code into different Maya languages, methods for conflict resolution, systematisation and description of Maya law and intra-family violence have been some of the themes in the project.

The armed conflict in Colombia worsened during the year. There were considerable violations of human rights and international humanitarian assistance was extensive. During the year, Sida cooperated with UN agencies such as UNHCR and the UN High Commissioner's Office for Human Rights, with government institutions and the national reconciliation commission and Swedish NGOs. With grants from Sida, Diakonia has given support to the work of 21 NGOs in respect of human rights, local democracy, support for conflict management and peace work at both national and local level. With Sida's support, Swedish NGOs held a peace conference in Stockholm with some 50 representatives of civil society, the government, trade and industry and one of the guerrilla organisations. The conference led to closer relations between the Colombian parties affected by the armed conflict.

Analysis of outcome

Humanitarian work must be planned each year in

order to provide early and predictable support to those in need in a number of chronic humanitarian disasters that have taken place over a long period of time. This makes it possible for the different UN agencies and the Red Cross movement to provide throughout the year – together with local partners – basic health services, clean water, shelter, education and protection for the civil population and refugees in countries where the social functions have collapsed. At the same time, Sida must maintain a state of preparedness throughout the year for sudden natural disasters and conflicts. Ensuring that resources are available for predictable and unpredictable needs is sometimes a difficult balancing act. In Afghanistan, the considerable humanitarian needs late in the year as a consequence of the events after September 11 necessitated a re-allocation of SEK 200 million from other appropriations, despite the fact that delays in the final phase of the Mitch project in Nicaragua created somewhat larger financial scope than expected. The total outcome for Afghanistan was therefore twice as much as in the year 2000. The phasing out of the Mitch project explains the low level of disbursements to the Central American countries. In Ethiopia, the combination of severe drought and the conflict with Eritrea created the need for a considerable increase in humanitarian support.

To make the administration of an increasing humanitarian appropriation possible while retaining and preferably improving quality, Sida is now taking measures to rationalise activities and to make them more efficient. By collecting several cooperation projects with one and the same organisation under fewer agreements with a longer duration, it is possible to reduce the number of contributions and more time can be spent on follow-up and feedback of the results of activities. The reduction in the total number of contributions as well as the number of new contributions during 1999–2001 is accordingly in line with this ambition.

REPORTING REQUIREMENTS

In its annual report Sida shall give the total funds used for the appropriation, broken down by country, purpose and channel.

See tables A and B.

Sida shall report on the focus of and experience gained from its support to each of the countries that during the budget year received humanitarian support exceeding SEK 50 million and for which the Government had not made a special decision.

See tables B and C.

Table A. Reporting requirement 10, expenditure in SEK '000

REGION/COUNTRY	2001	2000	1999
Africa			
Angola	79 116	55 260	18 228
Burundi	21 304	22 069	17 336
Ivory Coast	0	-5	1 155
Eritrea	23 292	1 210	0
Ethiopia	16 648	6 492	7 865
Gambia	-11	0	0
Ghana	0	-10	315
Guinea	5 784	0	4 678
Guinea-Bissau	0	500	10 084
Kenya	999	4 466	-360
Congo	14 951	14 866	7 260
Congo, Democratic Republic	55 974	42 025	30 588
Liberia	6 305	7 541	27 883
Madagascar	0	2 000	0
Mali	0	0	0
Mozambique	9 098	13 332	0
Namibia	1 000	0	0
Nigeria	-7	0	450
Rwanda	4 505	35 472	66 479
Sierra Leone	32 206	28 779	19 855
Somalia	48 878	29 613	40 864
Sudan	65 067	95 576	50 863
South Africa	0	935	0
Tanzania	6 500	8 500	20 800
Chad	0	0	0
Uganda	7 023	4 958	8 315
Zambia	4 573	0	0
Zimbabwe	-22	1 523	-54
Regional Africa	16 078	8 668	26 737
Total	419 259	383 766	359 340
Asia			
Afghanistan	199 872	91 737	73 556
Algeria	16 537	1 494	15 679
Bangladesh	-74	307	4 979
Egypt	0	0	250
Philippines	-30	2 228	0
India	27 092	12 028	3 030
Indonesia	9 300	2 950	0
Iraq	30 529	59 226	67 139
Iran	0	0	250
Israel	0	0	0
Jordan	0	500	1 000
Cambodia	4 000	4 105	1 500
China	-487	305	4 147
Korea, North	27 597	31 593	35 040
Kuwait	0	0	750
Laos	-4	0	0
Lebanon	3 256	4 547	3 196
Mongolia	5 145	0	0
Myanmar	4 100	1 739	0
Nepal	0	0	0
Pakistan	0	0	0
Sri Lanka	10 678	8 837	16 906
Syria	0	250	500
Taiwan, Province	0	-54	100

Table A. Reporting requirement 10, expenditure in SEK '000

REGION/COUNTRY	2001	2000	1999
Thailand	19 500	16 424	17 115
Tunisia	0	750	750
Turkey	-138	19 442	8 989
West Bank/Gaza	0	1 872	1 808
East Timor	4 565	19 412	5 368
Regional Asia	17 635	19 140	7 250
Total	379 072	298 831	269 300
Latin Amerika			
Argentina	-7	0	0
Bolivia	0	0	0
Brazil	-56	0	0
Colombia	12 300	13 487	8 120
Ecuador	-19	0	0
El Salvador	12 294	0	158
Guatemala	-13	5 688	16 556
Guyana	0	0	0
Haiti	-19	0	-120
Honduras	127 441	184 346	147 254
Cuba	0	0	4 000
Mexico	600	100	0
Nicaragua	49 851	91 861	46 561
Paraguay	-15	0	0
Peru	1 995	3 270	5 000
Venezuela	0	10 941	0
Regional Latin America	10 122	12 906	14 488
Total	214 475	322 599	242 018
Europe			
Albania	0	-3 382	32 338
Armenia	0	0	1 500
Azerbaijan	-617	0	5 200
Bosnia & Herzegovina	4 089	8 863	7 362
Georgia	0	2 250	3 150
Federal Republic of Yugoslavia	28 849	60 236	65 410
<i>of which Kosovo</i>	<i>7 529</i>	<i>20 433</i>	<i>14 294</i>
<i>Montenegro</i>	<i>0</i>	<i>-11</i>	<i>2 368</i>
<i>Serbia</i>	<i>6 000</i>	<i>9 600</i>	<i>35 998</i>
Croatia	0	818	688
Macedonia	7 679	-3 070	5 500
Slovenia	4 004	2 700	0
Tajikistan	10 050	16 220	10 150
Turkmenistan	9 900	0	0
Regional Europe	4 656	7 477	27 736
Summa	68 610	92 111	159 033
Other countries			
Poland	0	367	6 230
Ryssia	23 348	12 489	500
Regional Central and Eastern Europe	0	900	0
Total	23 348	13 756	6 730
Global	180 299	88 026	51 680
Total	1 285 064	1 199 090	1 088 101

Afghanistan

After September 11, 2001, the humanitarian organisations had to adapt their activities to a situation in which all non-Afghan personnel were obliged to leave the country. At Sida's request, the Government decided to allow Sida to re-allocate SEK 200 million for humanitarian purposes in the light of the crisis. Sida's strategy in this situation was to give priority to contributions for both acute and long-term purposes in Afghanistan, with the effect, for example, that education and mine clearance contributions could continue through organisations with competent and experienced Afghan personnel that were able to be active in Afghanistan, and to permit as large a degree of operational flexibility as possible in an extremely uncertain situation. Experience gained from the autumn's humanitarian activities is that the organisations that based their activities on highly motivated Afghan personnel were able to continue to run their operations despite the intensification of the war.

A report on experience gained from humanitarian assistance to Afghanistan has been submitted to the Government as part of the proposed country strategy.

Angola

Most of the humanitarian support has been granted to the UN's consolidated appeal. Within the framework of this appeal, further grants have been made to the FAO, OCHA, UNDP, UNICEF and WFP for the provision of seeds and farming implements, coordination and security systems, integrated health contri-

butions, primary education and air transportation.

OCHA has assumed an extended role beside its coordinatory function. Among other things, it has taken the initiative to increase strategic planning at provincial and central level, to build up the capacity of Angolan authorities, institutions and NGOs, and to promote an increase in Angolan ownership.

Moreover, further grants have been made to a Norwegian organisation, Norsk Folkehjelp, for humanitarian mine clearance in Malanje province. Mine clearance has made it possible to deliver basic supplies and has improved access to food in the province. Likewise Médecins sans Frontières has received grants for the provincial hospital in Kuito province. The project focuses on giving both displaced persons and the local population access to preventive and curative care. Furthermore, further grants have been given to the International Red Cross Committee for emergency assistance for internal refugees and the local population in Planalto region and to the Swedish Red Cross/Red Cross Federation for capacity development of the Angolan Red Cross.

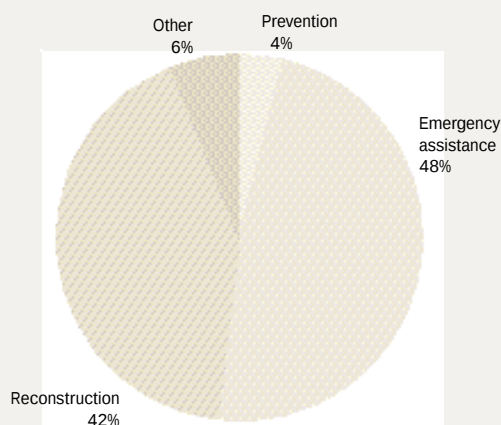
Democratic Republic Congo

All contributions supported by Sida are intended to relieve or eliminate humanitarian problems, in the widest sense of the term, caused by the present conflict in combination with thirty years of misrule.

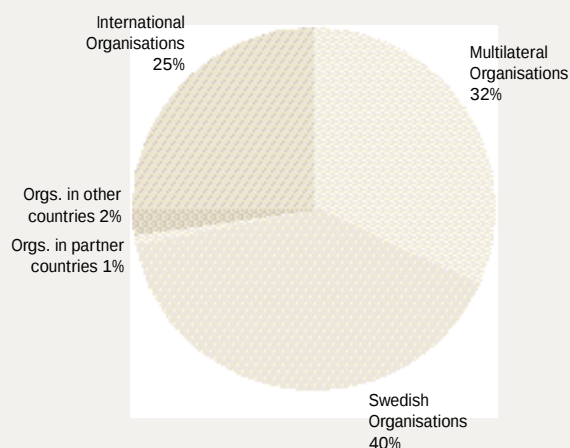
In 2001, Sida granted, for example, SEK 18 million to the UN's activities in Democratic Republic Congo. These funds were allocated to FAO, UNICEF, OCHA,

B. Reporting requirement 10

PURPOSE



CHANNELS



[Picture removed]

Humanitarian assistance to Afghanistan increased in 2001. Sida also submitted its proposal for a country strategy to the Government in December. The proposal contained preparedness for vigorous Swedish participation in the reconstruction programmes under the UN that can take place if good use is made of the potential for peaceful development in Afghanistan

WHO, UNSECOORD, and OHCHR. Sida's support to the FAO has been directed towards people affected by the war in urban and semi-urban areas in order to make it possible for these people to cultivate crops both for their own use and as a means to generate income.

Sida's support to UNICEF was for the demobilisation of child soldiers and their re-adjustment into the community. In 2001, UNICEF's programmes for demobilisation and re-integration of child soldiers also mainly focused on achieving permanent agreements with relevant authorities to prevent the further re-

cruitment of child soldiers. Support and equipment for primary education for vulnerable children affected by the war is another important area where UNICEF worked to keep the schools in operation in 2001.

Sida's support to OCHA has resulted in the opening of four new local offices in the country in addition to the six existing offices.

The lack of security for internationally and nationally recruited humanitarian personnel in the UN and NGOs led to serious incidents during the year. The security situation in Kivu province is extremely precarious and Sweden's support to UNSECOORD has made it possible to establish a safe working climate for both international and national humanitarian personnel.

In 2001 support was also provided for Save the Children's Fund – SCF-UK – and its activities in the eastern part of the country. Where the protection of children and their rights are concerned, SCF-UK provides contributions in health care and peace building activities in the eastern part of the country.

Civil society, in the form of the local Red Cross, churches and local NGOs, is surprisingly strong and consequently has an important role as the implementing partner in humanitarian work. In 2001 support was provided for the International Red Cross Committee (ICRC) and the Red Cross Federation.

Tabell C. Reporting requirement 7, expenditure in SEK '000

	2001
Afghanistan	182 454
Angola	102 162
Bosnia & Herzegovina*	61 504
Ethiopia	78 078
Honduras	138 208
Congo, Democratic Republic	55 974
Nicaragua	67 474
Somalia**	55 247
Sudan**	65 067

* Approximately SEK 4 million humanitarian, other infrastructure

** Special frame decisions

[Picture removed]

Through support to UNICEF, Sida contributed to the demobilisation of child soldiers in Democratic Republic Congo.

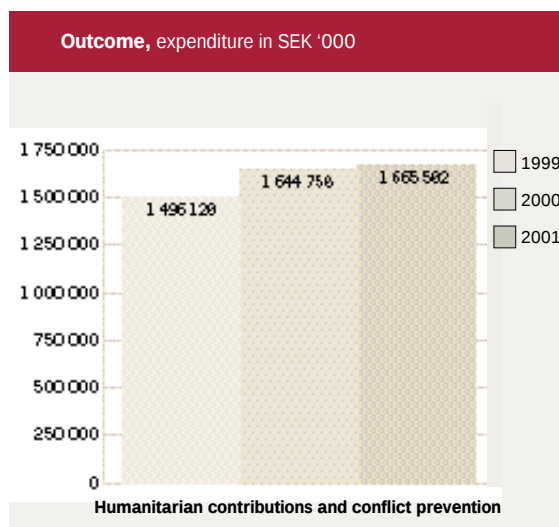
An attempt to start a local peace process in Kivu province, facilitated by the Life and Peace Institute, was also initiated.

Ethiopia

In 2001, the humanitarian situation in Ethiopia was characterised partly by unpredictable weather conditions, which resulted in a large degree of insecurity

where food supplies were concerned, and partly the effects of the conflict with Eritrea. Contributions have mainly focused on relieving the effects of the drought in 1999/2000 and the effects of the armed conflict with Eritrea, where a peace agreement was concluded in December 2000.

During the year Sweden entered into an agreement with the Ethiopian commission for disaster prevention and preparedness (DPPC) with the aim of making food supplies available through local purchases for distribution to people living in the areas affected by drought or areas in which food supplies are extremely precarious. According to the final report, more food was purchased than originally planned. The food was distributed to regional stores where distribution to those affected took place in accordance with the national distribution programme. The contribution also included a certain capacity building effect, since the responsibility for food purchases rested with the DPPC. The final report states that the DPPC had a very positive role throughout the process and has proved to be capable of implementing a project of this size. However, certain measures to improve know-how have been identified. In 2001, Sida decided to extend the agreement and to contribute further funds for the purchase of food.



Moreover, further grants have been given to the International Red Cross Committee and the Swedish Red Cross/Red Cross Federation. With its impartiality, the International Red Cross Committee has played a major role in the movement of deportees between Ethiopia and Eritrea. The work of both the Committee and the Federation on capacity building activities for the Ethiopian Red Cross Society has resulted in a greater commitment, for example where the distribution of food is concerned. Grants have been provided to UN agencies for the distribution of seeds and hoes to displaced persons and farmers affected by the drought, educational activities for children in areas affected by the drought, and water and sanitation activities for those affected both by the drought and the conflict.

Mitch – Honduras, Nicaragua

The infrastructure contributions in the Mitch reconstruction programme are now coming to an end. The contributions were given great praise in the mid-term review of the Mitch programme that was made at the beginning of 2001. The form for procurements that was selected has contributed to rapid execution – particularly when compared to other donors – without any loss of quality. The projects have been followed with the aid of, for example, special consultants, monthly reports and regular quarterly reviews. The contributions have been audited by independent auditors, with good results.

In Honduras, construction work was finalised in 2001 on eight of the agreed eleven bridges (three bridges were completed in 2000), at a total cost of SEK 140 million (total cost of the entire project is more than SEK 380 million). The bridge over Sabá, which was opened in April, is 450 metres long and thereby the longest road bridge in Central America. The Swedish companies engaged for the contribution have attracted attention as a result of their rapid implementation and good quality.

Due to unforeseeable problems with road surfacing, road construction in Nicaragua has been somewhat delayed and it will probably not be possible to finalise construction before the middle of 2002. Five of six bridges in the project have now been taken into operation and two-thirds of the 44-kilometre road is complete. The project has been extended to include protection against erosion on exposed slopes and the road has been improved in densely populated areas with better drainage and street lighting.

Humanitarian contributions and conflict prevention, expenditure in SEK '000

	2001	2000	1999
The five largest partner countries			
Afghanistan	182 454	90 680	73 556
Honduras	138 208	207 092	202 357
Angola	102 162	100 430	73 297
Ethiopia	79 278	12 727	17 909
Nicaragua	74 023	137 687	94 769
Sub-total	576 125	548 615	461 888
Other countries/regions	1 089 457	1 096 143	1 034 240
Total	1 665 582	1 644 758	1 496 128
Administrative costs	14 948	27 629	25 873
Total costs	1 680 530	1 672 387	1 522 001
Instruments			
Project support	36 609	52 283	56 826
Sector programme support	–	–	–
Pers. assist. incl. contract-financed tech. coop.	16 795	1 550	2 571
International training programmes	4 204	3 674	3 501
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	1 586 216	1 575 157	1 419 691
Research	–	–	–
Support to NGOs	21 758	12 093	13 539
Total	1 665 582	1 644 758	1 496 128
Channels			
Multilateral organisations	483 874	458 648	410 069
Swedish NGOs	686 046	730 854	572 367
Organisations in partner countries	116 885	48 554	125 953
Organisations in other countries	51 624	91 052	306 112
International and local NGOs	327 153	315 651	81 627
Total	1 665 582	1 644 758	1 496 128
Total number of contributions	596	696	750
Of which: Agreements >SEK 15 million	46	44	42
Number of new contributions	220	246	350

Combating poverty, per cent of the sub-sector's total expenditure

	Humanitarian contributions and conflict prevention		
	2001	2000	1999
Direct effect	41,2	36,6	27,3
Projects and programmes that include the poor	14,3	19,0	41,6
Indirect effects through policies and institutions	7,6	7,9	10,1
Indirect effects through national support	17,5	23,5	13,9

Non-governmental organisations

This operational area refers to grants to non-governmental organisations financed by appropriation account 7, non-governmental organisations. The objective of the operational area is to promote the development of a vigorous and democratic civil society and to strengthen local partner organisations in developing countries.

GENERAL

Most of this operational area finances development contributions through twelve major Swedish NGOs with which Sida has long-term programmes of cooperation, based on frame agreements that cover several years. Of these frame organisations, five function as channels for grants to small Swedish NGOs. All in all, more than 300 Swedish NGOs have received grants for some 2 000 contributions in more than 100 countries. The contributions are initiated and implemented by the organisations themselves.

The main objective in this operational area is to promote the development of a vigorous and democratic civil society and to strengthen the local partner organisations in developing countries, with an emphasis on building up knowledge and organisational development.

The development cooperation programmes of NGOs with local partner organisations spans a large number of different operational areas. Some NGOs and their partners attempt to exert an influence in normative issues, for example in respect of human rights or children's rights. Others work together with local NGOs that provide direct support to particularly vulnerable or marginalised groups, for example in respect of health or education.

The support through NGOs is considered to play an important role in the reduction of poverty. For poor people, the lack of financial resources is not the only, not always even the greatest, problem. Security, access to health care and education, or the possibility to exert an influence by making their voices heard, are at least equally important. Vigorous, democratic organisations – shaping opinion nationally or locally,

working to improve social services – are accordingly important to reduce poverty.

The individual Swedish NGOs also run extensive information and training activities in Sweden on development questions. This contributes to creating understanding and interest in the situation of developing countries.

The group of frame organisations reflects the different sides of civil society in Sweden. It includes a child rights organisation (Save the Children), solidarity movements (the Africa Groups and Training for Development Assistance), the trade union organisations (LO/TCO Council of International Trade Union Cooperation), the cooperative movement (Swedish Cooperative Centre), the development cooperation organisation of the labour movement (Olof Palme International Center), the disabled movements' development cooperation association (Swedish Organisation of Handicapped International Aid Foundation), and the development cooperation organisations of the Church of Sweden, Diakonia, PMU Interlife and the Swedish Missionary Council. Forum Syd is a cooperation organisation with more than 130 organisations as members. Forum Syd also administers, on behalf of Sida, applications for grants for development cooperation activities from Swedish organisations that are not covered by the other frame organisations.

Methods work, policy changes and human resource development

As part of the ongoing methods programme to find forms to measure the results of support for organisation and capacity building at local partner organisations, a project was finalised during the spring that

[Picture removed]

Taking a blood sample in a health care project in Armenia run by PMU Interlife

had the aim of designing a model for organisational analysis. The model was tested by Sida during the autumn in cooperation with Diakonia when pilot analyses were made of some of Diakonia's local partners in cooperation in Bolivia and India. Experience gained in the field has contributed to certain revisions of the model.

In its letter of appropriations for 2001, Sida was instructed to draw up criteria for the selection of frame organisations. A proposal in respect of these criteria was drawn up during the autumn.

The result will be the subject of discussion with relevant Swedish NGOs, after which the criteria will be finally approved by Sida in 2002. As a result of this work, new frame organisations can eventually be added to the group of frame organisations. In connection with the work of producing criteria, Sida has commissioned a number of studies that have related to the role of development cooperation in the growth of civil society in the South, cooperation between the state and NGOs in international development cooperation, and trends in civil society in Sweden. A semi-

nar on these studies was held in the spring with representatives of Swedish NGOs.

In May 2001, the Government decided to establish a training institute in Härnösand that would be attached organisationally to Sida's Department for Cooperation with NGOs and Humanitarian Assistance, SEKA. This led to intensive efforts to find forms for the content and management of its work. The institute shall focus on the role of civil society in development issues and its work shall be mostly directed towards Swedish organisations and popular movements.

In 2000, Sida tested possibilities and methods for extending participation in international exchange activities. As a consequence, Sida drew up new guidelines for exchange activities with Sida grants. The support for exchange activities is primarily directed towards groups and individuals other than those that are already active in Swedish development cooperation.

To extend points of contact between Sweden and countries in Asia, Sida arranged a conference in Au-

Support through NGOs, in SEK '000

Approved grants to frame organisations 2001

Forum Syd	122 000
LO/TCO Council of International Trade Union Cooperation	62 000
Olof Palme International Center	32 500
PMU Interlife	96 500
Swedish Save the Children Federation	105 000
Church of Sweden	70 886
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	26 200
Swedish Missionary Council	115 000
Swedish Cooperative Centre	60 000
Training for Development Assistance	13 357
Africa Groups of Sweden	25 500
Diakonia	65 000
Total	793 943

Non-requisitioned funds for 2001 -3 300

Repayment of previous years' grants -23 784

Other programmes

Information programmes via study associations etc	87 792
Support to youth organisations	8 100
Support to International organisations, seminars, studies etc	10 791
Other programmes, audits etc	2 911
Total	876 453

Non Governmental Organisations, number of foreign partners in cooperation and Swedish organisations included in the frame organisations' operations

	Foreign partners in cooperation	Swedish organisations
LO/TCO	238	32
Swedish Cooperative Centre	83	0
Training for Development Assistance	71	24
Church of Sweden	13	0
Swedish Missionary Council	201	35
Africa Groups of Sweden	58	0
PMU Interlife	66	94
Swedish Org. of Handicapped Int. Aid Found. (SHIA)	72	23
Forum Syd	214	173
Olof Palme International Center	70	67
Diakonia	278	0
Swedish Save the Children Federation	250	0

Non Governmental Organisations, percentage allocation to organisation development

Proportion of the grants approved for the frame organisations that was allocated to organisation development	2001	2000	1999
Organisation development, principal objective	21%	21%	19%
Organisation development, significant objective	23%	21%	12%

Reporting requirement 1, expenditure in SEK '000

2001

Breakdown by sector

Human rights and democratic governance	161 227
Social sectors	223 122
Infrastructure, private sector development and urban development	31 110
Natural resources	69 524
Information programmes in Sweden	87 723
Other	303 260
Total	875 967

gust on the theme of the role of NGOs in communities in transition. Delegates from 75 Asian and 75 Swedish organisations participated. The conference was part of the implementation of the Swedish Asian strategy for the 2000s, the Future with Asia. In connection with the conference, study visits were arranged for the Asian delegates to ten places in Sweden to enable them to obtain a picture of the work of Swedish popular movements at local level. The conference resulted in new contacts between Asia and Sweden and wishes were expressed that a similar follow-up conference should be held in Asia.

New instructions for the information work of NGOs with grants from Sida were drawn up during the year. These take into account, to a greater extent than the former instructions, the specific roles of NGOs in information and training activities in Sweden.

Analysis of outcome

The appropriation item has a high utilisation of funds. In 2001, use was made of 99 per cent of the funds available.

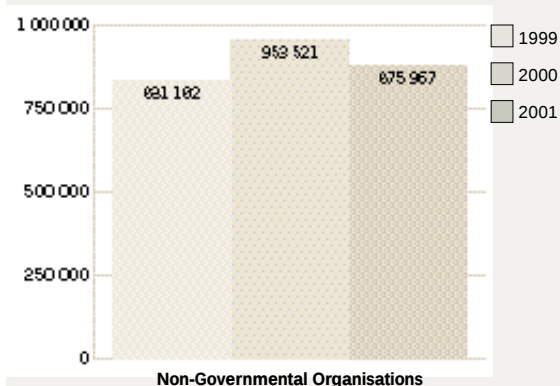
The largest proportion of the support through NGOs is channelled to Africa, where a considerable increase in support to Tanzania can be noted. However, South Africa was, as in previous years, the largest partner country, now followed by Tanzania.

A sector breakdown shows a continuation of the shift from education, the traditionally largest sector, towards contributions with a focus on human rights and democracy.

REPORTING REQUIREMENTS

1. The report on the activities of NGOs shall include a breakdown of the grants to frame organisations, sectors

Outcome, expenditure in SEK '000



and countries, and the number of foreign partners in cooperation per frame organisation. Where relevant, the number of Swedish organisations included in the activities shall be reported.

- Sida shall report and assess the result of the evaluations and capacity studies and systems audits made by Sida. During the year Sida commissioned a systems audit of the LO/TCO Council of International Trade Union Cooperation

Among other things, the audit indicated shortcomings in respect of contract arrangements, the involvement of the member organisations and in multilateral activities, as well as in the forms for the calculation of the organisation's own contributions. However, the consultant stated in his report that despite these shortcomings in the management and control systems, the activities function well. Sida is of the opinion that the plan of action drawn up by LO/TCO has been well worked out and is relevant for the actions that shall be taken as a result of the systems audit.

- In respect of support to the information activities of NGOs, Sida shall report the number of approved information grants.

During the year just under SEK 88 million was disbursed to 31 organisations for information in Sweden on development issues. A total of 32 grants have been provided, of which 30 were in the form of programme grants, and two in the form of cooperation grants.

Non Governmental Organisations, expenditure in SEK '000

	2001	2000	1999
The five largest partner countries			
South Africa	38 187	37 401	36 897
Tanzania	33 893	21 923	20 844
Bangladesh	25 491	25 414	22 544
India	23 482	20 656	20 344
Zimbabwe	21 090	21 448	16 624
Sub-total	142 143	126 842	117 253
Other countries/regions	733 824	826 679	713 929
Total	875 967	953 521	831 182
Administrative costs	28 617	10 283	12 085
Total costs	904 584	963 804	843 268
Instruments			
Project support	33 221	5 673	4 777
Sector programme support	–	–	–
Pers. assist. incl. contract-financed tech. coop.	–	–	–
International training programmes	0	0	117
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	842 746	947 848	826 289
Total	875 967	953 521	831 182
Channels			
Multilateral organisations	–	–	–
Swedish NGOs	848 510	949 798	830 032
Organisations in partner countries	25 500	333	0
Organisations in other countries	1 575	2 439	480
International and local NGOs	382	950	670
Total	875 967	953 521	831 182
Total number of contributions	121	119	93
Of which: Agreements >SEK 15 million	3	4	5
Number of new contributions	61	69	44

Combating poverty, per cent of the sub-sector's total expenditure

	Humanitarian contributions and conflict prevention		
	2001	2000	1999
Direct effect	31,2	31,3	43,6
Projects and programmes that include the poor	54,1	47,4	37,4
Indirect effects through policies and institutions	–0,1	10,7	7,3
Indirect effects through national support	10,1	9,5	10,6

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 to increase interest in and knowledge of development cooperation and to promote debate on development issues. The objective of recruitment, resource base development and training is to work actively to increase the numbers of qualified Swedish personnel in those international organisations given priority, and to extend, train and increase the use of the Swedish resource base in bilateral and multilateral development cooperation.

INFORMATION ACTIVITIES

General, results analysis and evaluations

Poverty issues have been given greater prominence in information to the general public. The point of departure is the internationally adopted Millennium Objective – to halve the number of poor people in the world by 2015. The theme of the year's information campaign has been the role of education in reducing poverty.

In October the information campaign reached its zenith with a conference on World Poverty day. The conference was reported on in the daily press and on tv and radio. A total of some two million media consumers were reached by the campaign.

Information was also spread via advertisements on tv4, supplements in the daily press, and a web-site – www.rikedom.nu. Poverty reduction was also given prominence in the further education of teachers and in responses to the questions of the general public.

Follow-up measurements show that the campaign was effective. Of those asked, 44 per cent had noted the information. The proportion of Swedes who give priority to the role of education in reducing poverty has increased from 33 to 38 per cent.

The work of increasing knowledge of development issues and development cooperation among young people was mainly done through training programmes for teachers and school leaders. The activities included further education programmes,

that attracted hundreds of teachers from the entire country, and study visits to partner countries.

Contributions directed towards young people were made in the form of theme days at schools – Host to the World – and Zenit, an interactive game where, during the year, some 10 000 upper secondary school students learned more about development cooperation. Moreover, Sida in cooperation with the youth association of the Swedish Red Cross, supported a programme for young people that was broadcast on tv4.

The development of Sida's web-site continued. It is becoming a central channel for information purposes. A number of translations were made in order to make the English web-site reflect the Swedish web-site. During the autumn, a better statistical function was installed. It showed that the home page reached almost 100 000 unique visitors during the fourth quarter of the year.

Questions to Sida's Information Centre increased by 25 per cent compared to 2000. In total more than 31 000 questions were answered via e-mail, by telephone and at the Centre.

Methods work, policy changes and human resource development

During the year, a new communications policy for Sida was produced. It includes all Sida's work with communications, both the implementation of Sida's information assignment and the communications of

Sida's departments and embassies with partners and potential partners. During the year, Information Department assisted eight departments and six embassies in their work of producing their own communications plans.

REPORTING REQUIREMENTS

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

Slightly less than 3 000 respondents in the Sifo survey indicated that the will to provide development cooperation is still high, 84 per cent consider that it is important that Sweden contributes to development in the developing countries. This is the same result as last year. (In 1999 the figure was 83 per cent.)

At the same time, 68 per cent of the Swedish people believe that no improvements have been made in developing countries during the last 30 years, compared with 70 per cent in 2000 and 65 per cent in 1999. Since 1998, the proportion of Swedes who do not believe that any improvements have taken place has increased by ten percentage points. Where this question is concerned, there is a pronounced difference between groups with different educational backgrounds. Among the highly educated the belief that improvements have been made is much more unusual.

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.

Over the years, there have been considerable fluctuations in respect of the views on the regions with which Sweden should have programmes of development cooperation. In the first survey made in 1998, highest priority was given to the Baltic Sea region. Since then, there has been a clear trend that priority should primarily be given to Africa, but Asia and Latin America are also receiving higher priority. In the last three years, those who want to give priority to Africa has increased from 28 to 44 per cent. During the same time those wanting to give priority to the Baltic Sea region decreased from 47 to 30 per cent.

Statistics Sweden's survey on the opinion of the general public on the size of the development cooperation appropriation shows that support has increased since 1996. The proportion that consider that the appropriation is of the right size or should be increased grew to 62 per cent in 2001. In 2000 the corresponding figure was 60 per cent. In-depth studies indicate a relationship between economic expectations and the will to provide support, at least if the questions are placed in relation to the amount of money that should

be allocated to development cooperation. When more people believe that their own private economy will improve, the will to provide development cooperation also increases, and vice versa.

Sida has also measured the opinion of Swedes on the international objectives of the reduction of poverty. A very large majority, 93 per cent, feel that it is important, or very important, that Sweden makes efforts to ensure that the objectives are achieved. Some 78 per cent state that they are prepared to contribute to achieve the objectives. But even if there is massive support for the achievement of the objectives, optimism is very small. Only 14 per cent believe that the objectives will be achieved.

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

See table A.

MULTILATERAL AND BILATERAL RECRUITMENT AND HUMAN RESOURCE DEVELOPMENT

General

During the year bilateral associate experts were recruited for 14 new posts. This is an increase of 50 per cent on previous years.

Tabell A. Information programmes broken down by target group and channel, SEK '000

Target groups	
General public	29 945
Schools and young people	14 720
Trade and industry	302
Universities	329
Journalists	1 467
Development organisations	1 918
Others	826
Total	49 507
Channels	
Information Centre	3 666
Printed materials	4 720
Newsletter (Globala Affärer)	302
Seminars	1 759
Sida's website	2 457
Public opinion surveys	679
NGOs	400
Mass media	1 467
Periodical (OmVärlden)	4 431
Newspaper supplements and adverts (incl. prod.)	11 558
Events	130
Contact activities	17 938
Total	49 507

An exchange programme, Linnaeus-Palme, started in 2001, after applications had been submitted in 2001. The International Programme Office administers Linnaeus-Palme and, during the year, Sida and the Office concluded an agreement under which the Office shall also administer the Programme for Minor Field Studies (MFS) for a trial period. Three universities have been given MFS scholarships on a trial basis.

The human resource development programme that is directed towards Swedish organisations/individuals was intensified in 2001 and is increasingly focusing on specially adapted programmes that were arranged for government agencies, among others. A basic course has been developed which has a duration of two and a half days. The course contains points such as "This is Sida", capacity development, LFA, and administrative advice in respect of contracts, budgets and reports. The course will be offered on a continuous basis to new Swedish parties. It will focus on those areas that concern methods in development cooperation such as LFA and capacity development.

The courses for JPOs/BBES were reduced from ten days to five during the autumn.

A new exchange programme, which has the aim of extending exchanges for internationalisation, was started by Sida and a number of frame organisations. Two new parties have joined the group: the National Board for Youth Affairs and the Swedish Association of Local Authorities. The programme will run for a trial period of three years.

During the year Sida engaged so-called focal points for UN agencies as well as the management groups in Sida's departments in the strategic planning of Junior Professional Officers (JPOs). The JPO

instrument still constitutes the largest resource base programme. It has a budget of more than SEK 80 million and over one hundred employees.

Operations at Sida-Sandö were gradually reduced and phased out entirely on December 31, 2001.

Evaluations

During the year, a contribution consisting of eight BBES (bilateral associate experts) working in the human rights field in Latin America for two years came to an end. An evaluation was made and the results were positive. This has the effect that a further contribution will be made in this field.

Analysis and description of the problems

The programme for young consultants has not been utilised as much as expected, despite revisions of guidelines and several information campaigns. One reason can be that consulting firms consider that the level of payment is too low. A certain part of the cost of the young consultants is to be paid by their employers. This is important in order to retain quality in the programme. The level of payments has now been increased.

The UN system is the largest target group for recruitment. It consists of a number of agencies that have their own routines, rules and policies for recruitment. This means that all agencies must be treated individually where recruitment initiatives are concerned.

Methods, policy changes and human resource development

On January 1, 2001, Sida formed a group to strengthen the recruitment to the UN and other priority organisations and started to produce a specific strategy for these activities.

Trends in the JPO programme, broken down by organisation

	2001	2000	1999
FAO	7	7	6
UN Secretariat	7	6	5
ILO	9	9	8
UNAIDS	3	3	4
UNDP	21	22	19
Unesco	3	3	4
UNHCR	9	10	13
UNOPS	2	4	5
UNDCP	6	6	6
Unicef	11	9	3
WHO	2	2	3
WFP	8	8	7
EU	5	4	0
Other organisations	34	29	26
Total	127	122	109

Bilateral Associate Experts, expenditure in 2001 (SEK '000)

Embassies	10 708
Contract employees	3 475
Consultants	9 458
Consultants*	1 078
Total	24 719

* Delegated for a human rights contribution

The trainee programme "Young consultants"

Country	Operational area	Number
Laos	Industry	1
Morocco	Industry	1
Sri Lanka	Industry	2
South Africa	Courses	1
Total		5

The programme for young consultants was revised during the year and now also includes government agencies and institutions in addition to the original private companies. The level of payment has also been increased. A number of information campaigns on the programme have been implemented during the year.

REPORTING REQUIREMENTS

3. *Where multilateral recruitment is concerned, Sida shall report the number of recruitments (including outcome) 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 123 recruitment initiatives were made at intermediate post level. Of these 24 were formerly JPOs. In 45 cases the candidatures were still being monitored. The agencies that have been the subject of most initiatives are FAO (14), World Bank incl. IFC (12), ICTY (11), UNFPA (11), UN Secretariat (12), UNDP (13).

During the year, eleven JPOs were recruited, compared to 25 in 2000. New JPO agreements were concluded with several international organisations during the year. Ten persons obtained positions with the UN after serving as JPOs. A further eight persons were given short-term contracts.

A follow-up of recruitments has shown very good results for the JPO programme in the EU, with the exception of one case at the Delegation in Colombia where the post was withdrawn.

32 per cent of the JPOs serve at headquarters and 68 per cent at field offices.

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 MFS (Minor Field Studies), the Linnaeus-Palme scholarship programme and practical training at international organisations are concerned, the number of scholarships and the breakdown by continent/organisation, sex and sector shall be reported.*

The total cost of the young consultant programme was SEK 1 035 000.

[Picture removed]

Minor Field Study (MFS), broken down by continent, school and gender

Continent	
Africa	213
Asia	170
Latin America	126
Total	509
Number of women:	363
Number of men:	146
University/University College	
Blekinge Technical College	9
Chalmers College of Technology	6
Gothenburg University	63
Stockholm School of Economics	8
Dalarna University College	5
Halmstad University	18
Jönköping University	11
University College of Kalmar	2
Kristianstad University College	10
University College of Malmö	9
University of South Stockholm	5
Mid-Sweden University College	6
Karolinska Institute	8
Univ. College of Arts, Crafts and Design	6
Karlstad University	11
Royal College of Technology	45
Linköping University	30
Luleå University of Technology	5
Lund College of technology	4
Lund University	35
Swed. Univ. of Agricultural Sciences	42
Stockholm University	33
SWEDMAR/National Board of Fisheries	3
Umeå University	41
Uppsala University	80
Växjö University	8
University of Örebro	6
Total	509

Linnaeus-Palme, broken down by continent, school and subject area

Continent	
Africa	44
Asia and Oceania	43
Latin America	30
Europe	2
Total	119
University/University College	
Chalmers College of Technology	1
Gothenburg University	11
College of Health in Jönköping	4
Dalarna University College	2
University College of Borås	1
University of Gävle	3
University College of Jönköping	5
Kristianstad University College	5
University College in Karlskrona/Ronneby	1
University of Karlstad	5
Karolinska Institute	11
Univ. College of Arts, Crafts and Design	1
Royal College of Fine Arts	1
Royal College of Technology	1
Linköping University	13
Lund University	9
Stockholm Institute of Education	4
University College of Malmö	5
University College of Mälardalen	2
Red Cross College	1
Stockholm University	6
Swed. Univ. of Agricultural Sciences	2
University College of South Stockholm	1
Umeå University	11
Uppsala University	6
Växjö University	2
University of Örebro	5
Total	119
Subject area	
Agricultural sciences	2
Art, design	3
Accounting, management	5
Education, teacher training	15
Engineering sciences, technology	11
Geography, geology	3
Humanities	3
Languages	2
Law	2
Medicine, health care	34
Natural sciences	13
Social sciences	24
Communication and info.science	1
Other study areas	1
Total	119

With the aid of its magazine "Omvärlden", Sida wishes to contribute to the debate in Sweden on development cooperation.

Other operational areas: Reporting requirement 3, 4 and 5 on the operations of the International Recruitment and Training Division (RIU).

	Number recruited/trained			Participant days			Reporting requirement
	2001	2000	1999	2001	2000	1999	
International recruitment							
National experts	6	2	4	–	–	–	
Election observation programmes	105	164	97	288**	332	194	3,5
HR/Democracy	36	54	81	65**	67	164	3,5
Intermediate level*	10	7	1	–	–	–	3,5
Exchange, scholarship-, and recruitment programmes							
MFS programme	509	508	528	1 344	1 524	1 584	4,5
Trainee programme	136	121	109				4
Linneus/Palme	119			–			4
JPO programme	11	25	94	69	445	833	3,5
EU-JPO		5					3
BBE programme	14	9	20	138	126	220	4,5
Young consultants	5	5		22	13		4,5
International Development Cooperation	82	30	55	317	1 800	3 300	5
Short Courses	69	123	150	291	1 295	1 530	5
Debriefing seminars	2	3	0	56	48	0	5
Project and Field Support							
Method courses				756	0	0	5
Overseas posting course (NGO)	85	85	70	1 275	2 125	1 750	5
Language training	160	200	294	2 270	3 000	4 406	5
Consultant courses				0	37	101	5
Contract employees	3	5	5	20	11	20	3,5
Total	1 352	1 346	1 508	6 911	10 823	14 102	

Not: The different recruitment programmes constitute their own educational area

* 3 are former JPOs in 2000, 10 in 2001.

** Including debriefing seminars.

5. Sida shall report on training activities per training area and number of participant days in respect of resource base development regardless of source of financing.
6. Sida shall 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 distinguished.

Analysis of outcome

The outcome for recruitment has increased, mainly due to the fact that the focus on both JPOs and BBES, as well as the new scholarship programme Linnaeus-Palme, continued and was extended. The considerable increase in the operational area is due to the fact that Sida has taken over the responsibility for some of the annual grants to UN agencies from the Ministry for Foreign Affairs.

Reporting requirement 6, expenditure in SEK '000

Annual grants to UN organisations	2001	2000	1999
UNAIDS	47 000	–	–
UNDCP	38 500	–	–
UNDP	795 000	–	–
Unicef	297 000	–	–
Total	1 177 500	0	0
Other grants*	186 487	184 363	116 813
Total	1 363 987	184 363	116 813

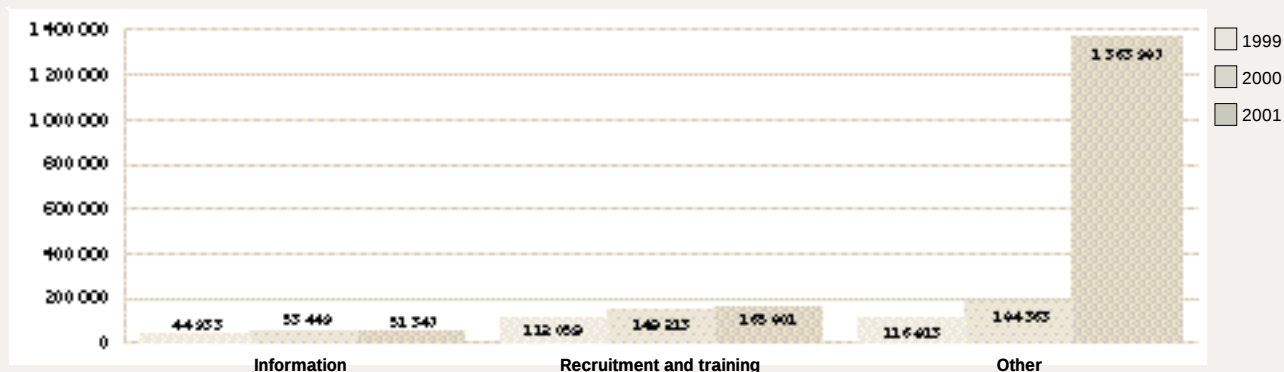
* Studies, seminars, evaluations, consultant studies and some services financed by the development cooperation appropriation.

[Picture removed]

Children's dreams of the future are presented on the web-site www.rikedom.nu. On this site children from all over the world visualise their dreams of, for example, jobs with their own pictures. The site was launched in connection with a Sida conference on World Poverty Day in October.

Other Operational Areas, expenditure in SEK '000			
	2001	2000	1999
Information	51 347	53 449	44 933
Recruitment	165 801	149 213	112 059
Other operational areas, excl. annual grants to UN agencies	186 487	184 363	116 813
Sub-total	403 636	387 026	273 805
Annual grants to UN agencies	1 177 500	–	–
Total	1 581 136	387 026	273 805
Administrative costs	119 230	105 511	112 105
Total costs	1 700 366	492 537	385 910
Instruments			
Project support	1 435 979	227 982	144 764
Sector programme support	9 586	2 133	15 019
Pers. assist. incl. contract-financed tech. coop.	128 713	132 055	100 662
International training programmes	3 014	3 233	4 932
Credits	0	20 000	0
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	3 844	1 623	8 429
Total	1 581 136	387 026	273 805
Channels			
Multilateral organisations	1 369 938	166 363	100 634
Swedish NGOs	154 139	185 980	148 919
Organisations in partner countries	28 787	24 161	7 406
Organisations in other countries	25 870	8 935	13 270
International and local NGOs	2 402	1 586	3 576
Total	1 581 136	387 026	273 805
Total number of contributions	438	484	406
<i>Of which: Agreements >SEK 15 million</i>	<i>24</i>	<i>15</i>	<i>10</i>
<i>Number of new contributions</i>	<i>160</i>	<i>202</i>	<i>162</i>

Outcome, expenditure SEK '000



Overview of cooperation with regions

A report is provided below on the most important changes in Sida's working environment and how international development cooperation has changed, region by region. The outcome, region by region, is shown in the tables. As can be seen, Sida has administered a growing volume of development cooperation during the last three years, from SEK 7.8 billion in 1999 to SEK 11.4 billion in 2001. The rate of implementation is high. The outcome for 2001 lies very close to the ceiling on expenditure.

Development cooperation with Africa has not increased as estimated, largely due to the unstable and difficult environment. As can be seen from the tables, the volume of development cooperation has expanded without a corresponding increase in the number of contributions, which has been an expressed ambition. The profile of the countries is more or less unchanged. Countries in which there was an increase in development cooperation in 2001 include Afghanistan, Nepal and Cambodia, while there was a decrease in Tanzania, Honduras and Nicaragua.

As can be seen in the section below, development cooperation often operates in an unstable environment of conflicts and crises which, in different ways, leave their impression on programmes of development cooperation. Afghanistan, West Bank/Gaza, Zimbabwe, the Balkans and Colombia are just a few examples of countries/regions where development cooperation is intimately linked to events that had a high position on the international agenda last year.

One feature of development cooperation that has been of growing importance in several regions is the production of poverty strategies by an increasing number of countries within the framework of the Heavily Indebted Poor Countries (HIPC) initiative. These strategies are important instruments in the ambition to secure national ownership, to improve donor coordination and, naturally, to establish more effective policies to combat poverty. In several countries, budget support is now an instrument linked to the implementation of these poverty strategies.

Overview of the regions, expenditure in SEK million, per cent of outcome and number of contributions

	2001			2000			1999			2001	2000	1999
	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	No. of contr.	No. of contr.	No. of contr.
International development cooperation												
Africa	3 683	3 515	34	3 757	3 574	38	3 063	2 894	37	2 085	2 177	2 219
Asia	2 523	2 416	24	2 299	2 195	23	1 716	1 616	21	977	1 089	1 066
Latin America	1 466	1 407	14	1 547	1 480	16	1 409	1 361	17	500	452	397
Europe	938	908	9	716	690	7	609	583	7	710	759	800
Globally excl. annual grants to UN agencies*	1 954	1 855	20	1 648	1 591	17	1 469	1 364	17	1 309	1 286	1 208
Total	10 565	10 100	100	9 966	9 529	100	8 266	7 818	100	5 581	5 763	5 690
Annual grants to UN agencies	1 338	1 338	–	–	–	–	–	–	–	5	–	–
Total incl. annual grants UN agencies	11 903	11 437	100	9 966	9 529	100	8 266	7 818	100	5 585	5 763	5 690
Total number of contributions**										5 476	5 644	5 580

* Annual grants to UN agencies, of which SEK 160 million to UNFPA, and SEK 1775.5 million to UNDP, UNICEF, UNDCP and UNAIDS.

** Shows the total of the actual 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 above.

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

	Utfall			Antal insatser		
	2001	2000	1999	2001	2000	1999
Tanzania	482	580	364	245	246	255
Mozambique	434	423	402	218	199	196
Vietnam	354	339	255	178	228	212
Honduras	307	385	253	107	96	84
Uganda	303	207	167	108	104	91
Bosnia & Herzegovina	296	215	206	130	137	151
Bangladesh	292	292	202	67	85	91
South Africa	267	297	335	263	314	335
Nicaragua	230	293	291	138	162	193
West Bank/Gaza	224	296	202	121	121	123
Afghanistan	211	104	85	84	66	74
Bolivia	207	170	107	22	24	27
Ethiopia	202	189	155	130	131	133
Sri Lanka	188	152	115	62	74	60
Kosovo*	177	202	85	78	67	40
Zambia	176	173	119	108	106	109
Cambodia	175	154	62	70	67	69
Nepal	141	11	8	12	13	13
Kenya	140	130	94	63	111	101
Angola	138	157	136	61	50	63
Total	4 944	4 770	3 642	2 265	2 401	2 420

* Federal Republic of Yugoslavia

Africa

OVERALL REPORT

The overall perspective of development cooperation with Africa is governed by the Government paper, which places partnership in focus.

Extensive African plans with an emphasis on poverty reduction, conflict resolution and democratic governance were presented during the year. During the OAU's summit meeting in Lusaka in July, a synthesis of the plans was presented in the form of: "New Partnership for Africa's Development" (NEPAD). In the spring, Sweden gave its support to the initiative, as did the other Nordic countries. This is the first time a comprehensive plan of this type has been produced in Africa, on an African initiative, and with clear ownership on the part of the African leaders.

The Poverty Reduction Strategies (PRSP) of the partner countries are now an increasingly important starting point for Sida's development cooperation. Within the framework of the Strategic Partnership for Africa (SPA), Sida has co-financed a study of the institutionalisation of the PRSP process in eight African countries. Several partner countries are in the process of producing poverty strategies and will also soon reach the final point in the extended international debt relief initiative, HIPC-2. In 2001 Mozambique's PRSP was finalised. The country also reached the final point in HIPC-2, as did Tanzania. After Uganda, Mozambique was the second country and Tanzania the third to reach the final point. The cancellation of debts releases public resources that can be used to reduce poverty. Since several of the countries have achieved a manageable level of debt, the Swedish support for debt relief has been transformed into budget support.

Development cooperation with West Africa is growing and mainly focuses on Burkina Faso, Mali and Guinea Bissau. Cooperation is still in the initial phase. Sida's presence in the field increased during the year and several studies and visits were made to survey different areas and conditions for support in the future.

In June 2001, a cooperation agreement was concluded between Sweden and Norway on development cooperation with Malawi. The agreement specifies the forms in which Swedish support can be channelled via Norad. Cooperation has the aim of facilitating Malawi's efforts to achieve donor coordination, and the efficient use of the expertise and administrative resources possessed by Sida and Norad.

In January 2001, the Swedish Government decided to reduce the volume of Swedish development cooperation with Zimbabwe. There had been a serious deterioration in respect for human rights and observance of the principles of rule of law in Zimbabwe, as well as in the country's economic policy. The decision had the effect that support was reduced by almost 50 per cent. Cooperation with the Zimbabwean government was broken off entirely. The remaining development cooperation focuses on promoting democratic development and respect for human rights and on contributing to containing the spread and effects of the HIV/AIDS epidemic. This cooperation is taking place via NGOs and UN agencies.

The reconciliation process in Rwanda has been intensified. Local elections were held during the year and were assessed to be free and fair. The country is in the final phase of drawing up its poverty strategy (PRSP). The positive developments in the country have permitted the termination of humanitarian contributions in favour of programmes of long-term development cooperation. In a similar way, the peace agreement between Ethiopia and Eritrea has made it possible to resume development cooperation.

In recent years, questions concerning the digital gap have been raised in a number of international contexts. In several countries, extensive IT initiatives are taking place, for example Internet support to secondary schools in Namibia. Support is given to a voluntary organisation, Schoolnet, which supplies Namibian schools with computer equipment. The aim is to make it possible to improve education, the acquisition of information, and co-determination.

[Picture removed]

Returning refugees. The peace agreement between Ethiopia and Eritrea made possible the resumption of Swedish support.

Analysis of outcome

The volume of development cooperation remained at more or less the same level as in 2000. However, certain changes can be discerned in the tables. Disbursements to Tanzania decreased by SEK 100 million in comparison with 2000. This change is primarily due to the fact that support for economic reforms was not disbursed in 1999. This support was disbursed in 2000 together with the support for that year, i.e. a total of SEK 160 million was disbursed in 2000, while the planned SEK 80 million was disbursed in 2001. Support to Uganda increased by almost SEK 100 million compared to 2000. The entire increase was in the operational area "Infrastructure, Private Sector Development, Urban Development and Financial Systems". Support to Namibia reached a peak in 2000. Considerably lower disbursements were made in 1999 and 2001. The reason for this was the reduction in the operational area "Infrastructure" in 2000. Under the operational areas, a gradual increase in volume can be discerned in the area of Democratic Governance and Human Rights. This increase is in line with Sida's action programme for development cooperation with

Africa. If a breakdown is made by country, a large increase in this operational area can be seen in Mozambique, where the focus is on support to the public administration. Where the forms of support are concerned, a pronounced increase of sector programme support is evident, which is in line with Sida's policy and the action programme for Africa. Where credits in Africa are concerned, there has been a decline as a result of Sida's policy of not disbursing credits to countries that, according to the HIPC initiative, have an unsustainable debt burden. The number of contributions over SEK 15 million increased and the number of new contributions decreased, in accordance with the intentions expressed in the strategic plan.

Sida's analysis and description of problems

A number of positive processes are therefore taking place. At the same time, there are many problems and these have a negative effect on development cooperation with the continent. Poverty, war, conflicts and HIV/AIDS are examples of factors that destabilise development. Approximately half of the population of Africa live in extreme poverty, or on

[Picture removed]

Namibian schoolchildren. Sida is supporting the use of computers in schools in Namibia.

less than one US dollar per day. No other continent has such a large proportion of poor people. Poverty is also reflected in the problems relating to capacity and resources, for example in the public administrations. Sida wants to give most support to the poorest continent, but the conditions are difficult and the scope for action is limited. This is where the great challenge lies. All the same, development cooperation shows good results and is able to play an important role in strengthening and supporting reforms and positive forces in the partner countries.

However, the accelerating HIV/AIDS epidemic is making efforts to reduce poverty difficult, both for the partner countries and for Sweden and other donors. The epidemic has resulted in considerable demographic changes. Life expectancy and population growth will decrease. There is a risk that the population pyramid will change shape, with a sharp decline in the number of people of productive age: 15-40 years. Both these factors indicate an increase in the obstacles to poverty reduction. UNDP calculates that HIV/AIDS will reduce GNP growth by one per-

centage point per year for the next 15 to 25 years. The effects are most evident in the medium and long term.

Development in many countries is hindered by internal armed conflicts and/or wars between states, which stand in the way of long-term development cooperation. The situation in Zimbabwe has had a negative effect on, for example, the readiness of investors to make investments and thereby on development in the country, as well as in neighbouring countries. The hostilities in Angola continued during the year and a majority of the people there are living under disastrous conditions. Approximately one-third of the population of Angola are internally displaced persons. For this reason Sida has continued to provide mainly humanitarian assistance.

However, the security situation in the Great Lakes has gradually improved, even if it is still a long way from being stable. After Joseph Kabila took power, efforts to bring about peace have had a more prominent role in Democratic Republic Congo. Swedish support has continued to focus on

[Picture removed]

A mother and her children gutting fish in Lake Malawi. In June, Sweden and Norway concluded a cooperation agreement on development cooperation with Malawi.

humanitarian contributions to relieve the effects of the conflict on the civil population. If the efforts to bring about peace lead to a peaceful solution, there will be new opportunities for long-term development cooperation. However, new threats can arise in the hunt for terrorists and their networks on the African continent.

At the same time the political reform process in Africa is making considerable advances. Military coups, authoritarian regimes and one-party systems are being increasingly replaced by general elections, democratic governance, parliamentary assemblies and openness. The process of transition is not without problems or conflicts but, in several countries, the emergence of a civil society has increased awareness of civil rights and privileges. Development cooperation has the best results in countries that pursue policies that promote development and this is why the political reform process also provides hope for development cooperation.

Africa			
Cooperation in			
The ten largest partner countries	2001	2000	1999
Tanzania	481 573	580 211	363 832
Mozambique	434 239	423 324	401 988
Uganda	302 920	207 461	166 652
South Africa	267 360	297 183	334 618
Ethiopia	201 742	189 118	155 487
Zambia	175 951	173 034	118 737
Kenya	140 025	129 810	93 797
Angola	137 983	156 660	135 688
Namibia	88 454	192 293	70 644
Rwanda	87 105	132 928	111 852
Sub-total	2 317 354	2 482 024	1 953 295
Other countries/regions	1 197 691	1 091 628	940 762
Total	3 515 045	3 573 652	2 894 057
Administrative costs	168 350	183 578	198 437
Total costs	3 683 395	3 757 230	3 092 494
Operational areas			
Democratic governance and human rights	444 557	426 877	385 477
Social sectors	570 219	498 313	505 242
Infrastructure, private sector development, urban development and financial systems	582 836	766 450	506 873
Natural resources	335 201	263 888	253 978
Economic reforms	355 000	430 000	214 927
Research cooperation	278 048	231 493	215 760
Humanitarian assistance and conflict prevention	556 949	526 686	456 032
Non-Governmental Organisations	301 884	348 952	310 831
Other operational areas	90 349	80 993	44 936
Total	3 515 045	3 573 652	2 894 057
Instruments			
Project support	1 430 954	1 490 111	1 438 242
Sector programme support	377 189	217 534	119 886
Pers. assist. incl. contract-financed tech. coop.	32 465	81 465	51 427
International training programmes	21 186	8 610	23 320
Credits	97 093	198 202	3 979
Guarantees	412	588	2 244
Economic reforms	355 000	430 000	214 927
Humanitarian assistance	550 101	519 655	449 900
Research	278 048	231 493	215 760
Grants to NGOs	372 597	395 994	374 372
Total	3 515 045	3 573 652	2 894 057
Channels			
Multilateral organisations	454 593	520 882	342 712
Swedish NGOs	1 009 625	1 153 301	1 023 153
Organisations in partner countries	1 564 613	1 386 409	1 151 806
Organisations in other countries	286 559	344 943	345 196
International NGOs	199 654	168 117	31 190
Total	3 515 045	3 573 652	2 894 057
Combating poverty			
Direct effects	617 753	551 723	670 001
Projects and programmes that include the poor	965 288	931 279	845 907
Indirect effects through policies and institutions	967 152	872 558	718 613
Indirect effects through national support	643 136	962 263	420 884
Total number of contributions	2 085	2 177	2 219
of which: Agreements > SEK 15 million	201	189	201
Number of new contributions	607	662	683

Asia

OVERALL REPORT

The Asia strategy presented by the Government in 1999 constitutes the basis of development cooperation with Asia. The strategy gives special prominence to the environment, human rights and democracy, and various contact-generating activities. Poverty aspects are emphasised, as are institution and capacity development and support for political and economic reforms.

In South Asia, cooperation has focused for a long time on Bangladesh, Sri Lanka and India. Extensive humanitarian assistance has also been given to Afghanistan and a proposed country strategy was

submitted to the Government in December. The proposal tries to combine a humanitarian perspective on development with a focus on reconstruction in the country.

In 2001, a new country strategy for Bangladesh was approved which, in addition to the continuation of the emphasis on poverty reduction through contributions in the health and education sectors, also contains a new initiative for decentralisation and economic development in the Greater Faridpur area in the south-west part of the country. The election in October led to a change in government after a convincing victory for the opposition party, BNP. It is still too early to say whether this will lead to a more sta-

[Picture removed]

Rural development is one of the main issues in long-term development cooperation with Cambodia.

[Picture removed]

With the aid of small loans (micro-credits) to women, Sida intends to strengthen the influence of women in social life in Bangladesh and, at the same time, contribute to reducing poverty in the country.

ble political situation and reform-oriented policies, and thereby open up new opportunities for a greater focus on institutions in development cooperation.

Where India is concerned, new short-term guidelines for cooperation were approved in the autumn of 2000. At the same time, work on a new country strategy was started. In 2001, different studies were produced for the country strategy and a hypothesis for future cooperation was formulated. The civil war in Sri Lanka continued, with the effect that restrictions had to be imposed once again on development cooperation. The political crisis in the country led to new elections and a new government in December. The new government has indicated a willingness to enter into peace negotiations that can possibly lead to new and positive conditions for cooperation.

In South-East Asia, cooperation is dominated by the long-term programmes with Vietnam, Laos and Cambodia. A new country strategy for Cambodia was submitted to the Government in November. Decentralisation and rural development, basic education and democratic governance will be the main areas in the future. An agreement for the provision

of SEK 40 million in budget support was concluded during the year and the first disbursement was made in December. The agreements with Vietnam and Laos were extended to the end of 2003.

In Thailand, the Philippines and Indonesia, the main form of cooperation, contract-financed technical cooperation, continued during the year. A new country strategy for the Philippines was approved which focuses on the environment and democratic governance. The effects on cooperation of the political upheavals in Indonesia and the Philippines are difficult to define, but the rate of disbursements and the inflow of new project ideas have stagnated. In Thailand it has also been difficult, after the change in government, to find new cooperation projects that focus on economic and political reforms.

In North East Asia cooperation with China was regulated from the beginning of the year by a new five-year country strategy with a focus on human rights, gender equality and the environment. Where Mongolia is concerned, a new country strategy was also approved at the end of 2001 that has a focus on poverty reduction through support to reform

[Picture removed]

People putting up posters during the election. Democratic governance is in focus in development cooperation with the Philippines.

processes and institutional development. An agreement was concluded on a new fund for poverty reduction via the UNDP. The first disbursement was made at the end of the year. Activities to support the peace process on the Korean peninsular and reforms in North Korea were initiated during the year. Among other things, an initial programme of cooperation for education in economics was started with the Stockholm School of Economics as the Swedish partner. The famine in the country continued and humanitarian contributions were the predominant feature of the Swedish engagement in the country.

The Middle East was characterised during the year by the unrest, mainly on the West Bank and in Gaza, which started in the autumn of 2000. All attempts made during the year to breathe new life into the peace process failed.

The unrest had the result that Israel cordoned off Palestinian areas. This has had a serious effect on economic and social activities. The possibilities available to the Palestinian Authority to take action have been further undermined by the fact that Israel retained Palestinian customs revenue throughout the year.

The change in the conditions for Swedish devel-

opment cooperation made it necessary for the new country strategy for West Bank/Gaza to cover one year only. The basic idea is that ongoing long-term programmes of support should mainly continue with certain necessary adjustments. Examples of adjustments of this type are that support for the extension of a purification plant was put on ice, support for children's rights and in the cultural field were limited to local contributions, and contributions for the promotion of human rights focus on monitoring and reporting on the human rights situation. Special contributions made as a result of the present situation are mainly employment-generating contributions and humanitarian contributions in the health sector.

The Israeli-Palestinian conflict overshadowed the situation in the Middle East and North Africa, but other conflicts remained unsolved, for example the Kurd issue, the situation in Iraq and the status of West Sahara. The region was still unstable and there were many potential causes of conflicts, for example the uneven distribution of resources, water shortages, weak economic growth, rapid population growth, weak democracies, and shortcomings in respect for human rights.

Swedish support to the area (apart from West Bank/Gaza) is small and there is therefore a need to improve the effects of the contributions. With this purpose in mind, work took place during the year on drawing up regional guidelines for internal use at Sida. This work is now being finalised. Most of the development cooperation in the region during the year was in the form of contract-financed technical cooperation, concessionary credits, international training programmes, humanitarian assistance, and contributions through NGOs.

Analysis of outcome

Development cooperation with Asia increased by ten per cent from 2000 to 2001. The large changes that can be seen in the table refer for the most part to credits and to humanitarian assistance to Afghanistan.

The considerable increase in cooperation with Nepal can be explained by the concessionary credit for the water supply project, Melamchi, which was disbursed during the year. The decision to charge credits against appropriations, which had been made earlier but had been delayed from the bookkeeping perspective for Vietnam, Bangladesh and the Philippines, also contributed to the considerable increase in both the operating area "Infrastructure" and in the form of support "Credits". The smaller amount for West Bank/Gaza can be explained in a similar way – a large soft loan for a transmission line was disbursed in its entirety in 2000. The doubling of support to Afghanistan was a consequence of a continuation of the drought and famine and, above all,

of the extensive international mobilisation of resources during the autumn which, where Sida was concerned, meant that considerable reallocations had to be made between different accounts in favour of humanitarian contributions in Afghanistan.

Sida's analysis

The economic situation, particularly in South Asia, has been negatively affected by the downturn in the world economy and the fall in demand for the countries' exports of strategic IT products. There is therefore a risk that the recovery after the Asian crisis will be delayed and that further poverty reduction will be made difficult. New contributions or the extension of current programmes of support to relieve the effects of the crisis, for example the Community Recovery Programme in Indonesia and the ASEM Trust Fund, may therefore be necessary. At the same time, different contributions with a focus on reforms may be delayed or made impossible to implement.

The uncertain political situation in the Middle East makes it difficult to assess the possibilities of implementing planned support. There is a considerable need of more contributions for democracy and respect for human rights throughout the entire area and therefore different ways will be tested to implement contributions of this type. Where West Bank/Gaza is concerned, the possibility of continuing to finance the activities of the Palestinian Authority is a basic problem that must be reflected in the planning of Swedish support.

[Picture removed]

The famine in North Korea continues. The Swedish engagement in the country mostly comprises humanitarian assistance.

Asia and the Pacific in SEI

The ten largest partner countries	2001	2000	1999
Vietnam	354 435	339 020	254 990
Bangladesh	292 350	292 043	201 691
West Bank – Gaza	223 853	296 315	201 951
Afghanistan	211 190	103 849	84 965
Sri Lanka	187 688	152 080	114 857
Cambodia	174 633	153 791	61 990
Nepal	140 866	11 100	8 494
Laos	122 144	134 646	92 702
India	111 368	136 517	107 867
China	102 894	97 306	33 641
Sub-total	1 921 421	1 716 666	1 163 147
Other countries/regions	494 314	477 973	452 991
Total	2 415 735	2 194 639	1 616 138
Administrative costs	107 726	103 978	101 868
Total costs	2 523 461	2 298 617	1 718 006

Operational areas

Democratic governance and human rights	284 029	270 965	224 493
Social sectors	323 595	359 169	285 030
Infrastructure, private sector development, urban development and financial systems	811 948	633 113	354 445
Natural resources	229 611	230 892	181 322
Economic reforms	24 000	0	0
Research cooperation	91 165	87 855	80 251
Humanitarian assistance and conflict prevention	435 141	365 526	290 149
Non-Governmental Organisations	192 524	211 142	184 697
Other operational areas	23 721	35 977	15 751
Total	2 415 735	2 194 639	1 616 138

Instruments

Project support	887 493	969 016	793 332
Sector programme support	84 317	92 600	97 981
Pers. assist. incl. contract-financed tech. coop.	92 509	102 970	114 102
International training programmes	15 252	10 389	12 757
Credits	584 419	339 535	512
Guarantees	0	0	0
Economic reforms	24 000	0	0
Humanitarian assistance	395 860	337 948	275 414
Research	91 165	87 855	80 251
Grants to NGOs	240 720	254 327	241 790
Total	2 415 735	2 194 639	1 616 138

Channels

Multilateral organisations	496 246	450 891	249 282
Swedish NGOs	1 220 744	1 080 595	843 302
Organisations in partner countries	480 285	429 737	376 055
Organisations in other countries	99 733	112 931	116 654
International NGOs	118 726	120 485	30 845
Total	2 415 735	2 194 639	1 616 138

Combating poverty

Direct effects	633 826	444 121	351 861
Projects and programmes that include the poor	552 686	622 392	429 313
Indirect effects through policies and institutions	492 726	554 134	552 670
Indirect effects through national support	567 605	388 357	133 199

Total number of contributions	977	1 089	1 066
of which: Agreements >SEK 15 million	131	119	123
Number of new contributions	262	328	369

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 development cooperation with Central America and the Caribbean was approved in 2001. Countries given priority are Guatemala, Honduras and Nicaragua and, within the framework of the strategy, special country programmes have been drawn up and approved for these countries. A gradual phasing out of development cooperation with El Salvador is foreseen in the strategy.

[Picture removed]

Support for local development in Nicaragua is given, for example, in the form of micro-credits

In Guatemala, cooperation continues to focus on supporting the implementation of the peace agreements. Far from all commitments have been implemented according to the time schedule, but progress has been made in areas such as the legal system, reform of the role of the armed forces, increases in tax levies and literacy – areas which have also been given attention in Swedish development cooperation. A new time schedule has been agreed for the implementation of the outstanding commitments.

In Honduras, long-term development cooperation has been established after an initial phase of contributions linked to the hurricane Mitch, which hit the country in 1998. The preparation of long-term contributions was started during the year in sectors such as health, education and public administration/democracy. An extensive bridge construction programme was finalised during the year. In Nicaragua, the uncertain political situation has complicated the conditions for development cooperation. Parts of the programme of development cooperation were reviewed, for example support for institutional development in the field of democracy. However, elections were held in orderly forms in November 2001, despite the risk of serious conflicts, but it is still too early to draw any definite conclusions on how conditions for development cooperation will be affected.

El Salvador was affected by several serious earthquakes at the beginning of the year and Sweden provided both humanitarian assistance and support for reconstruction. This has had the effect that cooperation with the country was somewhat more extensive than foreseen in the strategy. This will continue to be the case for the next two to three years.

Countries given priority in South America are Bolivia and Colombia. In Bolivia there is a long-term programme of development cooperation that focuses on facilitating the implementation of the country's poverty strategy. A change in government took place and this appears to have increased the rate of reforms in a number of Swedish development coop-

[Picture removed]

Literacy is a subject that is given attention in Swedish support to Guatemala.

eration fields, for example public administration and decentralisation. On two occasions during the year, serious social and political violence broke out in the country after protests from, among others, indigenous groups. The weakening of the economy, related to the crisis in Argentina, provided a further breeding ground for these conflicts. This has further underlined important themes that have long had a place in development cooperation, for example discrimination/exclusion of indigenous groups, growth patterns that do not benefit the poor to a sufficient extent, and a democratic system that needs to be consolidated and given broader participation.

In Colombia there was a continuation of the armed conflict that has claimed many civilian victims and has undermined the economy. During the year, development cooperation increased and had a specific focus on contributions of relevance for the peace process. This is still in an initial phase and is affected by regular reverses. Sweden has increased its political engagement and its political profile in Colombia, for example within the framework of the EU.

Analysis of outcome

Total disbursements to Latin America amounted to SEK 1.4 billion. Bolivia and Colombia are the two countries that had the largest increase in the volume of disbursements during the year. The special three-year initiative for Central America after Mitch had 2001 as its final year, which explains the reduction in disbursements to countries such as Honduras and Nicaragua, and the decrease in the operational area “Humanitarian Assistance and Conflict Prevention”. Democratic governance and human rights continues to be the predominant operational area. Most of the contributions in Guatemala and Colombia are linked to the peace processes in these countries and have been classified as “conflict prevention”. The instrument “sector programme support” has not increased in terms of disbursements, but this however conceals the fact that, in cooperation with two countries, there is nevertheless a movement towards an overall sector approach and general forms of support. The total number of contributions decreased and the number of major contributions increased, which was also an expressed ambition.

[Picture removed]

Poverty is widespread in many places in Latin America and children are always those who suffer most. Three of Sweden's most important partner countries on the continent – Honduras, Bolivia and Nicaragua – have produced national poverty strategies within the

Sida's analysis

The entire continent has been affected by the international economic decline. The effects of this decline were reinforced the financial crisis in Argentina and the low prices of raw materials, including coffee. The armed conflict in Colombia is another source of unrest in the regional economy. With the prospect of harder times in view, there is also a greater risk for social and political conflicts, which was the case previously in similar situations. The protests in Bolivia are an example of this. In Central America, the increase in criminality is the corresponding source of unrest. Development cooperation is thus being im-

plemented in an unstable environment.

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 debt relief initiative, HIPC. These strategies can constitute the platform for donor coordination and create better conditions for poverty-oriented support. They have been produced in consultative processes with broad participation and can, if they are implemented, have the effect of strengthening reductions in poverty. In the local donor communities in the countries, the

[Picture removed]

framework of the HIPC initiative. These strategies can create better prospects of providing support that focuses on poverty.

process of producing poverty strategies has attracted considerable interest. The countries' vulnerability to natural disasters was illustrated on several occasions during the year: the earthquake in El Salvador floods in Bolivia, drought and then floods in Central America, hurricanes on Cuba. Sida has provided contributions for long-term reconstruction but the challenge of finding ways to reduce vulnerability remains to be solved.

The ten largest partner countries	2001	2000	1999
Honduras	306 990	385 070	253 402
Nicaragua	230 135	292 923	291 391
Bolivia	206 578	170 263	106 646
Guatemala	126 706	121 577	147 151
El Salvador	85 401	72 192	56 103
Colombia	64 055	39 861	34 332
Peru	27 629	33 726	27 843
Chile	23 787	20 147	11 700
Brazil	20 860	14 287	13 471
Paraguay	14 143	7 546	8 852
Sub-total	1 106 283	1 157 593	950 890
Other countries/regions	300 428	322 214	410 221
Total	1 406 711	1 479 807	1 361 110
Administrative costs	59 664	66 884	68 039
Total costs	1 466 375	1 546 690	1 429 150
Operational areas			
Democratic governance and human rights	345 368	389 713	278 342
Social sectors	165 327	127 441	108 477
Infrastructure, private sector development, urban development and financial systems	152 961	122 582	100 685
Natural resources	52 370	33 411	36 438
Economic reforms	120 000	120 000	215 000
Research cooperation	74 205	58 918	47 114
Humanitarian assistance and conflict prevention	289 431	422 202	402 210
Non-Governmental Organisations	178 024	186 690	148 322
Other operational areas	29 025	18 850	24 523
Total	1 406 711	1 479 807	1 361 110
Instruments			
Project support	567 394	569 840	465 255
Sector programme support	26 017	8 346	25 929
Pers. assist. incl. contract-financed tech. coop.	45 338	34 893	49 908
International training programmes	2 495	2 003	3 882
Credits	43 532	5 086	141
Guarantees	–	–	–
Economic reforms	120 000	120 000	215 000
Humanitarian assistance	261 680	391 002	349 868
Research	74 205	58 918	47 114
Grants to NGOs	266 050	289 720	204 013
Total	1 406 711	1 479 807	1 361 110
Channels			
Multilateral organisations	449 446	393 395	448 404
Swedish NGOs	571 862	698 100	544 385
Organisations in partner countries	273 969	260 782	304 435
Organisations in other countries	59 577	94 002	56 864
International NGOs	51 858	33 528	7 023
Total	1 406 711	1 479 807	1 361 110
Combating poverty			
Direct effects	261 048	227 723	336 313
Projects and programmes that include the poor	283 464	253 716	216 554
Indirect effects through policies and institutions	491 332	356 127	299 354
Indirect effects through national support	264 540	517 138	381 820
Total number of contributions	710	759	800
of which: Agreements > SEK 15 million	71	67	54
Number of new contributions	199	248	285

Europe and Central Asia

OVERALL REPORT

Development cooperation in the Western Balkans has its roots in the humanitarian support given to former Yugoslavia. The region is one of Sida's most rapidly expanding working fields. Contributions for reconstruction and the increasingly important programmes of support for democratic governance and human rights showed the greatest expansion in 2001. In Yugoslavia, where conditions for development cooperation changed most during the year, long-term development cooperation was initiated in all Sida's policy areas in addition to the humanitarian contributions.

In 2001, entirely new strategies were approved for development cooperation with Croatia and Albania – two countries in which Sida's work is characterised by flexibility and adaptation to the different needs in the two countries. Support is organised on the basis of a conflict prevention approach that promotes co-existence between ethnic groups. At the same time, Sida has the ambition to strengthen the capacity of the countries to adjust to the EU and make progress in the SA process (Stabilisation and Association Agreement).

The process of establishing a long-term perspective in Sida's support and the focus of contributions on institutional development and capacity building

[Picture removed]

Sida is training Bosnian police officers with different ethnic backgrounds in conflict management and human rights through the Swedish National Police Board.

[Picture removed]

Sarajevo was the symbol of the war in Bosnia. Today the city is being built up once again with support from Sida, amongst others.

were accentuated in the Western Balkans in 2001. At the same time, Sida's major regional programme continued. The aims of this programme are the return of minorities and refugees, human rights and democracy. The need is underlined by the fact that several donors left both Bosnia and Kosovo during the year.

Guidelines were approved during the year for cooperation with the nine states in Southern CIS. The guidelines give priority to the transfer of knowledge to support the democratic and economic reform processes, including contributions in the field of human rights. Cooperation also includes projects of a regional character in the Caucasus and Central Asia. Contributions associated with the Aral Sea constitute a large part of the Swedish support to Central Asia. Contributions for the promotion of democracy are the other main part. The first country strategy for Moldova was approved by the Government in June.

It focuses on democratic governance, the social sector and infrastructure.

Activities in respect of Turkey have the primary aim of speeding up Turkey's integration into the EU. However, this work is still in the initial stage and the present focus is on the production of a country strategy.

Analysis of outcome

In 2001, disbursements to the Western Balkans increased by 51 per cent to SEK 809 million (including regional support). There was an increase of 100 per cent in operational area Democratic Governance, Infrastructure increased by a third, while there was a reduction in humanitarian support to the region. The rate of increase in disbursements to each country in the Western Balkans was considerable. Disbursements to Albania increased ten-fold, to Bosnia & Herzegovina by almost 38 per cent, and to

The eight largest partner countries	2001	2000	1999
Former Republic of Yugoslavia	346 920	291 343	144 710
<i>of which Kosovo</i>	177 349	201 783	85 153
Bosnia & Herzegovina	296 271	214 974	206 061
Macedonia	59 976	3 186	8 440
Croatia	59 243	23 054	10 585
Albania	38 959	3 452	40 137
Moldova	21 791	19 531	20 011
Georgien	11 892	7 778	14 972
Tajikistan	10 050	16 220	10 150
Sub-total	845 101	579 538	455 066
Other countries/regions	62 686	110 202	127 691
Total	907 787	689 740	582 757
Administrative costs	30 446	26 186	23 653
Total costs	938 233	715 926	606 411

Operational areas

Democratic governance and human rights	288 278	147 305	126 857
Social sectors	52 227	36 951	29 232
Infrastructure, private sector development, urban development and financial systems	338 776	209 486	138 157
Natural resources	42 868	47 352	8 828
Economic reforms	0	0	0
Research cooperation	0	370	566
Humanitarian assistance and conflict prevention	162 103	223 014	257 892
Non-Governmental Organisations	7 468	15 215	14 648
Other operational areas	16 068	10 047	6 578
Total	907 787	689 740	582 757

Instruments

Project support	250 799	143 670	45 703
Sector programme support	0	0	18
Pers. assist. incl. contract-financed tech. coop.	82 956	73 014	73 335
International training programmes	5 421	5 133	5 142
Credits	28 066	3 054	19 635
Guarantees	–	–	–
Economic reforms	0	0	0
Humanitarian assistance	162 103	223 014	258 215
Research	0	370	566
Grants to NGOs	378 443	241 485	180 144
Total	907 787	689 740	582 757

Channels

Multilateral organisations	170 860	96 921	92 060
Swedish NGOs	472 727	440 891	370 613
Organisations in partner countries	36 407	8 771	2 886
Organisations in other countries	61 649	35 877	42 615
International NGOs	166 145	107 281	74 583
Total	907 787	689 740	582 757

Combating poverty

Direct effects	175 342	123 205	68 339
Projects and programmes that include the poor	57 154	60 965	162 147
Indirect effects through policies and institutions	263 723	160 548	167 326
Indirect effects through national support	143 164	125 508	98 565

Total number of contributions	500	452	397
<i>of which: Agreements >SEK 15 million</i>	<i>38</i>	<i>29</i>	<i>17</i>
<i>Number of new contributions</i>	<i>234</i>	<i>194</i>	<i>172</i>

FRY/Serbia and Montenegro by 89 per cent. Disbursements to FRY/Kosovo decreased by 13 per cent due to the reduction in support to infrastructure. Disbursements to Croatia increased by more than 250 per cent, while disbursements to Macedonia increased by a factor of 18.

Sida's analysis

The Western Balkans faces the challenge of post-war reconstruction. At the same time a process of transition towards democracy is taking place and a market economy is being introduced. In 2001, the conditions for development cooperation varied considerably between the countries. Croatia and Yugoslavia now have the potential for rapid development while Bosnia and Kosovo do not yet have sufficient political stability. The security situation in Macedonia is unstable. The situation in Albania appears promising even if progress is being made from a very low level by European standards. All in all, this fragmented picture shows the importance of great flexibility and the advantage of being able to transfer appropriations between the countries depending on where conditions are best.

There were many factors that affected cooperation with the Western Balkans in 2001. There is still no stable peace in the area. The international community is in place through the UN administration and the NATO forces in Kosovo and Bosnia & Herzegovina. Donor coordination is made difficult by strong political interests. This has had the result that up to 400 international organisations are active in each country. Moreover, the process is also made difficult by the fact that the governments in the countries are weak and lack democratic models. Ethnic conflicts in the countries and, to some extent between the countries, are still strong, which complicates Sida's work and has a negative effect on economic growth. During the year the situation in Macedonia was close to yet another civil war and this slowed down the tempo of development cooperation.

The reform work in Moldova is proceeding slowly. This has a negative effect on the prospects of economic growth and of winning international support for the heavy debt burden. During the year Sida established its position as a long-term donor in place in Chisinau.

As in the Balkans, Sida has approved contributions to counteract trafficking in women in Moldova and Kazakhstan, a growing problem that is due to poverty.

Policy area
“Cooperation with Central
and Eastern Europe”

2001

Cooperation with Central and Eastern Europe

GENERAL

During the year Parliament approved a new government bill (2000/01:119) for cooperation with Central and Eastern Europe. The bill states that cooperation with the candidate countries is expected to continue until these countries become members of the EU. According to its directives, Sida produced new country strategies for Estonia, Latvia, Lithuania, Russia, Ukraine and Belarus during the year.

The use of the appropriation was high during the year. The total outcome of the appropriation for cooperation with Central and Eastern Europe via Sida ended up just under the ceiling on expenditure. The balances carried forward diminished somewhat but there are considerable outstanding balances.

Growth was high in Russia, Ukraine and the Baltic countries, accompanied by low rates of inflation and somewhat diminishing levels of unemployment. At the moment, Russia is characterised by political stability. A number of political and economic reforms have been implemented, including new land legislation. Reforms are also being made in the social sector. In 2001, Sida worked increasingly at federal level to enable the results achieved earlier in projects at regional level to have a greater impact.

Extensive structural reforms have also been started in Ukraine, even if progress there is somewhat slower than in Russia. The election in Belarus in the autumn of 2000 led to a situation in which the regime strengthened its position. The country has growing economic problems as a result of a lack of reforms. Relations with the EU are problematic. The same can be said for the situation in respect of democracy and human rights. Sida has worked with civil society and, in some sectors, with government agencies, especially at local level.

Where Russia and Ukraine are concerned, EU candidacieship is not in question. However, a closer

association with the EU is a mutual objective. All of Sida's contributions function, to a large or small extent, as a form of support for a closer association of this type.

Progress is being made towards EU integration in the candidate countries, mainly through the special pre-membership instruments: Phare, ISPA and Sapard. In the EU's reviews, which were presented in the middle in November, considerable progress was confirmed in the work on making adjustments and it was stated that the countries have now entered the final phase. The candidate countries that have made most progress are expected to finalise negotiations at the end of 2002 and can therefore become members in 2004 as planned. Negotiations still remain to be held on difficult sectors, such as competition, transport, energy, legal issues and domestic issues. The improvement of administrative capacity is an important area and proposals have been made by the commission that twinning between agencies could continue between member states even after the process of joining the EU has been finalised, in order to ensure better implementation of the EU's rules.

Sida's *bilateral support* constitutes an important complement to the pre-membership support for the implementation of the *acquis communautaire* (EU's rules that link the states together). In most areas it is directly related to the National Programmes for Adoption of the Acquis (NPAA), which contain the candidate countries' priorities in their work of adjustment.

During the autumn, proposals were presented for new country strategies for the three Baltic States. The proposed strategies are the result of an extensive dialogue between Sida and the Swedish parties concerned which were given the opportunity to participate in this work at an early stage. In several areas transition to normal cooperation between neighbouring countries can be discerned. This applies above all in the public administration field. EU has taken over

the financing some of the programmes of cooperation, Phare Twinning, and in some areas so much progress has been made in institution development that the next step is incorporation in Nordic and international networks.

The process of transition has not made so much progress in other fields, for example regional and local development. The needs are still great where strengthening the local and regional levels are concerned and, in certain cases, obtaining access to EU's financing is experienced as difficult. A weakening in demand is beginning to be noted in some areas where cooperation has taken place for a long time. This is partly due to a lack of administrative capacity in the partner countries, and to the substantial funds made available by the EU. The rate of bilateral cooperation has been affected and forecasts of disbursements are made difficult. Despite this, the scope of cooperation – measured in the form of new decisions – remained at approximately the same level as last year.

At the beginning of the year, Sida took over the entire responsibility from the Ministry for Foreign Affairs as the "National Contact Point" vis-à-vis the EU Commission for Twinning and the Taiex instruments. Guidelines for Sida's support function have been produced. Sida's role is to finance preparatory work and provide methods support to the government agencies that are participating.

Estonia, Latvia and Lithuania have continued their reform-oriented policies with the aim of achieving EU membership. Latvia has the fastest growing economy, not merely among the candidate countries, but in the whole of Europe. In both Latvia and

Lithuania, unemployment varies considerably between regions and between different groups. The economic and social differences are extensive. In certain areas registered unemployment is almost 30 per cent. Cooperation in the labour market field and cooperation at local and regional level has therefore continued to be of great importance during the year.

During the spring, the government coalition in Lithuania collapsed. This paved the way for a majority government consisting of social democrats and social liberals. However, the change in government has not affected cooperation to any great extent.

In Poland there are problems with the slowdown of adjustment to the EU, uncertain trends where the economy is concerned, and growing unemployment.

The phasing out of Sida's development cooperation with Poland has continued during the year, with the support of earlier guidelines. The number of projects is diminishing and only a few new contributions were approved during the year, apart from contributions via the Baltic Sea programme.

EVALUATIONS, CAPACITY STUDIES AND SYSTEM'S AUDITS

It was planned that a total of fifteen evaluations would be implemented in 2001. Of these, twelve were started and ten were finalised. Three evaluations were postponed and will be initiated in 2002. One of the planned evaluations was redefined as a follow up, and was not therefore published in Sida's evaluation series. Two systems audits, six accounting audits and a capacity study were implemented.

Overview of cooperation with Central and Eastern Europe, expenditure in SEK million, per cent of outcome and number of contributions

	2001			2000			1999			2001	2000	1999
	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	No. of contr.	No. of contr.	No. of contr.
International development cooperation												
Support for the promotion of security	28	28	4	10	10	2	10	10	2	64	47	23
Democracy	106	106	16	128	128	19	121	121	22	198	220	193
Socially sustainable economic transition	334	334	51	345	345	53	261	261	46	569	596	595
Environmentally sustainable development	181	181	28	174	174	26	170	170	30	202	215	221
Total	648	648	100	657	657	100	561	561	100	1 033	1 078	1 032
Total number of contributions*										1 021	1 064	1 021

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

Cooperation with Central and Eastern Europe, commitments per country and sub-item 1999–2001, SEK '000

Country	Transfer of know-how and economic cooperation	Environ-ment	Support via NGOs	Security promotion contributions	Other approps	Total
Estonia						
2001	12 391	23 981	6 506	2 534	0	45 412
2000	12 931	12 325	4 779	1 376	0	31 413
1999	15 219	837	6 650	3 613	0	26 319
Latvia						
2001	10 437	12 065	6 237	3 155	2 014	33 908
2000	3 876	16 024	6 125	4 860	2 127	33 012
1999	22 401	16 125	7 434	6 930	451	53 341
Lithuania						
2001	16 773	5 184	4 743	640	5 854	33 194
2000	36 682	21 429	5 075	1 963	150	65 299
1999	17 496	10 607	4 944	210	0	33 257
Baltic States, regional						
2001	23 270	12 000	3 119	3 864	0	42 254
2000	17 002	0	4 715	2 609	0	24 326
1999	12 833	950	0	9 755	0	23 537
Poland						
2001	3 547	0	4 403	0	8 353	16 303
2000	4 523	165	4 299	0	0	8 986
1999	931	54 504	5 738	0	24 095	85 268
Russia						
2001	145 119	143 388	15 134	13 896	4 055	321 592
2000	87 863	31 756	14 269	2 202	22 617	158 707
1999	166 593	137 385	11 867	701	25 750	342 296
<i>of which the Barents region</i>						
2001	29 779	47	0	3 062	3 163	36 051
2000	12 011	1 131	–2	313	100	13 554
1999	30 793	3 436	0	233	24 000	58 462
Ukraine						
2001	61 405	74	1 229	4 722	600	68 030
2000	13 305	12 791	1 542	0	0	27 638
1999	47 919	9 392	592	0	0	57 903
Belarus						
2001	12 914	0	1 071	0	0	13 985
2000	17 493	0	800	113	0	18 406
1999	7 646	84	1 099	0	0	8 829
Other countries						
2001	3 035	0	6 866	0	0	9 901
2000	1 684	0	6 198	0	0	7 883
1999	3 340	0	0	3 555	0	6 895
Regional contributions						
2001	104 893	10 928	12 188	7 468	5 991	141 468
2000	119 295	16 750	28 170	101	22 859	187 175
1999	138 867	16 126	38 592	14 640	751	208 976
Total						
2001	393 784	207 620	61 496	36 280	26 867	726 047
2000	314 654	111 241	75 973	13 225	47 753	562 846
1999	433 244	246 012	80 470	35 848	51 047	846 621

Cooperation with Central and Eastern Europe, commitments per country and operational area 1999–2001, SEK '000

Country	Security promotion support	Democracy	Socially sust. economic transition					Other	Environ-ment. sust. dev.	Total
			Private sector dev.	Social sectors	Infra-struct.	Physical planning	Other public adm.			
Estonia										
2001	2 534	8 111	1 664	8 613	0	0	320	190	23 981	45 412
2000	1 376	7 064	4 474	3 804	0	0	418	1 962	12 314	31 413
1999	3 613	11 106	162	1 611	52	799	8 140	0	837	26 319
Latvia										
2001	3 155	5 850	4 400	5 077	628		65	659	14 074	33 908
2000	4 860	5 752	2 205	883	0	0	0	1 246	18 066	33 012
1999	6 930	9 378	1 250	12 575	1 502	4 134	1 527	0	16 045	53 341
Lithuania										
2001	640	9 864	5 290	5 879		700	87	279	10 454	33 194
2000	1 963	4 968	5 578	33 560	390	5 047	0	1 165	12 628	65 299
1999	210	12 271	2 600	9 242	277	0	209	41	8 407	33 257
Baltic States, regional										
2001	3 864	23 325	2 383	262				90	12 330	42 254
2000	2 609	3 349	2 333	13 266	0	0	138	2 632	0	24 326
1999	9 755	6 066	330	0	0	0	6 437	0	950	23 537
Poland										
2001	0	2 740	2 684	584					10 295	16 303
2000	0	328	1 521	1 568	0	0	1 943	2 645	981	8 986
1999	0	5 738	262	1 294	0	0	138	795	77 041	85 268
Russia										
2001	13 896	44 273	45 326	49 779	4 536	2 587	3 783	8 923	148 489	321 592
2000	2 202	29 145	39 050	26 189	4 070	218	126	6 292	51 415	158 707
1999	701	24 949	26 980	35 874	7 211	59 841	23 520	96	163 123	342 296
<i>of which the Barents region</i>										
2001	3 062	7 956	2 585	5 250			5 554	6 134	5 510	36 051
2000	313	2 710	3 645	2 234	0	218	0	0	4 433	13 554
1999	233	6 351	3 476	12 666	0	5 965	2 335	0	27 436	58 462
Ukraine										
2001	4 722	35 051	22 317	866					5 074	68 030
2000	0	2 083	7 745	600	0	0	102	400	16 708	27 638
1999	0	5 864	3 699	4 375	0	15 426	24 031	116	4 392	57 903
Belarus										
2001	0	7 321	263	5 937				347	117	13 985
2000	113	17 685	0	154	0	0	0	455	–2	18 406
1999	0	6 215	0	0	0	2 200	330	0	84	8 829
Other countries										
2001	0	5 185	1 773	1 871	150		170	438	315	9 901
2000	0	1 767	2 168	1 649	0	0	63	1 763	473	7 883
1999	3 555	0	0	0	0	0	3 340	0	0	6 895
Regional contributions										
2001	7 468	24 471	2 126	49 690		770	50	44 837	12 056	141 468
2000	101	52 508	16 798	43 770	0	900	1 443	53 719	17 936	187 175
1999	14 640	77 519	12 842	36 980	0	44 145	1 260	19 687	1 903	208 976
Total										
2001	36 280	166 191	88 226	128 558	5 314	4 057	4 475	55 765	237 185	726 049
2000	13 225	124 650	81 873	125 442	4 460	6 164	4 233	72 281	130 519	562 846
1999	35 848	162 660	48 126	101 951	9 042	126 544	68 933	20 734	272 784	846 621

Support for the promotion of security

The objectives of the operational area are to promote common security in the Baltic Sea region, support the development of the Baltic States' defence structures, develop relations between institutions in Sweden and in partner countries, and promote contributions for the non-dissemination of nuclear material in Eastern Europe.

GENERAL

Sida is responsible for the civil components of support for the promotion of security. This includes asylum and migration, customs and border controls, non-dissemination and control of nuclear material, and preparedness for accidents and disasters.

Analysis of outcome

The outcome of support for promotion of security increased both in respect of the Baltic States and in total. The outcome almost doubled where the Baltic States and Poland are concerned, but in total there was a threefold increase. Here we see a clear shift eastwards. For the first time Russia is a larger recipient than any of the Baltic States where contributions for the promotion of security are concerned.

Analysis in the relation to the objective

During the year initiatives were taken to revive relations with countries in the former Soviet Union, for example where migration is concerned. The interest in border issues is moving eastwards as the candidate countries approach membership of the EU. Kaliningrad has a special position in view of its geographical situation. Efforts are being made to attempt to incorporate Kaliningrad into programmes of regional cooperation around the Baltic Sea. Contributions for non-dissemination span a wider geographical field and include states in Central Asia and the Caucasus. Cooperation between the rescue services in the Baltic region has now made relatively great progress towards a situation of normal cooperation between neighbouring countries.

Swedish self-interest in having a secure and stable Baltic Sea area governs the contributions to a very great extent. In addition to the fact that cooperation over borders between the agencies concerned contributes to promote common security in different ways, the development of relations between the countries in the area creates trust and is therefore an activity that promotes security.

Evaluations, capacity studies and systems audits

During the year no evaluations or capacity studies were made on support to promotion of security since the activity is relatively new to Sida. A systems audit of the Swedish National Police Board had the aim of assessing the efficiency of the International Secretariat's organisation and allocation of resources and whether the Board's management and control systems guarantee quality and security where Sida-financed projects are concerned. According to a draft audit report, the administration, professionalism and routines at the National Police Board are quite adequate for programme-oriented cooperation.

EU links

EU adjustment is a strong driving factor in the reform work being implemented in the Baltic States. This is also reflected to a varying extent in the programmes of cooperation for the promotion of security. In certain areas such as migration, border controls and customs cooperation, EU adjustment is an overall objective that governs bilateral cooperation to a great extent. Certain bilateral contributions have also constituted a basis for further EU-financed cooperation. In Latvia, for example, the bilateral

programme for customs cooperation has proceeded within the framework of a EU twinning project, with the Swedish Board of Customs as the main implementing agency. In other areas of cooperation, such as control of nuclear materials and rescue services, EU adjustment has not had such a prominent role in bilateral cooperation, partly due to the fact that some of the activities are not so stringently regulated by the EU acquis, and partly since some of the activities are financed by the EU and therefore bilateral support is not needed.

As an example, it can be mentioned that the Swedish Maritime Administration has the implementing responsibility for the EU-financed twinning cooperation project concerning safety at sea in Lithuania.

Gender Equality

Issues of gender equality did not have the same impact in support for the promotion of security as last year. However, discussions were held between Sida and the National Police Board on a gender perspective in the police contributions. The National Police Board is also attempting, to the greatest possible extent, to ensure that Swedish women police officers participate as experts in the projects.

Examples

In the field of migration, an informal network was established between two candidate countries, Poland and Lithuania, and countries at the EU's future external border, Ukraine and Belarus, with the aim of handling flows of refugees in a better way.

Sida has financed the programme of cooperation of the Swedish Nuclear Power Inspectorate for the establishment of national accounting and control systems for nuclear material control. This has had the result that Latvia, Lithuania, Ukraine and Kazakhstan now have systems that meet the requirements of the IAEA. In addition to this, the Baltic States have started to establish national structures for combating nuclear smuggling that involve all relevant parties from border personnel to nuclear safety agencies.



The seven largest partner countries			
	2001	2000	1999
Russia	6 441	3	0
of which Barents region	127	0	0
Latvia	5 594	3 224	0
Ukraine	1 700	0	0
Estonia	1 416	1 633	0
Lithuania	1 059	315	0
Belarus	12	217	1
—	—	—	—
Sub-total	16 222	5 392	1
Other countries/regions	11 651	4 605	9 886
Total	27 873	9 997	9 886
Administrative costs	—	—	—
Total costs	27 873	9 997	9 886
Instruments			
Project support	0	0	0
Sector programme support	—	—	—
Pers. assist. incl. contract-financed tech. coop.	27 873	9 997	9 886
International training programmes	—	—	—
Credits	—	—	—
Guarantees	—	—	—
Economic reforms	—	—	—
Humanitarian assistance	—	—	—
Research	—	—	—
Grants to NGOs	—	—	—
Total	27 873	9 997	9 886
Channels			
Multilateral organisations	—	—	—
Swedish NGOs	21 875	9 997	9 886
Organisations in partner countries	5 999	0	0
Organisations in other countries	—	—	—
International NGOs	—	—	—
Total	27 873	9 997	9 886
Total number of contributions	64	47	23
of which: Agreements >SEK 15 million	0	0	0
Number of new contributions	20	24	23

[Picture removed]

A free press is important for aspirations of achieving democracy. Sida is supporting the training of journalists in Central and Eastern Europe.

Democracy

This operational area includes the development of civil society, development of local self-government, development of the legal sector and the training of journalists. The objective of the operational area is to support democratic development and strengthen respect for and observance of human rights and, through support to NGOs, to promote the development of a vigorous and democratic civil society and to strengthen the local partner organisations in the region.

GENERAL

Activities in the field of democracy in Russia, Ukraine and Belarus in 2001 do not differ in essentials from the activities of the previous year. In the main, it is a question of a continuation of earlier projects where support to the mass media and local self-government is concerned.

Where local self-government is concerned, 2001 was an intermediate year. One stage of the programme of support to the associations of local authorities in Karelia and Kaliningrad was finalised in the spring, and planning was started for a continuation of the programme. In Ukraine, Parliament finally approved a law that makes trial activities possible in the field of local self-government. After waiting for more than a year, Swedish and Ukrainian partners were able to start a pilot project.

Above all, cooperation with NGOs was extensive in Belarus. Here activities had access to a special allocation of funds administered by Forum Syd. The activities were successful, which was particularly important in a country where many other channels for providing support were blocked.

In the Baltic States the development and intensification of democratic and legal institutions continued.

Analysis of outcome

Support for democratic development in the priority candidate countries was at approximately the same level in 2000, just over SEK 10 million. Democracy contributions in Russia and Ukraine 2001 were, in general, at the same level as in 2000. For Belarus,

the annual figures are very uneven. The figure for 2000 was very high. This was due to a large disbursement made in 2000 to Forum Syd, which is responsible for providing support for the activities of NGOs.

Analysis in relation to the objective

In the negotiations for EU membership, all three Baltic States are adjudged to have achieved institutional stability that guarantees democracy, the rule of law, respect for human rights, and respect for and the protection of minorities. Sida's ongoing and new contributions in the legal field focused directly on intensifying and consolidating democracy and thereby contributing to EU adjustment.

Support to democracy in the Baltic States included, as in earlier years, the local and regional levels, the legal field and NGOs. Support to the local and regional levels is provided in the form of cooperation between county administrative boards, municipalities and county councils. The scope of activities was at approximately at the same level as before. The in-depth programmes of twinning cooperation between municipalities in Sweden and other countries are unique in an international perspective. This was shown in an evaluation commissioned by Sida of this form of cooperation. The development of efficient local and regional administrations in the Baltic States is essential for the decentralisation of power and resources. Much remains to be done before the administrations will be able to deal with regional policy issues and the large regional differences, which exist in all three Baltic States, are reduced.

[Picture removed]

In Belarus there are severe restrictions on freedom of speech. As a protest, a young poet had his lips sewn together. Sida is supporting programmes for democratic development and respect for human rights through cooperation with NGOs in Belarus.

Sida is of the opinion that a fruitful dialogue has been started with the Swedish county administrative boards, for example in connection with the evaluation of cooperation in the Baltic States. New forms of cooperation are being developed.

None of the Baltic States has yet finalised chapter 24, which takes up legal and domestic issues. In the legal field, cooperation with the Baltic States during the year was further refined to encompass fewer and larger contributions. Cooperation in the legal field is of great importance for the development and intensification of democratic and legal institutions in the Baltic States. Contributions in the legal field are directly linked to EU integration and, during the year, links with EU financing were increased through three new twinning projects, two in Latvia and one in Lithuania.

Evaluations, capacity studies and systems audits

An evaluation was made of Sida's support for the development to local self-government in several Russian regions (Kaliningrad, Karelia and Novgorod) and cooperation with the Russian municipi-

pal congress in Moscow 1995–2000. The evaluation stated that, in general, Swedish support has been positive and, in certain cases, meaningful for different aspects of the development of local self-government in the regions concerned. Among other things, it was recommended that Swedish support in the area should have more specific objectives, have better project preparation and planning, and provide information on results both in Russia and in Sweden. Furthermore, it was considered that the contributions in the gender equality field were inadequate and that gender equality should be integrated to a greater extent in all contributions.

Forum Syd coordinated a programme in Belarus for cooperation between NGOs in Sweden and Belarus. Support was given mostly to organisations working with issues relating to democracy, human rights and social work. During the period from 1998 to 2000, some 100 programmes of cooperation were initiated. The evaluation stated that support has been relevant for the organisations in Belarus, primarily in respect of their capacity to work in a goal-oriented manner with a long-term perspective.

In 2001, an evaluation was made of the Swedish National Court Administration's projects in Estonia and Lithuania. The evaluation showed that Lithuanian ownership of the project was very strong and that the Lithuanian partner was very satisfied with the results. Its ownership also had the effect that the results of the project had a clear impact in the reform of the Lithuanian court administration. Furthermore, the evaluator makes the assessment that the contributions have had a high level of relevance for the EU integration process and Lithuania's National Programme for Adoption of the Acquis.

According to the evaluation, ownership of the project was weak on the Estonian side, in spite the fact that the planned contributions were considered to be very relevant and to focus directly on acute EU adjustment problems. The Estonians expressed dissatisfaction with their Swedish partner in cooperation. In practice, none of the project's original goals were achieved. Discussions have been started on how cooperation can be reorganised to achieve the desired results.

An evaluation was made of the programmes for in-depth twinning with county administrative boards in the Baltic States, Russia, Ukraine and Poland. The evaluation showed that the programmes were unique from an international point of view and were still relevant. The individual projects were important for developing capacity at the local and regional level. The evaluation recommended further support with an increase in focus on the social sector and the

education sector. The goal in respect of gender equality could be fulfilled in a more satisfactory way. There was scope for improvement in respect of exchanges of experience and assimilation of results, by both parties in Sweden and in the partner countries.

EU links

Legal cooperation is of great relevance for the EU integration in the candidate countries. In membership negotiations under chapter 24, it is of great importance that all components in the chain of justice are included in the long-term reform strategies. Government agreements with the Baltic States in respect of cooperation in the legal area expired at the end of the year. New government agreements are being prepared. At the same time, an increasingly larger part of the legal field is being covered by projects within the framework of EU's programmes for partnership cooperation. Further bilateral contributions will therefore supplement these projects.

During the year, in its legal cooperation with the Baltic States, Sida worked to increase participation in multilateral projects. This had the effect that agencies working with the administration of justice have become more involved in the Phare twinning programme. During the year, all agencies in the chain of justice were made the subject of a major EU-financed project to combat organised crime in Latvia. The Swedish National Police Board will have the main responsibility for the project. The Swedish National Court Administration is participating in another programme of EU cooperation. This type of participation in EU-financed projects is an important step in the phasing out of bilateral support and the transition to other forms of financing.

Gender equality

Sida participated in the international women's conference in Vilnius, which was held in June 2001. It was possible for the Swedish delegation, which was led by the Minister for Equality Affairs, Margareta Winberg, to give prominence to important issues in

Democracy: Support through NGOs, disbursements in SEK '000

Approved grants to frame organisations 2001

Forum Syd	15 000
LO/TCO Council of International Trade Union Cooperation	12 000
Olof Palme International Center	20 000
PMU Interlife	1 200
Swedish Save the Children Federation	2 340
Church of Sweden	432
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	2 800
Swedish Missionary Council	3 400
Swedish Farmers' Union	7 000
Swedish Society for the Conservation of Nature	4 400
Total	68 572

Other contributions

Information contributions	5 883
Youth organisations	1 150
Party support	8 115
Other	142
Total other contributions	15 290
Total: Approved grants and contributions	83 862
Repayments of previous grants	-7 438
Total	76 424

Democracy: Twinning cooperation between municipalities, number of projects per country and operational area 2001

	Democracy and human rights	Environment	Social and economic	Total
Estonia	4	6	14	24
Latvia	4	3	15	22
Lithuania	5	4	5	14
Poland	0	2	0	2
Rumania	0	1	0	1
Ryssia	9	5	10	24
Total	22	21	44	87

Sida's cooperation and to new Sida-financed contributions, for example the training of women politicians (Latvia and Lithuania) and the trafficking in human beings.

A new feature in 2001 was projects that focus on the relations of men with their family and children and their sexual roles. In St: Petersburg an NGO, Manliga Nätverket (Male Network), held seminars for parliamentarians, people working with opinion and military personnel on the role of men in a society in transition, in order to improve democracy in Russia.

In Ukraine, Sida financed a project in which a consulting company, Språngbrädan (Springboard), together with the UNDP, trained women politicians and worked with the interaction of men and women in politics. By studying party politics, election strategies and opinion shaping activities, equality has been linked together with democracy.

In the Baltic States there were not as many special gender equality contributions in the legal field as in previous years, even if contributions to strengthen the rule of law for individuals obviously had gender aspects.

A contribution to increase the number of women politicians was implemented in Estonia. A similar contribution is being prepared in Latvia and Lithuania. During the year Sida decided to support a project being implemented by the International Organisation for Migration (IOM) with the aim of counter-acting trafficking in women in Estonia, Latvia, Lithuania and Ukraine.

In the other approved contributions, the issue of gender equality was integrated whenever feasible and meaningful. Sida tried to integrate gender aspects in 2001 by improving knowledge and awareness of gender among partners in cooperation and staff at Sida.

Examples

Where the training of journalists was concerned, the focus moved from St: Petersburg to Moscow when the International Press Institute became the most

important Russian partner. It is a positive sign that training could be directed towards more geographical areas than before. Another innovation on the media side that supplements the training contributions is the support provided for the Media Viability Fund, which can give independent media companies in Russia and Ukraine loans for urgent investments. Before and during the election campaign in Belarus, Sida gave direct support to a number of media companies to facilitate independent reporting.

The training of journalists under the auspices of the Institute for the Further Training for Journalists (FOJO) continued in 2001. During the year, a total of 221 journalists from Russia, Ukraine, Belarus, Estonia, Latvia, Lithuania and Poland participated in Sida-financed FOJO courses (208 in 2000). The training was held both in Sweden and in the countries concerned and included, for example, investigative journalism, political reporting, local media and management.

REPORTING REQUIREMENTS

1. Sida shall report on the breakdown of grants to 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 organisation's activities shall be reported.
2. Sida shall report the number of grants that have been approved.

During the year SEK 5.9 million was disbursed to 25 organisations for information in Sweden on Central and Eastern Europe. In total 26 grants were disbursed of which 23 were in the form of programme grants and 3 in the form of cooperation grants.

Democracy: Non-governmental organisations, commitments in SEK '000

	2001
Broken down by sector	
Human rights and democratic governance	27 051
Social sectors	15 948
Infrastructure, private sector dev. and urban development	7 766
Natural resources	5 317
Information programmes in Sweden	–
Other	5 414
Total	61 496

Democracy: Non-governmental organisations, number of foreign partners in cooperation and Swedish organisations included in the frame organisation's activities

	Foreign partners in cooperation	Swedish organisations which are included in the frame organisation's activities
LO/TCO	52	32
Church of Sweden	1	0
Swedish Missionary Council	17	7
PMU Interlife	11	12
Swedish Org. of Handicapped Int. Aid Found.(SHIA)	26	14
Forum Syd	68	68
Olof Palme International Center	55	60
Swedish Save the Children Federation	7	0
Swedish Farmers' Union	0	1
Swedish Society for the Conservation of Nature	45	15



The seven largest partner countries	2001	2000	1999
Russia	30 730	30 343	17 032
of which Barents region	4 195	9 431	3 440
Ukraine	11 840	9 645	7 333
Belarus	6 696	19 476	7 956
Lituathnia	6 471	6 649	5 757
Estonia	5 319	5 988	9 108
Latvia	4 004	6 001	7 579
Romania	639	1 241	1 459
Sub-total	65 698	79 343	56 224
Other countries/regions	39 905	48 527	64 424
Total	105 603	127 870	120 648
Administrative costs	–	–	–
Total costs	105 603	127 870	120 648
Instruments			
Project support	4 726	6 484	1 762
Sector programme support	–	–	–
Pers. assist. incl. contract-financed tech. coop.	84 715	77 810	67 811
International training programmes	1 193	142	2 144
Credits	–	–	–
Guarantees	–1 614	–298	–1 267
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Grants to NGOs	16 584	43 732	50 198
Total	105 603	127 870	120 648
Channels			
Multilateral organisations	6 365	1 599	1 606
Swedish NGOs	87 290	121 520	117 910
Organisations in partner countries	4 903	0	495
Organisations in other countries	45	251	637
International NGOs	7 000	4 500	0
Total	105 603	127 870	120 648
Total number of contributions	198	220	193
of which: Agreements >SEK 15 million	5	6	3
Number of new contributions	89	70	76

[Picture removed]

A Belarusian radio station, Razya, which broadcasts from Poland, receives support from Sida.

Democracy: Legal cooperation, commitments and decisions in 2001 per Swedish party and country, SEK million

	Estonia		Latvia		Lithuania		Total	
	Commitm.	Decisions '01	Commitm.	Decisions '01	Commitm.	Decisions '01	Commitm.	Decisions '01
National Police Board	2,9	1,7	5,5	0,3	1,5	0,0	9,9	2,0
National Prison and Probation Adm.	2,6	1,0	3,6	1,7	5,8	3,6	12,0	6,3
National Courts Administration	0,0	1,1	0,0	1,3	0,0	3,5	0,0	5,9
Office of the Prosecutor General	1,6	0,0	1,3	0,0	1,4	1,4	4,3	1,4
National Council for Crime Prevention	2,5	2,5	0,3	0,3	0,0	0,0	2,8	2,8
Ministry of Justice	1,3	1,3	1,3	1,3	1,3	1,3	4,0	4,0
Total	12,0	6,5	13,4	3,7	13,6	6,3	39,0	16,5

Socially sustainable economic transition

This operational area includes contributions for private sector development, public administration and the social sectors. The objective of the operational area is to promote and strengthen transition to a socially sustainable market economy through support for the development effective institutions, to promote the restructuring and development of a vigorous private sector, to strengthen public institutions and to develop the social sectors.

GENERAL

All three *Baltic States* have made a great deal of progress in the transition process in all areas and are rapidly approaching EU membership.

Swedish support to the Baltic States in this operational area has already been phased out, or is on the way to be phased out, in several fields, for example land survey, agriculture, transport, private sector development, banking and finance.

Institution development, with the aim of creating an efficient socially sustainable market economy, has been in focus in contributions to the Baltic States and Russia and Ukraine.

Further support has been provided to strengthen the public administration in, for example, statistics and the working environment in all three countries, and the labour market in Latvia and Lithuania. These areas have a direct bearing on EU integration and the EU Acquis. In Latvia, work proceeded during the year on developing legislation and an independent agency for the supervision of postal and telecommunications services, as stipulated in EU directives. The EU has emphasised the importance of speeding up privatisation in this area.

In *Russia and Ukraine*, new land legislation has been approved. This constitutes a very important step towards a viable property market. The previous focus of the Russian land survey project was on building up registers at local level. This has now been gradually

replaced by thematic contributions in respect of legislation, evaluation, taxation, systems development and maps. In Ukraine the work on maps has dominated, pending an agency reform in the field.

Other contributions in the public administration area have referred to public procurement in Ukraine, which was successfully implemented, and complex work on the reform of the public administration. Sida has provided grants for cooperation projects between the Ministries of Finance in Sweden and Russia. The National Tax Board has implemented training programmes in Karelia and in the Leningrad region. A contribution regarding Russian participation in the WTO has been approved.

In Russia, support to private sector development in 2001 mostly referred to the training of entrepreneurs. Through the programme Nordpraktik – New Managers for Russia – almost 100 young Russian entrepreneurs were given training and practice in Swedish companies. Cooperation between a Swedish management institute, IFL, and Kaliningrad International Business School has had the result that ten Russian management institutes are now members of a network that implements the course “Develop Your Business” for Russian companies. In 2001 300 companies participated in training programmes that also involved study visits in Sweden. Furthermore the Start-East programme has been pursued with the participation of Swedish companies in Latvia, Lithuania, Russia and Ukraine.

The work on developing the social sector, not least in the field of social services has continued to set its mark on cooperation, mainly in Russia, Ukraine, Latvia and Lithuania. In Lithuania further support was provided for the development of alternative care services and for the reform of the social services in municipalities through 14 pilot activities that focus on children, assaulted women, substance abusers and the elderly. The programme has attracted national and international attention and has become a model for other transition countries such as Moldova and Ukraine.

New contributions to prevent the spread of HIV/AIDS in Russia were approved, but unclear political priorities at federal level are creating difficulties.

Consultancy funds at international financing institutions are still assessed to be appropriate. This was demonstrated by a follow-up of the consultancy fund at the EBRD. The consultancy fund agreement with the World Bank was terminated during the year as a consequence of the errors in the Bank's general consultancy fund management that came to light at the end of 2000.

Analysis of outcome

The level of disbursements in Russia is still high, SEK 106 million. Compared to previous years, disbursements to Ukraine have increased considerably from SEK 12.7 million to SEK 22.5 million, which is mainly a consequence of additional support for public administration systems. Among the candidate countries, the largest disbursements were made to Lithuania. Considerable commitments made in the social field in 2000 had an impact in 2001. The outcome will decrease in 2002 as a result of the planned phasing out of cooperation and lower commitments.

Analysis in relation to the objective

The extensive support for the development of social work in Russia continued during the year. The results are beginning to be visible, for example in St. Petersburg in the form of changes in values and new ways of working. Sida is supporting social reform work in ten different Russian regions through training social workers and by implementing pilot projects at the local level. A stronger focus on children has been sought and can be seen. There is growing support and acceptance for the contributions in the Ministry for Social Affairs in Russia. A major conference, supported by the EU and Sida, which was held in St. Petersburg in May is considered to have contributed to this and to the spreading of experience throughout Russia.

Several new contributions in the social sectors in the Baltic States confirm its high priority on both the Swedish side and in the countries concerned. The contributions have focused on vulnerable groups in

society, such as disabled children and the elderly. Basic systems and structures are in place in all three Baltic States but a greater focus on decreasing institutionalisation is necessary in order to improve the efficiency and quality of the care services.

In Latvia experience gained from the social projects shows that it is necessary, but not enough, to change financial flows in the public systems. The principle that "the money follows the customer" has not yet had an impact. One considerable obstacle to the ongoing welfare reform in Latvia is the lack of administrative territorial reform. The number of children placed in institutions was not reduced, instead it increased during the year. There is still a need to develop alternative forms of care.

During the year, Sida intensified its cooperation with the action group against infectious diseases appointed by the Prime Ministers of the Baltic States. It is considered that the links between the work of the group and the Sida-financed projects strengthen the effects of the Swedish contributions. Sida has emphasised that greater attention should be given to the need of structural health reforms, which is now taken place.

The work of developing the private sector has several dimensions. One central component is the development of the institutional environment for private entrepreneurship where the Baltic States are making gradual progress on their way towards EU membership. In Russia, the economic reform work has proceeded at a rapid rate. It is felt that this will make successful Sida contributions possible. The extensive support provided by Sida for the development of management institutes in cooperation between KIBS and IFL has the potential to develop business contacts with Sweden. Sida is trying to make the best use of this potential.

Evaluations, capacity studies and systems audits

The progress of social work in St. Petersburg, which has been financed since 1998, was evaluated. The project mainly focused on the transfer of know-how to staff and students active in different sectors. Support has also been channelled to develop and start up specific pilot projects for the care for the disabled and the elderly. The evaluation showed that the projects had achieved the expected results, even if the target group for some of the training courses was not the correct one. The evaluation recommended further support for the development of a number of pilot activities in St. Petersburg and improvements in the formulation of objectives and indicators in the pilot projects.

In an evaluation of rural development projects in Russia (Karelia and Archangelsk) and Estonia, it was stated that good results had been partly achieved. In one case an *entrepreneur approach* was recommended

[Picture removed]

At the rehabilitation centre "Karlsson" in St Petersburg, mentally retarded children, who were previously isolated in homes, are learning to cook and serve food in order to run catering services. The project is part of Sida's support for the reform of the social services in the city.

and, in the other, a *system or structurally oriented approach* was recommended. Gender equality aspects have been included, since women are increasingly affected by local development. In the Archangelsk project, a study was made of the different roles of women and men in local development.

The Swedish National Labour Market Board's project in North West Russia was evaluated. The project was run in nine different regions, mainly in North West Russia. The projects, which were implemented by the Swedish County Labour Market Boards in cooperation with their Russian counterparts, have principally focused on introducing more efficient working methods at Russian employment offices (so-called model offices). Contributions have also been provided at federal level. The evaluation showed that the projects had a great impact at the model offices. Further contributions need to be provided for experience to be disseminated. The evaluation emphasised the importance of the Swedish side following the Russian Labour Market policy debate and of Sweden becoming involved in a long-term

perspective as a discussion partner, not least at federal level.

The evaluation of Swedesurvey contributions in the Baltic States and Poland showed that the contributions in the mapping area and support provided for institution development generated the intended results in Estonia. Today Estonia can independently design and effectively implement its own strategies in land survey.

From a purely technical point of view, the Latvian land survey agency has developed positively, but the improvement of systems coordination, information and services to the final users remains to be done. The land survey agency in Lithuania has introduced the administrative systems included in the contribution. Property registration has been adapted to the EU's recommendations, but legislation needs to be further reviewed. The lack of coordination between different agencies in Estonia, Latvia and Lithuania still constitutes a problem where quality and efficiency are concerned.

Swedish support to Poland has generated intended

[Picture removed]

Sida is supporting social reforms in Russia and is including a greater emphasis on children in its contributions.

results where property taxation is concerned, but has been less successful where mapping is concerned. Shortcomings in organisation, the division of responsibilities and follow up on both the Polish and Swedish sides have contributed to this situation. It cannot be considered that the land survey project has taken up gender equality aspects to any great extent. All countries still need to take measures for EU adjustment.

A capacity analysis of Latvia's labour market agency was implemented during the year on Sida's initiative with the aim of obtaining an overall view of the agency's situation and of clarifying priorities prior to forthcoming projects. One risk during the forthcoming phase is the Latvian agency's inability to finance its local costs. Financing problems have also increased in other sectors.

EU links

Contributions in the public administration sector have direct and obvious relevance for EU adjustment, for example Statistics Sweden's programmes of cooperation for the adaptation of a number of statistical areas to current EU directives, and training programmes in European law for government employees.

Twinning or cooperation between partners is being implemented between agencies in the EU member states and the candidate countries. Sida took over responsibility for being the national focal point from the Ministry for Foreign Affairs on January 1, 2001. This responsibility includes coordination, methods support and financing the preparatory work of Swedish agencies that are engaged in twinning programmes. The responsibility applies to the proposal phase, where a proposal is drawn up and presented, and the project phase (covenant), when a detailed project plan is drawn up.

Engagement within the framework of twinning is at two levels. One level is having the main responsibility for the programme, with long-term advisors in place, and the other level is being partly responsible and providing short-term consultants. In the year 2001, the proportion of projects with the main responsibility was high (two of three projects). Sida's extended support, both in connection with the drawing up of proposals and in presentations, is considered to have contributed to a higher proportion of successful contributions.

Gender equality

Where individual contributions aimed at promoting

gender equality are concerned, in contrast with previous years the focus has been placed on the role of men.

In Ukraine in 2001, Sida together with a consulting firm, Språngbräda (Springboard), and an NGO, Manliga Nätverket (Male Network) implemented contributions with the aim of strengthening the role of men in the family. This was done through training fathers, activities to stimulate opinion, and starting male networks in Ukraine. This is a step towards persuading men to contribute actively to socially sustainable economic development in Ukraine and not to fall behind in the transition process.

To enable women in North West Russia to become more competitive on the labour market and obtain a higher degree of representation in decision-making positions, Sida trained women in Murmansk in management and entrepreneurship in 2001.

A project in Latvia to strengthen the entrepreneurship of women was finalised during the year. Among other things, the project resulted in the creation of networks between women entrepreneurs and sector organisations, and has developed important know-how in trading with EU countries.

Support has been given to cooperation between the Chamber of Commerce of Southern Sweden and the Chamber of Commerce in Vilnius to strengthen the entrepreneurship of women in Lithuania. Fifteen women entrepreneurs started a training programme in December.

The issue of gender equality has been integrated into other contributions. It has sometimes proved to be more difficult to do this in a meaningful way than to implement projects with gender equality as the principal objective. However, in 2001 Sida worked more actively to integrate gender equality. This has been also noted by the partner countries, which was confirmed in Ukraine by an evaluation made in 2001.

Example

Through the programme of cooperation between Stockholm School of Public Administration and Social Work and St. Petersburg, a short-term home has been opened up at the "Karlsson" Centre for mentally retarded young people. The project has the aim of preparing mentally retarded young people to live on their own and to give their families temporary relief.

In cooperation with St. Petersburg, the East Europe Committee of the Swedish Health Care Community (ÖEK) has opened two youth clinics, in Kolpino and Frunzenski. The target groups of these clinics are young people between 15-18 years. The aim is to provide information about sexuality in order to prevent unwanted pregnancies and to prevent the spread of sexually transmitted diseases and



The seven largest partner countries			
	2001	2000	1999
Russia	105 517	119 196	77 568
of which Barents region	10 078	30 442	19 414
Lithuania	35 850	25 814	16 037
Ukraine	22 497	12 681	9 549
Latvia	16 138	30 898	25 122
Estonia	9 564	10 970	12 760
Poland	8 167	12 499	34 436
Belarus	4 248	609	1 316
Sub-total	201 981	212 667	176 789
Other countries/regions	131 647	132 748	83 967
Total	333 628	345 414	260 756
Administrative costs	–	–	–
Total costs	333 628	345 414	260 756
Instruments			
Project support	46 489	51 856	63 549
Sector programme support	14 846	22 016	13 841
Pers. assist. incl. contract-financed tech. coop.	158 903	203 483	119 822
International training programmes	6 086	3 244	7 069
Credits	4 770	3 952	4 361
Guarantees	347	0	1 501
Economic reforms	–	–	–
Humanitarian assistance	188	2 380	17 986
Research	–	–	–
Grants to NGOs	101 999	58 484	32 627
Total	333 628	345 414	260 756
Channels			
Multilateral organisations	34 898	23 026	14 465
Swedish NGOs	287 905	304 355	236 279
Organisations in partner countries	3 364	12 167	2 050
Organisations in other countries	2 661	2 868	7 962
International NGOs	4 800	3 000	0
Total	333 628	345 414	260 756
Total number of contributions			
of which: Agreements >SEK 15 million	9	10	10
Number of new contributions	170	184	133

HIV. Agreements were concluded in May with the education committee in St. Petersburg on education programmes in schools on sexuality and relationships. Teacher training has been established, two seminars for journalists were held, and a model for the distribution of condoms and p-pills was produced. In June a course was held to disseminate experience gained. The Russian side expressed a wish to open a further seventeen youth clinics.

Environmentally sustainable development

The objective of this operational area is to conserve and improve the environment, particularly in and around the Baltic Sea, to contribute to better radiation protection in, for example, housing, medical care and industry (but not nuclear activities), and to support the reform of the energy sector to bring it in line with the objectives for sustainable development in the Baltic Sea area – Baltic 21.

GENERAL

Environmental cooperation focuses on the conservation and improvement of the environment in and around the Baltic Sea. Central features are public administration support, capacity development and support for investments, primarily in waste-water treatment. Contributions within the framework of the Action Programme for the Baltic Sea (HELCOM), Agenda 21 for the Baltic Sea Area (Baltic 21) and the EU's environmental programmes for Central and Eastern Europe are given priority. Sida also supports contributions that have the aim of reforming the energy sector in accordance with the objectives for sustainable development in the Baltic Sea area. The focus is primarily on institutional development and making energy efficient. There is close cooperation with international financing institutions such as the World Bank, EBRD, EIB and NIB.

Environmental cooperation made further progress during the year, despite the fact that the preparations for project agreements for investment contributions took a longer time and required more vigorous and active participation by Sida than anticipated. The reasons for this are the small resources and administrative capacity available locally for project preparations. The candidate countries have focused on preparations for the EU's support instruments and forms of implementation. The other possible sources of financing for environmental investments (bilateral support, loans and credits from international financial institutions, IFI) have therefore not been fully

utilised. However, it would appear that this trend was reversed in the candidate countries during the year. Four grant aid agreements were signed, amounting in total to SEK 46.5 million, and five contributions were completed. Some of the completed projects have led to a continuation phase. For example Sida-financed projects in both Narva and Kaunas were approved for ISPA financing. Just before the end of the year a decision was made to allocate SEK 100 million to a forthcoming agreement on the south-west purification plant in St. Petersburg.

An agreement on support to the investment phase for the rehabilitation of the district heating system in Vilnius was not signed since Sida and the recipient could not reach agreement in the matter of the relationship between Swedish support and the procurement of a private operator for the district heating company.

Consultative groups for the environment and energy with the participation of the ministries concerned continued to be active during the year and provided scope for information on project questions. Cooperation with the Project Export Secretariat's activities for active project development took place through Sida's participation in the project co-operation group initiated by the Ministry for Foreign Affairs.

Analysis of outcome

The outcome of the operational area environmentally sustainable development in 2001 was SEK 180.7 million. This figure includes disbursements from the

[Picture removed]

District heating plant in Gattjina, Russia. Seminars have been held in Gattjina to spread knowledge among Russian civil servants and politicians on how to run a modern and cost-efficient energy system.

normal appropriation's environmental account amounting to SEK 120 million and funds for special projects made available by the government. The outcome is at the same level as in recent years. Disbursements per country can vary considerably for environmental projects over the different years, since most of the funds granted are used for support for the implementation for a limited number of major investments in each country. The total implementation time is often four to five years while most of the disbursements can be made in one to two years. The largest disbursements were made to projects in Russia, SEK 65 million.

The commitments made within the framework of the regular appropriation in 2001 amounted to SEK 208 million, of which SEK 143 million refers to Russia. This figure includes SEK 100 million that has been earmarked for the completion of the south-west purification plant in St: Petersburg. The level of commitments for environmental projects varies considerably from year to year, mainly due to the fact that decisions to support individual major projects are accounted for in separate years. This has an impact on both total amounts and, to an even greater extent, on individual countries. An analysis of trends

should therefore be made over several years and include commitments, disbursements and the total volume of commitments. The long-term trend where new projects and commitments are concerned indicates a continuation of high levels of activity in Russia, and a temporary relative increase in the Baltic States to implement projects which have been planned for some time before phasing out takes place in 2004.

Analysis in relations to the objective

As a consequence of the economic collapse that occurred when the Soviet Union disintegrated, emissions of nutrients (such as nitrogen and phosphorus) have diminished. Another reason for this is the extensive investments in that have been made in, for example, sewage treatment, which were started in the mid 1990s at the largest sources of emissions in the region, the so-called hot spots. These investments are now starting to provide results. According to HELCOM, project implementation has been successful as a result of close cooperation with bilateral donors, including Sida. Several investment projects that have been co-financed by Sida have shown very good results in the form of a reduction in negative effects on

[Picture removed]

A cleaner Baltic Sea. With the aid of investment support from Sida, several sewage treatment plants have been taken into operation in the Baltic States. The support is directed towards the largest sources of pollution in the region, the so-called hot-spots, and emissions have started to decrease.

the environment. HELCOM considers, for example, that a noteworthy reduction has taken place in emissions from Haapsalu in Estonia, one of Sida's first water and waste-water projects in Eastern Europe, HELCOM recommends that Haapsalu should be the first source of pollution to be removed from the list of priority "hot spots" in 2002.

In 2001 the possibilities available for the Swedish National Environmental Protection Agency to implement programmes of cooperation with North West Russia improved somewhat compared to 2000 and several projects have been developed, for example in the fields of education, environmental information and water care. There is a great need of contributions to strengthen the environmental administration in Russia, but the sustainability of the contributions that have been implemented hitherto is difficult to predict.

Cooperation in respect of civil radiation protection (radon, health and medical care, research and industrial activities) is the responsibility of the Swedish Radiation Protection Institute. In 2001, cooperation focused on strengthening Lithuania's capacity to take over these matters. Sida approved a programme of cooperation with Estonia and Latvia during the year.

In 2001, the first round of the financing programme *DemoEast* was implemented. *DemoEast* offers demonstration contributions of environmental

and energy equipment with the aid of funds from the Baltic Sea programme 2. Contributions amounting to some SEK 25 million have been offered in the form of co-financing of projects that lead to improvements in the environmental and the energy situation in the area and a higher turnover for the Swedish suppliers.

According to its letter of appropriations, Sida's contributions shall be performed with the use of the Swedish resource base, apart from in exceptional cases. Cooperation with and utilisation of this resource base is assessed to have functioned well during the year. Further initiatives in respect of information and communications (including the newsletter "Östlövet") contribute to this.

Evaluations, capacity studies and system's audits

An evaluation has been made of the first water and waste-water projects in Eastern Europe that Sida participated in: Haapsalu in Estonia, Liepaja in Latvia, and Klaipeda in Lithuania. The projects were implemented in cooperation with the World Bank as the lead financier. Sida usually participates in major investment projects with other financiers, for example IBRD, NIB and EBRD. The evaluation of the three water and waste-water projects, which was presented in 2001, showed that the quality of the Swedish support was improved by cooperation. Cooperation also made the Swedish financing more

efficient than it would have been if it had been provided without cooperation other financiers. The lenders' requirements in respect of credit worthiness created incentives for partners in cooperation to improve their knowledge in different areas and to generate financially sustainable water and waste-water services. The Swedish support supplemented the lenders' contributions, and made it possible to include environmental aspects in the project with grant aid components.

An evaluation of disaster relief and sewage treatment in areas affected by floods in Raciborz, Nysa and Klodzko showed that most of the contributions were implemented with a good effects. In several cases the measures taken have resulted in a better environment compared to the situation prior to the floods. A certain amount of criticism was directed towards delays in the project and towards the fact that the contractual situation between the parties involved has not always been clear-cut.

An evaluation of the renewal of the sewage system in Sopot was also praised by the evaluator. The contributions, which took place between 1994 and 1998, had the effect that the beaches that had been closed in Sopot for several years have now been opened once again and tourists have now returned to the classical holiday resort. Also here, the evaluator points out shortcomings in the contractual situation between the Polish and Swedish parties involved.

During the year a systems audit was made of the Swedish University of Agricultural Sciences, SLU. The audit found nothing to comment on in activities, but proposed that some of SLU's internal controls should be improved.

EU Links

During the year environmental cooperation was characterised by preparations for EU membership, since the fulfilment of EU directives in the environmental field necessitate considerable investments. Sida's assessment is that the Swedish environmental support promotes the entry of the candidate countries into the EU, partly through its support for the preparation and implementation of investment projects, and partly through public administration support.

Where the Baltic States are concerned, cooperation with the Swedish National Environmental Protection Agency focused on EU adjustment in 2001, particularly where handling of chemicals, nature conservation and water care are concerned. Both Estonia and Lithuania have now closed their environmental chapters in the EU negotiations, which is very positive.

Gender equality

No special contributions have been made with the intention of promoting equality between men and women within the framework environmental cooperation. However, since the year 2000, work has started on increasing knowledge of whether – and if so how – equality aspects can be integrated into environmental and energy contributions (mainstreaming).

A gender equality plan is being produced in the twinning cooperation project between Riga's water company and Stockholm Water. In the programme of cooperation between St. Petersburg's water company and Stockholm Water it is stipulated that reports on participation in activities shall be gender-disaggregated.

[Picture removed]

Inadequately treated municipal waste-water from Klaipeda previously constituted a considerable proportion of the total negative effect on the environment in the Baltic Sea. Sida is supporting a project that has the aim of improving the town's water and waste-water facilities.



Cooperation with Central and Eastern Europe
Environmentally sustainable
 development, expenditure in SEK '000

The seven largest partner countries	2001	2000	1999
Russia	64 832	68 434	38 534
of which Barents region	11 703	19 866	15 710
Latvia	19 883	16 383	32 709
Poland	19 415	30 889	39 773
Estonia	19 071	2 756	9 889
Ukraine	14 890	13 739	9 874
Lithuania	8 010	8 047	20 710
Belarus	452	1 533	710
Sub-total	146 554	141 781	152 199
Other countries/regions	34 171	32 138	17 502
Total	180 724	173 920	169 701
Administrative costs	–	–	–
Total costs	180 724	173 920	169 701
Instruments			
Project support	72 281	46 428	52 098
Sector programme support	0	0	0
Pers. assist. incl. contract-financed tech. coop.	105 513	111 510	94 232
International training programmes	2 695	2 521	945
Credits	–	–	–
Guarantees	0	39	998
Economic reforms	–	–	–
Humanitarian assistance	210	13 588	17 284
Research	0	0	4
Grants to NGOs	26	–167	4 142
Total	180 724	173 920	169 701
Channels			
Multilateral organisations	9 644	680	0
Swedish NGOs	153 595	157 032	153 278
Organisations in partner countries	10 563	1 207	4 087
Organisations in other countries	6 923	15 000	12 336
International NGOs	–	–	–
Total	180 724	173 920	169 701
Total number of contributions	202	215	221
of which: Agreements >SEK 15 million	18	18	17
Number of new contributions	75	51	77

[Picture removed]

Sida is one of the financiers of a project that has the aim of improving the standard of the municipal water and waste-water services in Haapsalu. Haapsalu is one of the places where discharges into the Baltic Sea have been particularly serious.

Furthermore, Sida has requested that the updating of a socio-economic study in Novgorod shall contain gender-disaggregated statistics.

Examples

Two important seminars were arranged in Russia. A capacity development contribution for St. Petersburg's water company was finalised with a conference in October in order to discuss, demonstrate and disseminate the results of three years work. In Gattjina a further seminar was arranged by the Russian Ministry for Building and Municipal Services, Gosstroj, in cooperation with the administration in Leningrad region and the town of Gattjina. Information on the Sida-supported reform programmes in the town's district heating system was disseminated to civil servants at federal and regional level, IFIs, and representatives of other Russian towns.

Sida
2001

About Sida

The section below describes the processes of change and human resource development programmes that took place at Sida and which are not reported on in other sections in the annual report. Personnel statistics are also presented.

PROCESSES OF CHANGE

As in previous years, Sida defined overall strategic priorities for the agency. Four areas were given prominence in 2001: in-depth work on poverty, the development and change of Sida's roles, flexible working methods including giving priority to activities locally in the partner countries (the field), and management and follow up.

The continued priority given to the field organisation is shown, among other things, in the number of countries in which the number of Sida personnel stationed has increased. During the year Sida, personnel were stationed in Burkina Faso, Egypt, Albania, Moldova, Ukraine, Russia, Croatia and Yugoslavia (Belgrade). Technical communications with the field were further improved when four embassies received satellite communications. A pilot project with a help-desk function for stations with a small number of employees was implemented. It will be evaluated at the start of the year 2002. Direct bookkeeping was introduced at four embassies.

During the year Sida discussed and reached agreement on a clarification of the role of the administrators and the division of responsibilities at the embassies. New and flexible forms of work in development cooperation have also affected the administration of the embassies. The increasing number of national programme officers and qualified administrative staff employed locally has made new demands on the administrators seconded from Stockholm, both programme officers and managers. The management role and the supervisory role of the administrators are now being given greater emphasis and the designation of the post of administrator is now being changed to head of administration. In the preparatory training programmes, greater impor-

tance has been attached to coaching and discussions on the division of roles and responsibilities between staff seconded from Sweden and nationally employed programme officers.

A project to review the Sida's regulations was finalised. Sida's regulations have now been revised and considerably reduced in size. Each regulation is limited now to binding instructions.

Sida implemented an action programme for its procurements. This resulted in new regulations for procurement issues and a new handbook, and the new internal procurement advisory service was strengthened. A review of Sida's procurement guidelines also started. Training was also given in the new regulations with a focus on the field organisation. A project to improve the registration of contracts took place during the year. Sida also started work on revising the model development cooperation agreements based on the new regulations.

Sida intensified its methods development work in order to improve all phases in the management of contributions. The adaptation of requirements for preparation and follow up, adjusted to the size and complexity of contributions, was introduced in new regulations for project cycle management. Sida's methods development unit started work in this area with three projects:

- Review of Sida's guidelines for Sida's administration of contributions (Sida at work)
- Reinforcement of capacity development as an objective for making projects and programmes stronger
- Adaptation of working methods and approaches with the aim of increasing support for programmes, in the first place budget support and sector programme support

With aim of improving the monitoring of contributions, pilot projects were also started on how contributions should be evaluated in relation to risks and potential, so-called rating. In the preliminary conclusions made of the projects, it is proposed that the model produced should be used to monitor, in principle, all development cooperation projects. A decision on whether, and if so how, the rating model shall be introduced will be made in 2002.

The "Full Cycle", a controller campaign to guarantee the quality of Sida's work in the follow-up and phasing-out stages of the project cycle, was finalised during the year. A new functional description of the controller function at Sida was also approved.

During the year, within the framework of Sida's personnel administration system Palasso, the function for self-service and making reports was tested and evaluated prior to being put into operation in December 2001. This function has the effect that certain reports to the pay system can be made directly by employees. This leads to the rationalisation of the pay administration and provides employees with access to more information.

A project was launched in the autumn of 2000 that had the task of surveying Sida's pay structure and examining whether there are any pay differences that are not based on objective grounds and, if so, of presenting proposals for action to be taken. The project resulted in a decision that Sida's departments should start this work in cooperation with Sida's personnel department, PEO, and produce proposals to supplement the overall evaluation rules for staff and organisational development.

The human resource strategy project, which was launched in January 2001, has the task of presenting a realistic and long-term plan of action on how Sida should act in a goal-oriented and strategic way to ensure that it possesses the requisite skills to meet the demands placed on Sida as a government agency. The project made an overall survey and inventory of skills and qualifications and education in Sweden and internationally. A workshop for Sida's staff, with a special focus on factors that could possibly influence Sida's future human resource management, was held during the spring. The project also performed some research into how an inventory of human resources could be made. It is planned that this will be implemented in 2002.

As a part of the work of implementing Sida's IT strategy, the need of a documentation handling system was identified. A project was started in 2001. The aim of the system is to facilitate and support the administrative processes, to reduce the time required for administrative duties, and to create an efficient and simple administration. In addition it shall make it possible to search for information in an electronic agency archive. A specification of requirements was

produced and procurement activities were started in 2001.

Sida's internal audit finalised two audit assignments during the year: Sida's annual report for 2000 and Sida's research cooperation.

During the year, Sida's board reached a standpoint and approved a plan of action in respect of two audits – Sida's research cooperation and Sida's work with humanitarian assistance. The latter study was finalised in 2000 but presented first to the board in 2001. For the audit of Sida's annual report for 2000, the board decided to adopt a standpoint only. The reason for this was that the internal audit did not present any recommendations in its report.

Organisational changes

In 2001 the Government commissioned Sida to develop an educational institute in Härnösand. The institute, Sida's Civil Society Center, is located organisationally within the Department for Cooperation with NGOs and Humanitarian Assistance (SEKA). As a consequence, activities at Sida Sandö were discontinued at the end of the year and the language training activities were transferred to an adult educational institute in Härnösand.

A new division for multilateral issues was established. This division is responsible for overall issues relating to the EU commission, the UN system and the World Bank. The new division replaces the present EU division and the coordination function for UN issues in the Department for Democracy and Social Development (DESO) and shall take over the responsibility for overall World Bank issues from the Policy Secretariat. The division will be located organisationally in the Regional Department for Latin America (RELA).

As a result of the conclusions on the development work on Sida's procurement issues, the procurement advisory services were transferred from the Service Division in the Department for Economy and Corporate Development (EVU) to the Legal Division in the same department. At the same time the function was further strengthened by the addition of further advisors.

Human resource development

Sida's Human Resource Report, which was produced for the second year in succession, showed that Sida increased the number of hours devoted to learning and, in particular, strategic skills.

A number of locally employed national programme officers participated in a seminar, which was held as part of Sida's ambition to integrate these officers into Sida's activities. The seminar had the purpose of human resource development and mutual learning as well as providing an opportunity for discussions on roles, expectations and responsibilities.

A special human resource programme was implemented to improve the staff's general IT knowledge, including making effective searches on the Internet.

An organisational survey was implemented for the second year in succession in 2001. As was the case with the previous survey, it gave positive results, above all in respect of leadership and trust, openness in the working group, commitment to one's work, the objectives and visions of operations, and the possibility to exert an influence on and to develop one's own work. The least positive results related to workload and stress-related factors. Sida shall continue its efforts by providing a number of programmes that focus on factors linked to these areas.

Personnel

In December 2001, the total number of employees was 879 persons, which is an increase of 31 persons compared to 2000. The number of persons with permanent posts amounted to 721, an increase of 6 persons compared to 2000. The number of persons with temporary posts increased by 24 persons, from 131 to 155 persons.

In December 2001, 107 persons were on leave of absence. Of these 26 persons were engaged in other development cooperation activities.

The generally accepted definition of an even gender breakdown is 60-40 per cent. Sida thus had an even gender breakdown in 2001. However, the breakdown between men and women changed somewhat: 60 per cent women and 40 per cent men compared to 58 and 42 per cent respectively in 2000. The reason for this is the increase in the number of women programme officers.

The average age of all employees was the same as in previous years, 46 years. The difference in comparison with earlier years that now the average age is the same for both men and women, i.e. 46 years, as opposed to 45 years for women and 47 years for men in previous years.

All in all, 78 per cent of Sida's personnel had an educational background higher than upper

secondary school level. Of all employees, 7 per cent had a post graduate degree, an increase of one per cent compared to last year, 71 per cent had a university education or some other form of post upper secondary school education, and 22 per cent had an upper secondary school education or lower. Compared with other government agencies, levels of education at Sida are very high. Sida has almost twice as many employees with university degrees or other forms of higher education compared with other parts of the government administration.

In 2001, 68 persons were recruited externally. Of these 47 were women and 21 were men. 37 women and 17 men were recruited to programme officer posts, 3 women and 2 men as managers, and 8 women and 1 man as clerical assistants. The average age of all new recruits was 39 years, an increase of three years compared to 2000.

Where recruitments to embassies were concerned, 50 posts were filled by 26 women and 24 men. Of these persons, 22 had not served before at embassies.

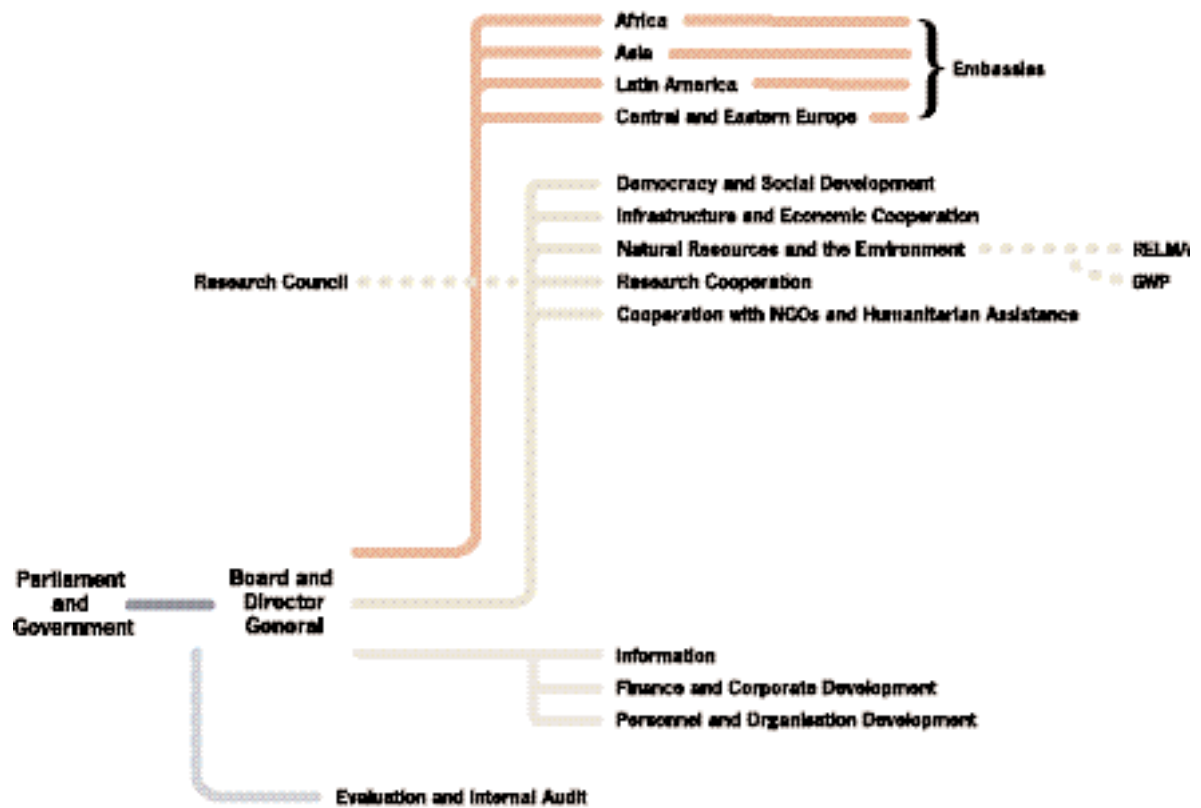
REPORTS

Sida shall start a development project that has the aim of presenting indicators of Sida's internal efficiency in different parts of its production in the annual report for 2002.

Sida started a project to test a model for time planning and reporting. The system will be tested in 2002 in a number of divisions and in a number of country strategy and preparation processes.

In 2001, Sida also started work on operational statistics. It is planned that the statistics will refer to changes in the stock of projects and to different administrative costs in relation to total costs. The aim is to establish time series of different efficiency indicators that make it possible to follow changes continuously.

Sida's organisation



Sida's management

Bo Göransson	DG	<i>Director General</i>
Staffan Herrström	ÖST	<i>Deputy Director General, Head of Department for Central and Eastern Europe</i>
Lars Ekengren (until 01-09-30)	AFRA	<i>Deputy Director General, Head of Africa Department</i>
Lotta Sylwander (from 01-10-01)	AFRA	<i>Head of Africa Department</i>
Jan Bjerninger	ASIEN	<i>Head of Department for Asia</i>
Göran Holmqvist	RELA	<i>Head of Department for Latin America</i>
Jerker Thunberg	NATUR	<i>Head of Department for Natural Resources and the Environment</i>
Carin Norberg	DESO	<i>Head of Department for Democracy and Social Development</i>
Astrid Dufborg (until 01-08-30)	INEC	<i>Head of Department for Infrastructure and Economic Cooperation</i>
Anders Hagwall (from 01-09-01)	INEC	<i>Acting Head of Department for Infrastructure and Economic Cooperation</i>
Eva Asplund	SEKA	<i>Head of Department for Cooperation with NGOs and Humanitarian Assistance</i>
Berit Olsson	SAREC	<i>Head of Department for Research Cooperation</i>
Johan Åkerblom	INFO	<i>Head of Department for Information</i>
Åsa Lindh	EVU	<i>Head of Department for Finance and Corporate Development</i>
Britt F. Hagström	PEO	<i>Head of Department for Personnel and Organisation Development</i>

Under Sida's regulations, the Head of Department for Evaluations and Internal Audit is not a member of the management committee, but is entitled to be present and to express opinions.

Ann Marie Fallenius (until 01-10-19)	UTV	<i>Head of Department for Evaluations and Internal Audit</i>
Stefan Molund (from 01-10-20)	UTV	<i>Acting Head of Secretariat</i>

Members of Sida's Research Council

Prof. Mårten Carlsson, Chairman
Swedish University of Agricultural Sciences, Alnarp

Prof. Lotta Mellander, Deputy Chairman
Gothenburg University

Prof. Ian Bryceson
Centre for International Environment and Development Studies, NORAGRIC, Ås, Norway

Prof. Barbara Ekbom
Swedish University of Agricultural Sciences, Uppsala

Prof. Göte Hansson
Lund University

Prof. Bo Sundqvist
Uppsala University

Prof. Aud Talle
University of Oslo, Norway

Prof. Lena Trojer
Blekinge College of Technology

Prof. Hans Wigzell
Karolinska Institute, Stockholm

From Sida:

Berit Olsson
Head of Department for Research Cooperation

Göran Holmqvist
Head of Department for Latin America, RELA

Notes on the performance report 2001

Notes on the performance report

GENERAL

The reporting requirements laid down in the annual directives and letter of appropriations for the budget year 2001 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 ten to 14.

Revenue and costs

The definition of costs in 2001 differs from previous years when Sida was exempted for current rules. A reconciliation between the performance report and the income statement is presented in the table below.

POLICY AREA

INTERNATIONAL DEVELOPMENT COOPERATION

Operational areas

In the policy area there are nine operational areas which together constitute 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".

Despite the fact that the operational areas are the same as in earlier years, the content of the operational areas has been changed. This has had the effect that previous figures have been adjusted to make them comparable under each operational area. The sub-sectors under the operational areas have also been changed in some cases.

The operational area *Non-governmental organisa-*

tions is the same as appropriation sub-item 7 and does not contain 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 also do not contain any sub-sectors.

Democratic Governance and Human Rights are defined as 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 *the Legal system* and are defined as the sub-sectors Democracy, Public administration, Human Rights and the Legal system in Sida's classification of contributions.

Social sectors are components that are classified under the main sector Social sectors and contain the sub-sectors *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 are 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 as 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 in 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-sectors, *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 contains no sub-sectors but has been divided into Information programmes and Recruitment, resource base development and training.

Regions

This year's performance report contains a report on each region. Under the regions there are no sections on individual countries as was the case in previous years.

The regions follow the classification laid down by the appropriations. Appendix 1 Costs per country and operational area 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 area 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 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.

Instruments

The report on instruments follows Sida's statistical concept Instruments. In previous years the concept of Instruments was followed, with certain exceptions.

Channels

The report on channels has been changed in comparison with previous years but is based on the statis-

Reconciliation between the performance report and the income statement, cost of operations (SEK '000)

Income statement, excl income from appropriations

Income from fees and other payments	60 207
Income from fees	249
Operating costs including depreciation	-807 203
Financial income	1 648
Collections net	2 185
Funds from other agencies to finance support	2 206
Finance provided by funds etc to finance support	159 110
Support provided	-11 867 409
Total as shown in income statement, excl appropriation income	-12 449 009

Broken down by operational area:

Policy area International Development Cooperation

Democratic governance and human rights	-1 558 954
Social sectors	-1 560 711
Infrastructure, private sector dev., urban dev. and financial systems	-2 123 560
Natural resources	-973 316
Economic reforms	-514 362
Research cooperation	-886 443
Humanitarian assistance and conflict prevention	-1 680 530
NGOs	-904 584
Other	-1 700 366
Total international development cooperation	-11 902 826

Policy area Cooperation with Central and Eastern Europe

Promotion of security	-27 873
Democracy	-105 603
Socially sustainable economic transition	-333 628
Environmentally sustainable development	-180 724
Total cooperation with Central and Eastern Europe	-647 830

Policy area Peace Promoting operations

Peace promoting operations	-20 375
Total Peace Promoting Operations	-20 375

Total broken down by operational areas -12 571 030

Outstanding 122 022

According to the income statement the outstanding items consist of:

Doubtful debts	32
Funds received from agencies to finance support	2 206
Finance provided by funds etc to finance support	159 100
Cost of concessionary credits	71 478
Damages etc contingency reserve	-117 595
Changes in doubtful debts, conditional loans	-16 094
Taxation net	2 185
Interest income, concessionary credits	81 972
Interest income, contingency reserve	39 381
Exchange differences, contingency reserve	13 109
Book value and profit and losses on sales	-256
Write-offs/ capital repayments	1 034
Accruals, contingency reserve	-107 001
Other accruals	-7 528
Total other items	122 022

tical concept Implementing channel as before. *Multi-lateral organisations* contains UN agencies and the

World Bank, among others. *Swedish NGOs* contains implementing organisations in Sweden, for example government agencies, organisations and universities and schools. *Partner country organisations* contains implementing organisations from 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.

Target groups

The target groups are not reported in this year's performance report.

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 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 pertain 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

The policy area Cooperation with Central and East-

ern Europe (appropriation 9:1.1 Cooperation with Central and Eastern Europe via Sida), which formerly was a separate operational area, has now been divided into four operational areas: Support for the promotion of security, democracy, socially sustainable economic transition, and environmentally sustainable development. 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 with the exception of the operational area Support for the promotion of security, which is defined as appropriation sub-item 1.5 Contributions for the promotion of security.

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 AND SECURITY POLICIES

A new operational area Peace promotion activities has been added in the policy area Foreign and Security Policy. The operational area is defined as appropriation 5:7 Peace promotion.

Administrative costs

Has been estimated at 25 per cent of the division Resource base development for international development cooperation in Stockholm's administrative costs.

Financial documents

2001

Comments

CEILING ON EXPENDITURE

The Government imposed a ceiling on Sida's expenditure for the financial year 2001. The Government decided that the following restrictions should apply:

- 7 8 International development cooperation, maximum expenditure SEK 12 039 000 000
- 8 9:1.1 Cooperation with Central and Eastern Europe via Sida, maximum expenditure SEK 650 000 000.

CHANGES IN CLOSING BALANCES

The closing balance (savings on appropriation) for appropriation item 7 8:1.2 Bilateral development cooperation decreased from SEK 1 894 696 000 to SEK 831 737 000. The saving on Sida's appropriation for administration decreased from SEK 19 996 000 to SEK 7 594 000. The closing balance on 7 9:1.1 Cooperation with Central and Eastern Europe decreased from SEK 550 074 000 to SEK 520 474 000.

The reductions in Sida's closing balances/appropriated funds were expected.

OUTCOME

The outcome for Sida's main appropriations amounted at December 31, 2001 to:

7 8	International Development Cooperation	
7 8:1.1	Multilateral	1 489 899
7 8:1.2	Bilateral	9 981 546
7 8:2	Administration	467 404
Total 7 8		11 938 850

Corresponds to 99.2 per cent of the ceiling on expenditure.

7 9:1.1	Cooperation with Central and Eastern Europe via Sida	629 099
----------------	---	----------------

Corresponds to 96.8 per cent of the ceiling on expenditure.

Summary of major expenditures 2001 (SEK '000)

Loan facilities at the National Debt Office

	2001	2000	1999	1998	1997
Approved loan facility	62 000	62 000	62 000	62 000	62 000
Loans approved at the end of the budget year	53 042	50 682	53 450	48 297	57 674

Credit account at the National Debt Office

	2001	2000	1999	1998	1997
Credit granted	20 000	20 000	0	40 144	40 438
Credit utilised	15 953	0	0	0	0

Interest income and expenses on interest-bearing account

	2001	2000	1999	1998	1997
Interest expenses on interest-bearing account	5	4 129	0	0	0
Interest income on interest-bearing account	1 489	1 699	2 966	7 567	7 711

Income from fees

	2001	2000	1999	1998	1997
Income from fees that Sida may use:					
Income from fees, Sida-Sandö and International Recruitment, Stockholm	2 724	3 641	4 690	4 201	5 424
Other income from fees	19 585	16 200	14 635	17 100	21 585
	22 309	19 841	19 325	21 301	27 009
Estimated amount in Government directives	20 000	20 000	21 600	4 500*	–
* Refers to Sandö and Stockholm only					
Income from fees that Sida may not use	40 675	28 319	28 230	48 676	28 070
Estimated amount in Government directives	39 000	33 000	54 100	36 400	–
Total income from fees	62 984	48 160	47 555	69 977	55 079

Appropriation credits approved and utilised

	2001	2000	1999	1998	1997
Appropriation credit approved	12 600	12 000	0	12 043	12 132
Appropriation credit utilised	0	0	0	0	0

Closing balances incl. future commitments and outstanding commitments

CLOSING BALANCES						
Appropriation	2001	of which committed	2000	1999	1998	1997
7 8:1.1	43 519	22 428	88 007	41 971	127 143	69 394
7 8:1.2	831 737	804 944	1 894 696	2 419 896	3 169 635	2 887 003
7 9:1.1	520 474	493 785	550 074	609 750	555 940	461 367
Other appropriations (excl administrative appropriation, see below)	131 377	76 253	110 809	198 715	157 917	229 306
Total	1 527 107	1 397 410	2 643 586	3 270 332	4 010 635	3 647 070

OUTSTANDING COMMITMENTS						
Appropriation	Allocation for the year	Outstanding commitments				
		2001	2000	1999	1998	1997
7 8:1.2	20 000 000	8 697 864	6 996 166	8 069 753	6 180 902	5 939 466
7 9:1.1	650 000	324 632	348 733	439 275	255 199	43 944
Total	20 650 000	9 022 496	7 344 899	8 509 028	6 436 101	5 983 410

Saving on administrative appropriation

	2001	2000	1999	1998	1997
Appropriation	7 8:2	A2	A2.1	A2.1	A2.1
Amount	7 594	19 996	43 000	123 663	129 670

Full-time posts and average number of employees

	2001	2000	1999	1998	1997
Number of full-time posts	711	694	665	639	509
Average number of employees	749	730	721	670	641

Operating costs per full-time employees

	2001	2000	1999	1998	1997
Operating costs	781 787	696 432	644 745	620 344	612 127
Operating costs per full-time employee	1 100	1 004	970	971	1 203

Change in capital for the year and change in capital carried forward

	2001	2000	1999	1998	1997
Change in capital for the year	-563 010	-587 365	-134 817	-548 481	-615 193
Change in capital carried forward	439 109	467 388	111 951	171 060*	720 747
* converted on the basis of new accounting principles					

Statement of revenues and expenses 2001 (SEK '000)

	NOTE	010101 -011231	000101 -001231
OPERATING REVENUE			
Income from appropriations	1	736 951	663 110
Income from fees and other charges	2	60 207	56 749
Income from grants		249	272
Financial income	3	1 648	1 801
Total operating revenues		799 055	721 932
OPERATING EXPENDITURE			
Staff costs	4	-458 987	-409 598
Premises		-113 571	-106 346
Other operating costs	5	-209 229	-180 488
Financial expenses	6	-2 943	-6 907
Depreciation		-22 473	-20 927
Total expenditure		-807 203	-724 266
OUTCOME		-8 149	-2 334
FEES ETC. COLLECTED			
Income from fees etc and other income that may not be used by Sida		42 860	32 716
Income from fees etc transferred to the government budget		-40 675	-28 319
Balance of fees etc. collected		2 185	4 398
TRANSFERS			
Government budget contributions for development cooperation	1	11 149 047	9 334 768
Government agency contributions for development cooperation		2 206	15 635
Other funds received for development cooperation		159 110	90 382
Financial income	7	150 422	185 387
Financial expenses	8	-7 028	-21 225
Development cooperation		-12 010 803	-10 194 375
Balance of transfers		-557 046	-589 428
CHANGE IN CAPITAL FOR THE YEAR	9	-563 010	-587 365

Balance sheet 2001 (SEK '000)

	NOTE	2001-12-31	2000-12-31
ASSETS			
Fixed assets	10		
Improvements to non-Sida property		22 051	24 985
Machines, equipment installations etc		30 374	36 184
Total fixed assets		52 425	61 169
Financial assets			
Long-term claims on other agencies	11	458 209	549 809
Total financial assets		458 209	549 809
Loans	12	264 578	121 744
Stock			
Advances to suppliers		2 032	709
Total stock		2 032	709
Claims			
Accounts receivable		380	914
Claims on other agencies		47 355	48 190
Other claims		5 908	7 847
Total claims		53 643	56 951
Cut-off items	13		
Pre-paid expenses		23 287	21 506
Accrued grant income		23	29
Other accrued income		24 446	23 900
Total cut-off items		47 756	45 435
Settlement with Government	14	66 951	-44 800
Cash and bank			
Balance on interest-bearing account at the National Debt Office	15	44 148	58 957
Other balances at the National Debt Office	16	2 146 935	1 991 194
Cash, postal giro and bank balances	17	87 683	35 525
Total cash and bank		2 278 766	2 085 676
TOTAL ASSETS		3 224 361	2 876 693

	NOTE	2001-12-31	2000-12-31
CAPITAL AND LIABILITIES			
Agency capital			
Government capital	18	2 992 424	2 667 527
Change in capital brought forward	19	439 109	467 388
Change in capital from income statement	9	-563 010	-587 365
Total agency capital		2 868 523	2 547 551
Provisions			
Provisions for pensions etc	20	6 081	5 503
Total provisions		6 081	5 503
Liabilities			
Loan at National Debt Office	21	53 042	50 682
Debts to other agencies		79 540	53 670
Accounts payable - trade	22	148 298	135 227
Other liabilities		33 391	28 378
Deposits		8	514
Total liabilities etc		314 279	268 472
Cut-off items			
	23		
Accrued costs		32 830	27 380
Unused grants		2 231	27 787
Other deferred income		416	0
Total cut-off items		35 477	55 168
TOTAL LIABILITIES AND CAPITAL		3 224 361	2 876 693
CONTINGENT LIABILITIES			
Government guarantees for loans and credits			
Loans to personnel in the field		1 464	2 005
Swedish school society in Nairobi		2 000	2 000
School in Nicaragua		400	400
Other contingent liabilities			
Import guarantee, INEC		1 678	3 518
Conditional loans, private sector development, INEC		21	5 521
Conditional loans via Swedfund (INEC)		6 255	8 604
Write-off loans, Start-South, INEC		5 252	6 622
Write-off loans, Start-East, Bosnia		10 334	9 678
Separate guarantees		150 000	70 000
Guarantee, concessionary credits		7 715 000	8 161 000
Contingent liabilities, personnel		2 192	-
TOTAL CONTINGENT LIABILITIES		7 894 595	8 269 347

Appropriation accounts 2001

APPROPRIATION ACCOUNTS (SEK '000)

APPRO- PRIATION	NAME OF ITEM	NOTE	OPENING BALANCE	ALLOCATION	ALLOCATED AMOUNTS	RE-ALLOCATED AMOUNTS	TOTAL AVAILABLE	EXPEN- DITURES	CLOSING BALANCE	COMMIT- MENTS
			Note 24		Note 24	Note 24				
7 8:1.1	MULTILATERAL DEVELOPMENT COOPERATION (Extended grant. All sub-items)									
7 8:1.1.1	UN economic and social programmes		15 446	1 349 500			1 364 946	1 360 519	4 427	0
7 8:1.1.3	Other multilateral development cooperation		58 383	63 000	33 000		154 383	115 426	38 956	22 428
7 8:1.1.4	European development fund	25	14 090	0			14 090	13 954	136	0
7 8:1.1	TOTAL	25	87 919	1 412 500	33 000		1 533 419	1 489 899	43 519	22 428
7 8:1.2	BILATERAL DEVELOPMENT COOPERATION (Extended grant. All sub-items)	26								
7 8:1.2.1	Africa	27	665 716	1 817 900			2 483 616	2 337 015	146 601	144 287
7 8:1.2.2	Asia	27	310 418	1 189 600			1 500 018	1 385 836	114 181	113 995
7 8:1.2.3	Latin America	27	27 911	834 372			862 282	862 282	0	0
7 8:1.2.4	Europe	27	47 420	780 990			828 410	828 410	0	0
7 8:1.2.5	Global development programmes	27	96 989	1 242 034			1 339 023	1 290 649	48 374	31 677
7 8:1.2.6	Concessionary credits	27	273 128	389 104			662 232	537 700	124 533	124 499
7 8:1.2.7	Non-governmental organisations		50	885 500			885 550	876 784	8 766	2 784
7 8:1.2.8	Humanitarian assist. and conflict prevention	27	18	1 377 000			1 377 018	1 306 290	70 727	70 727
7 8:1.2.9	Economic reforms		473 136	0		349 000	822 136	506 700	315 436	315 436
7 8:1.2.10	Information	27	0	53 000			53 000	49 880	3 120	1 539
7 8:1.2	TOTAL	25	1 894 784	8 569 500		349 000	10 813 284	9 981 546	831 737	804 944
7 8:2	DEVELOPMENT COOPERATION ADM. (Framework appropriation)									
7 8:2	Sida's development cooperation adm.	28	19 996	455 002			474 998	467 404	7 594	
7 9:1.1	COOPERATION WITH CENTRAL AND EASTERN EUROPE (Extended grant. All sub-items)									
7 9:1.1.1	Transfer of knowledge/economic coop.	29	176 254	341 000			517 254	403 916	113 339	113 339
7 9:1.1.2	Environment		322 470	150 000			472 470	120 951	351 519	351 019
7 9:1.1.3	Support via NGOs			83 000			83 000	76 359	6 641	675
7 9:1.1.4	Security promotion contributions	29	51 349	36 000	-10 500		76 849	27 873	48 976	28 753
7 9:1.1	TOTAL	25	550 074	610 000	-10 500		1 149 574	629 099	520 474	493 785
5 5:7	PEACE-KEEPING OPERATIONS (Framework approp. All sub-items)									
5 5:7.3	Sida's operations abroad	30	3 865	26 900		-3 865	26 900	18 506	8 394	
5 5:7.4	Special contributions				1 000		1 000	554	446	
5 5:7.8	At the disposal of the government	30	12 706			-12 706	0			
	TOTAL		16 571	26 900	1 000	-16 571	27 900	19 060	8 840	
	OTHER EXTENDED APPROPRIATIONS									
1F1	Coop./dev. - Baltic Sea region (1999)		35 063			36 000	71 063	12 664	58 399	38 818
20A10.3	Baltic Sea Programme		29 436				29 436	6 044	23 392	21 383
	OTHER FRAMEWORK APPROPRIATIONS									
24 39:6.4	Private sector dev. in Baltic Sea region At the disposal of the Government	31	29 739			25 000	54 739	13 992	40 746	16 052
	TOTAL		2 663 582	11 073 902	23 500	393 429	14 154 412	12 619 710	1 534 703	1 397 410

INCOME UNDER GOVERNMENT BUDGET HEADINGS AS AT 2001-12-31 (SEK '000)

INCOME HEADING	DESIGNATION	NOTE	ESTIMATED IN GOVERNMENT DIRECTIVES	INCOME FOR THE YEAR
2394	Other interest income			455
2535	Fees for government guarantees			20
2811	Other income from governmt operations			40 200
4526	Repayment of other loans			6 251
	TOTAL	32	39 000	46 927

AUTHORISATIONS 2001 (SEK '000)

APPRO- PRIATION	DESIGNATION	AUTHORISED AMOUNT	COMMITMENTS B/F	OUTSTANDING COMMITMENTS 011231	OUTSTANDING COMMITMENTS BY YEAR				TOTAL
					2002	2003	2004	2005 -	
		Note 33		Note 34					Note 35
7 8:1.2	BILATERAL DEV. COOPERATION (Extended grant)								
7 8:1.2.1	Africa		1 772 343	3 455 427	1 981 081	842 242	427 339	52 864	3 303 526
7 8:1.2.2	Asia		1 069 637	1 724 864	1 061 104	454 779	163 061	37 800	1 716 745
7 8:1.2.3	Latin America		984 596	909 028	544 970	316 261	28 887	5 100	895 217
7 8:1.2.4	Europe		323 717	352 737	311 223	35 420	3 069	0	349 711
7 8:1.2.5	Global development programmes		1 711 173	844 426	697 526	114 858	17 450	1 250	831 083
7 8:1.2.6	Concessionary credits		128 570	75 962	75 762	0	0	0	75 762
7 8:1.2.7	Non-governmental organisations		561 796	1 131 271	793 882	337 190	0	0	1 131 072
7 8:1.2.8	Humanitarian assist. and conflict prevention		440 251	200 546	194 046	6 500	0	0	200 546
7 8:1.2.10	Information		4 083	3 603	2 062	0	0	0	2 062
7 8:1.2	TOTAL	20 000 000	6 996 166	8 697 864	5 661 654	2 107 249	639 806	97 014	8 505 723
7 9:1.1	COOPERATION WITH CENTRAL AND EASTERN EUROPE (Extended grant)								
7 9:1.1.1	Transfer of knowledge/economic coop.		254 494	157 412	152 946	0	0	0	152 946
7 9:1.1.2	Environment		36 311	78 014	78 014	0	0	0	78 014
7 9:1.1.3	Support via NGOs		57 838	88 819	65 031	23 788	0	0	88 819
7 9:1.1.4	Security promotion contributions		90	387	387	0	0	0	387
7 9:1.1	Cooperation with Central and Eastern Europe through Sida	650 000	348 733	324 632	296 379	23 788	0	0	320 167
	TOTAL	20 650 000	7 344 899	9 022 496	5 958 033	2 131 037	639 806	97 014	8 825 890

FINANCIAL CONDITIONS 2001 (SEK '000)

APPROP- RIATION	TITLE	CONDITIONS	TYPE	FINANCIAL CONDITIONS	OUTCOME
	CEILINGS ON EXPENDITURE				
7 8	Int. development cooperation	Ceiling on expenditure 2001	Govt.directive	12 039 000	11 938 850
7 8:1.1	Coop. with Central and Eastern Europe via Sida	Ceiling on expenditure 2001	Govt.directive	650 000	629 099
7 8:1.1	MULTILATERAL DEVELOPMENT COOPERATION (Extended grant)				
7 8:1.1.1	UN's economic and social activities	Support to selected multi and bilateral drug programmes	Govt.directive	12 000	11 519
		Support to UNDP	Govt.directive	795 000	795 000
		Support to UNFPA	Govt.directive	160 000	160 000
		Support to UNICEF	Govt.directive	297 000	297 000
		Support to UNAIDS	Govt.directive	47 000	47 000
		Supprt to UN's drugs program (UNDCP)	Govt.directive	38 500	38 500
7 8:1.1.3	Other multilateral develop. coop.	Multilateral environmental contributions	Govt.directive	16 000	13 057
		Follow-up of above mentioned multilateral coop.	Govt.directive	1 000	630
		Fund in Montreal protocol	Govt.directive	4 000	2 944
		Contributions in LDCs in water and energy	Govt.directive	15 600	8 000
		Follow-up of WFS within framework of FAO	Govt.directive	400	198
		Support to WMU (UD2001/215/GC)	Govt.decision	26 000	24 637
		Continued participation in TIPH (UD2001/1218/GC)	Govt.decision	13 000	12 467
7 8:1.2	BILATERAL DEVELOPMENT COOPERATION (Extended grant)				
7 8:1.2	Bilateral development cooperation	Services in the field	Govt.directive	160 000	149 828
7 8:1.2.1	Africa	Further support to rural development programme in Amhara, Etiopien (UD2001/13/AF)	Govt.decision	55 000	54 435
		Support for special humanitarian contribution for financing local purchases of food in Ethiopia (UD2001/13/AF)	Govt.decision	47 000	61 430
		Grant to Malawi for the rehabilitation and strengthening of the electricity distribution network in Blantyre (UD2000/981/AF)	Govt.decision	98 000	435
		Inst. develop. at the faculty of forestry in Wondo Genet, Etiopien 1999–2003 (UD1999/949/AF)	Govt.decision	78 200	35 875
		Support to Somalia (UD1999/439/AF) 1999–2001	Govt.decision	5 000	5 100
7 8:1.2.2	Asia	Certain costs in connection with Sweden's participation in a EU financed prog. for police cooperation – Palestinian Authority (UD2001/114/FMR)	Govt.decision	90	90
		EU's special representative in the Middle East 1999–2001 (UD1999/425/MENA)	Govt.decision	4 500	2 706
7 8:1.2.3	Latin America	Support after Mitch (II:5 990128) during th period 1999–2001, SEK 1 400 million	Govt.decision	90 000	138 143
7 8:1.2.4	Europe	Contributions in Turkey	Govt.directive	10 000	5 184
		Election observer programmes	Govt.directive	7 000	2 356
		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 programme	Contributions concerning democracy in developing countries through political party related organisations	Govt.directive	8 500	8 115
		Development research in Sweden incl. time-limited posts for researchers	Govt.directive	82 000	79 324
7 8:1.2.6	Concessionary credits	Concessionary credits to Vietnam (UD2001/1289/ASO)	Govt.decision	34 000	31 000
		Concessionary credits to Nepal (UD2001/976+987/ASO)	Govt.decision	135 000	135 000
		Concessionary credits to Thailand (UD2001/970/ASO)	Govt.decision	90 000	0
7 8:1.2.7	NGOs	Max. 10% of sub-item NGOs may be used for development information	Govt.directive	89 000	87 792

APPROPRIATION	TITLE	CONDITIONS	TYPE	FINANCIAL CONDITIONS	OUTCOME
7 8:1.2.8	Human. assist. and conflict preven.	Support to ICRC's field projects	Govt.directive	220 000	220 000
		Support to Burmese refugees in Thailand for the year 2001 (UD2001/123/GC)	Govt.decision	19 500	19 500
		Support to Swedish Afghanistan Committee for the years 2000–2001 (UD2000/83/GC)	Govt.decision	33 600	33 600
		Support to Central America after Mitch (II:5 990128) for the period 1999–2001, SEK 1 400 million	Govt.decision	120 000	199 116
		Support to Somalia (UD1999/439/AF) 1999–2001	Govt.decision	15 000	12 791
7 8:1.2.9	Economic reforms	Support for economic reform program. and debt relief (UD1999/708/IC, UD2000/308/IC, UD2001/584/IC, UD2001/1520/IC)			
		– Bolivia	Govt.decision	60 000	60 000
		– Burkina Faso	Govt.decision	40 000	40 000
		– Guinea Bissau	Govt.decision	25 000	0
		– Honduras	Govt.decision	60 000	60 000
		– Cambodia	Govt.decision	40 000	24 000
		– Malawi	Govt.decision	40 000	0
		– Mali (UD2001/1520/IC)	Govt.decision	40 000	40 000
		– Mozambique	Govt.decision	100 000	100 000
		– Rwanda	Govt.decision	40 000	40 000
		– Tanzania	Govt.decision	80 000	80 000
		– Uganda	Govt.decision	55 000	55 000
		– Vietnam	Govt.decision	20 000	0
		– Debt Relief International	Govt.decision	7 700	7 700
7 9:1.1	COOPERATION WITH CENTRAL AND EASTERN EUROPE VIA SIDA (Extended grant)				
7 9:1.1.1	Transfer of know-how/economic cooperation	Administration of projects in Central and Eastern Europe	Govt.directive	26 000	25 746
7 9:1.1.3	Support through NGOs	Democracy-related projects in Central and Eastern Europe	Govt.directive	8 500	8 115
		Information in Sweden	Govt.directive	6 500	5 883
	OTHER APPROPRIATIONS				
1F1	Coop. and dev. in the Baltic Sea Region (1999)	Support in energy sector, Gattjina (UD1999/1399/EC)	Govt.decision	15 800	10 798
		Support in energy sector, Archangelsk (N1999/2845/ESB+N2000/10057/ESB)	Govt.decision	27 000	25 460
		Grants for measures energy sector in Lithuania (N1999/2453/ESB)	Govt.decision	17 000	1 540
		Establishment of a special Swedish fund at the Nordic Investment Bank for the Petjenga Nickel project on the Kola peninsula (UD1999/57/EC)	Govt.decision	33 000	0
5 5:7.3	Sida's operations abroad	Support to OSCE's mission in the former Yugoslavian Republic, Macedonia (UD2001/1185/EP+1309/EP)	Govt.decision	1 330	1 173
5 5:7.4	Special contributions	Support to OSCE's mission in the former Yugoslavian Republic (UD2001/466/EP)	Govt.decision	1 000	554
24 39: 6.4	Priv. sector dev. in the Baltic Sea Region (1999)	Experimental activities with demonstration of equipment in environment and energy sectors 2000-2001 and grants for the programme DemoEast (UD1999/1608/EC)	Govt.decision	25 000	3 581
		Replenishment of consultancy fund at the World Bank, IBRD (UD1999/1511/EC)	Govt.decision	11 000	6 000
		Establishment of a Swedish consultancy fund at NIB (UD1999/1608/EC)	Govt.decision	3 150	3 000
		Replenishment of Swedish consultancy fund at International Finance Corporation, IFC (UD1999/1608/EC)	Govt.decision	5 000	2 500
		Assignment to hold intern. training programmes (UD1999/1608/EC)	Govt.decision	20 000	8 323
	OTHER				
7 8:1.2.5	Global development programmes	Rights to establish max 10 temporary posts at GWP	Govt.directive		
		10 posts were manned in 2000 at a cost of SEK 12,338,000.			

Statement of changes in financial position 2001 (SEK '000)

	NOTE	010101 -011231	000101 -001231
OPERATIONS			
Costs	36	-784 110	-703 351
Financing of operations			
Income from appropriations	736 951		663 110
Income from fees and other payments	37 59 491		56 732
Income from grants	249		272
Other income	1 648		1 801
Total funds provided for financing of operations		798 339	721 915
Decrease in short-term claims		1 849	-3 221
Increase in short-term liabilities		5 803	8 336
CASH FLOW FROM OPERATIONS		21 880	23 679
INVESTMENTS			
Investments in fixed assets	-13 986		-22 457
Total investment expenditure		-13 986	-22 457
Financing of investments			
Loans from National Debt Office	25 868		19 817
- repayments	-23 507		-22 586
Sales of fixed assets	929		225
Total funds available for financing of investments		3 290	-2 544
Decrease in short-term liabilities in respect of investments		-5 341	3 960
CASH FLOW TO INVESTMENT ACTIVITIES		-16 037	-21 041
LENDING ACTIVITIES			
New loans and write-downs	7 437		-24 803
Repayments	4 053		3 699
Total lending expenditure		11 491	-21 105
Financing of lending activities			
Increase in government capital with funds received from gov. budget	4 484		15 312
Total funds provided for financing of lending activities		4 484	15 312
CASH FLOW FROM LENDING ACTIVITIES		15 974	-5 793
COLLECTION OF FEES ETC			
Fees, which may not be used by the agency	42 860		32 716
Increase in short-term claims	-2 185		-4 398
Payments to government budget		40 675	28 319
Total funds provided for financing of collection activities		-40 675	-28 319
CASH FLOW FROM COLLECTION ACTIVITIES		0	0

	NOTE	010101 -011231	000101 -001231
TRANSFERERS			
Disbursed contributions	-11 760 408	-10 030 213	
Increase in short-term liabilities in respect of contributions	23 295	-26 076	
Reduction of long-term claims, excl. lending operations	91 600	16 265	
Total funds provided for financing of investments		-11 645 513	-10 040 024
Financing of transfer activities			
Funds from government budget for financing of grants	11 149 047	9 334 768	
Funds from other agencies for financing of grants	2 206	15 635	
Other funds received for financing of grants	52 109	90 382	
Increase in government capital with funds from gov. budget	725 174	601 900	
Total funds received for financing of transfer activities		11 928 536	10 042 685
CASH FLOWS FROM TRANSFER ACTIVITIES		283 023	2 661
CHANGE IN LIQUID FUNDS		304 841	-494

	010101 -011231	000101 -001231
SPECIFICATION OF LIQUID FUNDS		
Liquid funds at the beginning of the year	2 040 877	2 041 371
Increase in cash and postal giro balances	6 160	12 143
Increase in balances in National Debt Office	140 932	21 718
Reduction in bank balances	45 998	-68 805
Increase in settlement with Government	111 751	34 450
Total change in liquid funds	304 841	-494
Liquid funds at the end of the year	2 345 717	2 040 877

Notes, amount 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.

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. A new procedure from 2001 is that Invoices received in respect of goods and services supplied, which were received up to the break-off point for the final accounts and which are classified as transfers, are deducted from the appropriations according to the cash principle. It is estimated that this change in accounting principle has increased the outcome on appropriations by SEK 141 551 000 in 2001.

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.

Dispensation 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	Taxable payment	Membership of other boards
Ekholm, Berndt	10	Environment Protection Agency Bank of Sweden Jubilee Fund
Forsberg, Bo	9	–
Göransson, Bo	920	Stockholm University Waldemarsudde Foundation
Kokko, Ari	9	–
Näslund, Ingrid	11	Public Health Commission
Nörby, Bengt	11	Lund University LO-TCO Rättsskydd AB TCO Development AB Bergendal Course and Confer. Centre
Persson, Bertil	7	Medical Ethics Council Medical Products Agency Gene Technology Advisory Board Malmö University College
Risinggård, Börje	11	Swedish Customs Swedish-Polish Trade Services AB Swedish-Russian Chamber of Commerce AB Nordiska Unipol AB Sif Competence AB
Sommestad, Lena	11	Foundation for strategic environmental research
Ytterberg, Mariann	9	Medical Products Agency Hospital Patient's Injuries Board Gene Technology Advisory Board
Zetterberg, Eva	11	–
Herrström, Staffan (Deputy Dir. General)	644	–
Ekengren, Lars* (Deputy Dir. General)	338	Nordic Development Fund
Total payments	2 001	

* Post as Deputy Director General until 2001-09-30.

INCOME STATEMENT

Note 1. Relationship between income from appropriations according the appropriation accounts and the income statement

	010101 -011231	000101 -001231
Appropriation outcome as shown in the appropriation accounts	12 619 710	10 618 789
Appropriation income as shown in the income statement	-736 951	-663 110
Funds received from the government budget for the financing of developing cooperation	-11 149 047	-9 334 768
Accounted against state capital (loans)	-733 711	-620 911
Difference	0	0

Note 2. Income from fees and other payments

	010101 -011231	000101 -001231
Income in accord. with Fees Ordinance	18 747	16 343
Income from fee-financed operations	2 724	3 641
Other operational income	38 735	36 765
Total income	60 207	56 749

Note 3. Financial income

	010101 -011231	000101 -001231
Interest income National Debt Office	1 489	1 699
Other interest income	50	37
Other financial income	109	65
Total financial income	1 648	1 801

Note 4. Pay

	010101 -011231	000101 -001231
Total costs for personnel	-458 987	-409 598
Of which salaries and wages	-253 508	-230 454

Note 5. Other operating costs

	010101 -011231	000101 -001231
Consulting services (excl. computer serv.)	-95 735	-84 528
Computer services	-3 664	-5 857
Other services	-21 511	-9 701
Telecommunications and post	-18 561	-17 623
Transport and travel	-38 515	-33 375
Office materials, printed matter etc	-15 758	-11 222
Other	-15 486	-18 182
Total other operating costs	-209 229	-180 488

Note 6. Financial expenses

	010101 -011231	000101 -001231
Interest expenses, interest-bearing account, National Debt Office	-5	-4 129
Interest expenses, loans, National Debt Office	-2 512	-2 391
Other financial expenses	-426	-388
Total financial expenses	-2 943	-6 907

Note 7. Financial income

	010101 -011231	000101 -001231
Interest income, concessionary credits	81 972	88 556
Interest income, Export Credit Guarantee Board	39 426	41 111
Exchange rate gains	27 587	53 365
Other financial income	1 436	2 356
Total financial income	150 422	185 387

Note 8. Financial expenses

	010101 -011231	000101 -001231
Interest expenses, Export Credit Guarantee Board	-45	-74
Exchange rate losses	-6 932	-21 106
Other financial expenses	-51	-45
Total financial expenses	-7 028	-21 225

Note 9. Change in capital for the year

	010101 -011231	000101 -001231
<i>Accrued differences</i>		
Repayments	23 507	22 586
Personnel costs	-5 920	-3 048
Depreciation	-22 473	-20 927
Collections	2 185	4 398
Other	-2 050	1 272
<i>Grant-financed surpluses/deficits</i>		
Bad debt losses, conditional loans	-17 273	-2 624
Concessionary credits – grant elements	-653 696	-648 274
Result contingency reserves	-91 600	-16 265
Other transfers*	204 310	75 517
Change in capital for the year	-563 010	-587 365
* Due to changes in accounting principles in 2001 for settlements against appropriations for invoices received in respect of transfers, this amount has been affected by SEK 141 551 000 (see also Accounting Principles above).		

BALANCE SHEET

Note 10. Tangible assets

<i>Improvements to non-Sida property</i>		<i>Machines, equipment, installations etc.</i>					TOTAL
	Finalised improvements non-Sida property*	Capital goods	Vehicles	Computers	Office machines	Furniture	
Opening balance acquisition value	39 671	12 469	15 750	73 918	11 840	20 874	174 523
Acquisitions 2001	817	1 203	3 532	6 033	867	1 534	13 986
Reverses – acquisition value	0	–46	–1 021	–20 581	–60	–164	–21 873
Closing balance acquisition value	40 489	13 626	18 261	59 371	12 647	22 244	166 636
Opening balance accumulated depreciation	–14 687	–10 604	–10 959	–48 836	–9 367	–18 901	–113 355
Depreciation 2001	–3 751	–1 106	–1 920	–14 029	–838	–829	–22 473
Reversed depreciation	0	26	982	20 389	55	164	21 617
Closing balance accumulated depreciation	–18 438	–11 683	–11 897	–42 476	–10 150	–19 566	–114 211
BOOK VALUE	22 051	1 942	6 364	16 894	2 497	2 677	52 425
Total per balance sheet item	22 051					30 374	52 425
* Ongoing improvements to non-Sida property not available in 2001.							

Note 11. 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 12. Loans

Loans concessionary credits	011231	001231
Opening balance*	133 220	–
New loans in the year	23 302	–
Repayments during the year	–2 198	–
Change for the year in exchange rate differences and expected losses	–1 278	–
Closing balance	153 047	–
Conditional loans	011231	001231
Opening balance	121 744	100 640
New loans in the year	8 537	19 015
Repayments during the year	–4 053	–3 699
Loans written off	–7 179	–375
Change for the year in exchange rate differences and expected losses	–7 518	6 163
Closing balance	111 531	121 744
Total closing balance	264 578	121 744
*Concessionary credits are shown in the balance sheet in 2001. The value of all outstanding loans has been estimated and is reported in the opening balance. There is no information on the value of these loans as at December 31, 2000.		

Note 13. Cut-off items

	011231	001231
Prepaid rent	11 290	12 286
Prepaid rent, government property	7 268	7 663
Other prepaid costs	4 730	1 557
Accrued grant income	23	29
Accrued interest income, governmental	10 646	12 937
Accrued interest income, non governmental	13 221	10 942
Other accrued income, non governmental	579	20
Closing balance	47 756	45 435

Note 14. Settlement with the government

	011231	001231
Opening balance	–44 800	–79 249
<i>Settled against government budget</i>		
– Appropriations	12 619 710	10 618 789
– Income headings	–46 927	–32 017
<i>Settled against government budget, total</i>	<i>12 572 783</i>	<i>10 586 771</i>
<i>Settled against govt. current account</i>		
– Appropriation funds provided for interest-bearing account	–450 608	–415 294
– Collections etc.	927 786	823 095
– Transfers etc.	–12 938 211	–10 960 123
<i>Settled against government current account, total</i>	<i>–12 461 032</i>	<i>–10 552 322</i>
Settlement with the government	111 751	34 450
Closing balance	66 951	–44 800

Note 15. Holding on interest-bearing account at the National Debt Office

Sida has a credit facility of SEK 20 000 000 on its interest-bearing account at the National Debt Office.

	011231	001231
Holding: interest-bearing account	44 148	58 957
Of which short-term liquidity needs	26 419	39 943

Note 16. 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 2 146 936 000) up to an amount of SEK 500 million.

Note 17. Cash, postal giro, bank

	011231	001231
Cash	45	65
Embassies LORO	24 376	18 195
Bank balances	63 263	17 265
Closing balance	87 683	35 525

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 18. 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 the 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 income statement and result in a change in capital which is a charge on government capital next year.

Concessionary credits	011231	001231
Opening balance*	133 220	–
New loans for the year	23 302	–
Repayments made during the year	–2 198	–
Closing balance	154 325	–
Conditional loans		
Opening balance	117 618	106 304
New loans for the year	8 537	19 015
Repayments made during the year	–4 053	–3 699
Change in capital for the year	–370	–3 998
Change in capital for the year	0	–5
Closing balance	121 731	117 618
Soft loans		
Opening balance	2 549 910	2 434 266
Allocation for the year**	725 174	601 900
Change in capital for the year	–558 715	–486 256
Closing balance	2 716 368	2 549 910
Total closing balance	2 992 424	2 667 527
* See note 12		
** Also includes allocations for concessionary credits in 2001.		

Note 19. Change in capital brought forward

	011231	001231
Opening balance	467 388	111 951
Capital change last year	–587 365	–134 817
Allocated to government for conditional loans	370	3 998
Allocated to government capital for concessionary credits	558 715	486 256
Closing balance	439 109	467 388

Note 20. Provision

	011231	001231
Opening provision	5 503	5 660
Pension costs for the year	3 467	2 597
Pension payments for the year	–2 889	–2 754
Closing provision	6 081	5 503

Note 21. Loans at the National Debt Office

Under the Government's annual directives, Sida has a loan budget of SEK 62 million.

	011231	001231
Opening balance	50 682	53 450
Loans taken in the year	25 868	19 817
Repayments made during the year	–23 507	–22 586
Closing balance	53 042	50 682

Note 22. Accounts payable

	011231	001231
Total accounts payable	148 298	135 227
Of which investments	446	5 787

Note 23. Cut-off items

	011231	001231
Accrued salaries and vacation pay	31 008	26 875
Accrued interest and expenses, governmental	67	91
Other accrued expenses, non governmental	1 695	415
Other accrued expenses, governmental	60	0
Unused grants, non governmental	507	23 633
Unused grants, governmental	1 724	4 154
Deferred income, non governmental	325	0
Deferred income, governmental	91	0
Closing balance	35 477	55 168

APPROPRIATION ACCOUNTS**Note 24 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 refers 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.

Reallocated appropriation funds refers 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 25. Uncommitted balances from previous years

The total uncommitted amount from 2001 on appropriation item 7 8:1 Development cooperation amounted to SEK 56 129 000. Under its annual directives Sida may make use of the entire amount. Of the above amount SEK 40 810 000 has been transferred to sub-item 7 8:1.2.5 Global development programmes. Of the balance brought forward from sub-item 7 8:1.1.4 European Development Fund, SEK 88 000 has been transferred to sub-item 7 8:1.2.4 Europe.

Total uncommitted balances from 2000 on appropriation item 7 9:1.1 Cooperation with central and Eastern Europe via Sida amounted to SEK 50 143 000. Under a decision of the Government Sida may use SEK 39 643 000. Of this amount SEK 29 643 has been transferred to 7 9:1.1.1 Transfer of knowledge and economic cooperation. SEK 10 million has been transferred to 7 9:1.1.4 Contributions for the promotion of security

Note 26. Changes to the appropriation structure

In 2001 Sida's appropriation structure for appropriation item 7 8:1.2 Bilateral development cooperation has been partly changed. Sida is not longer allocated funds at country level. Now funds are received at regional level. A new sub-item has been introduced, Global development programmes. The sub-items Special development programmes and Research co-operation have been discontinued. Sida also accounts to a greater extent on the basis of regional budgets instead of sector budgets, as was the case previously. As a consequence of this Sida has transferred corresponding outstanding commitments at sub-item level within the appropriation item.

Note 27. Re-allocation of appropriation 7 8:1.2

Under the Government's annual directives Sida is entitled to transfer funds in and between sub-items within a certain given framework. Sida may also reallocate a further SEK 200 million to Humanitarian assistance and conflict prevention, of which SEK 100 million each have been taken from the appropriation item Africa and Asia. A summary is provided below of re-allocations made under appropriation 7 8:1.2 Bilateral development cooperation.

Sub-item	Accord. to Govt. direct.	Internal reallocat.	In annual report
Africa	2 125 000	-307 100	1 817 900
Asia	1 305 000	-115 400	1 189 600
Latin America	785 000	+ 49 372	834 372
Europe	750 000	+ 30 990	780 990
Global development program.	1 162 000	+80 034	1 242 034
Concessionary credits	430 000	- 40 896	389 104
Humanitarian Assistance and Conflict Prevention	1 077 000	+300 000	1 377 000
Information	50 000	+3 000	53 000

Note 28. 7 8:2 Sida's administration

Sida's saving on its administration appropriation amounted at the beginning of the year to SEK 19 996 000. Sida may use the entire sum (UD2001/495/IC).

According to its annual directives, Sida may use an appropriation credit not exceeding SEK 12 600 000 in addition to its appropriation.

Note 29. Reallocations appropriation 7 9:1.1

According to the Government's annual directives Sida is entitled to transfer funds in and between sub-items within a framework of 10% per sub-item.

Within appropriation item 7 9:1.1 Cooperation with central and Eastern Europe, Sida has transferred SEK 4 million to sub-item 7 9:1.1.1 Transfer of knowledge and economic cooperation from sub-item 7 9:1.1.4 Contributions for the promotion of security.

Note 30. Allocations of funds from savings on appropriations

At the start of the year Sida had outstanding funds on appropriation item 5 5:7 Peace-promotion activities sub-item 3 Sida's activities abroad amounting to SEK 3 865 000 and on sub-item 8 At the disposal of the Government amounting to SEK 12 706 000. The remaining funds have been returned to the Government in full.

Note 31. Right to use savings on appropriations

By a decision of the Government, Sida has been given the right to use the entire saving 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.

Note 32. Accounting against income headings

The years' income that is accounted for against income headings shows a higher balance (SEK 46 927 000) than that estimated in the letter of appropriations (SEK 39 million). The difference can be explained by the fact that repayments from UN agencies that refer to 1999 and 2000 were paid in 2001.

AUTHORISATIONS**Note 33. Definition of authorisation**

The concept of authorisation refers to the right given to Sida in the letter of appropriations to enter into financial obligations that involve future expenditure that shall be covered by appropriations that have not yet been allocated to Sida.

Note 34. 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, 2001. The total for outstanding

commitments does not include that part which is accounted for as committed appropriations.

Note 35. 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 2001 and disbursements that were made before 2001. 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.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Sida has applied the new provisions as stipulated in the ordinance on annual accounts and budget documents in respect of the compilation of the statement of changes in financial position. Therefore, some comparative figures as at December 31, 2000 have been changed.

Note 36 Cost of operations

	010101 – 011231	000101 – 001231
Cost of operations according to the statement of revenues and expenses	–807 203	–724 266
Cost of operations according to the statement of changes in financial position	–784 110	–703 351
Difference	–23 093	–20 915

The difference consists of the following items in the statement of revenues and expenses that shall not affect the statement of changes in financial position:

	010101 – 011231	000101 – 001231
Capital losses from sales of fixed assets	–42	–145
Allocations for future pension commitments	–578	157
Depreciation of fixed assets	–22 473	–20 927
Total	–23 093	–20 915

Note 37 Income from fees and other payments

	010101 – 011231	000101 – 001231
Income from fees and other payments according to the Statement of revenues and expenses	60 207	56 749
Income from fees and other payments according to the Statement of changes in financial position	59 491	56 732
Total	715	16

The difference consists of the following items in the statement of revenues and expenses that shall not affect the statement of changes in financial position:

	010101 – 011231	000101 – 001231
Capital gains from sales of fixed assets	715	16
Total	715	16

DISPUTES**Scandia Consult International**

The demand amounts some SEK 4 200 000. Scandiaconsult has carried out assignments for Sida in West Bank/Gaza. Scandiaconsult has claimed an additional payment over and above that paid by Sida under the contract between the parties amounting to approximately SEK 4 200 000. The matter is being prepared for litigation in the district court

GE Capital Equipment Finance AB

The demand amounts to approximately SEK 6 500 000. The dispute has arisen over the size of the monthly fees and insurance premiums for rental and leasing agreements that Sida has entered into with the company. Arbitration proceedings have commenced.

Approval of
the annual report
by the Board of Sida

2001

Approval of the annual report by the Board of Sida

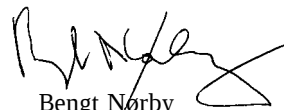
The Board of Sida approved the annual report for 2001 at its meeting on February 15, 2002.



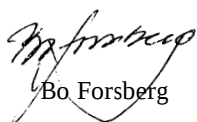
Bo Göransson, Director General, *Chairman*



Berndt Ekholm



Bengt Nörby



Bo Forsberg



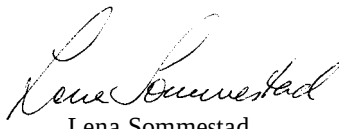
Bertil Persson



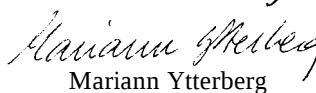
Ari Kokko



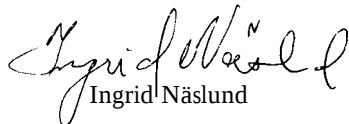
Börje Risinggård



Lena Sommestad



Mariann Ytterberg



Ingrid Näslund



Eva Zetterberg

Appendix 2001

Appendix 1. Expenditure summarised by operational area, region and country

Overview of policy areas, expenditure in SEK million and number of contributions						
Policy area	Expenditure			Number of contributions		
	2001	2000	1999	2001	2000	1999
International development cooperation	11 437	9 529	7 818	5 476	5 644	5 580
Cooperation with Central and Eastern Europe	648	657	561	1 021	1 064	1 021
Peace promotion activities	19	25	32	14	14	11
Total	12 104	10 212	8 412	6 511	6 722	6 612
Administrative costs	467	436	446			
Total	12 571	10 648	8 858			

APPENDIX 1A

International development cooperation by country and operational area, SEK '000						
Country/region	Democratic governance and human rights	Social sectors	Infrastructure, private sector dev., urban dev. & financial systems	Natural resources and the environmen	Economic reforms	Research cooperation
AFRICA SOUTH OF THE SAHARA						
Angola	3 465 659	28 507 976	93 716	499 443	0	0
Benin	0	0	0	0	0	0
Botswana	3 097 650	290 809	248 787	0	0	0
Burkina Faso	4 000 000	47 050	0	4 613 181	40 000 000	2 290 676
Burundi	3 535 263	0	0	0	0	0
Central African Rep.	0	0	0	0	0	0
Ivory Coast	4 200	0	0	0	0	0
Eritrea	481 197	8 630 613	7 247 959	0	0	28 309 351
Ethiopia	9 364 983	514 663	205 702	78 296 449	0	15 837 979
Gabon	0	0	0	0	0	0
Gambia	0	0	0	0	0	0
Ghana	0	0	19 665 172	0	0	0
Guinea	0	0	0	0	0	0
Guinea-Bissau	0	1 429 717	9 273 105	200 000	0	0
Cameroon	0	0	0	0	0	0
Cape Verde	270 000	0	0	0	0	0
Kenya	31 176 966	16 666 641	32 674 772	30 020 508	0	0
Congo	0	0	0	0	0	0
DR Congo	-21 054 079	0	0	0	0	0
Lesotho	0	0	0	0	0	0
Liberia	0	0	0	0	0	0
Malawi	0	6 450 000	434 915	0	0	0
Mali	0	57 083	52 670	0	40 000 000	0
Mauritania	0	0	0	0	0	0
Mozambique	101 752 977	48 412 193	94 749 029	1 883 346	100 000 000	29 045 185
Namibia	21 736 253	39 695 606	15 272 771	3 082 535	0	2 844 860
Nigeria	0	0	0	0	0	0
Nigeria	4 500 000	0	0	0	0	0
Rwanda	7 763 906	18 161 341	19 536	0	40 000 000	0
Sao Tomé & Príncipe	0	0	0	0	0	0

Humanitarian contributions and conflict prevention	NGOs	Other operational areas	Total exclusive administration expenditure	Administration expenditure	Total	Country/region
AFRIKA SÖDER OM SAHARA						
102 162 136	5 893 512	-2 639 140	137 983 302	9 623 619	147 606 922	Angola
0	948 380	0	948 380	33 118	981 498	Benin
0	0	0	3 637 246	127 013	3 764 260	Botswana
0	5 837 208	1 981 407	58 769 521	2 052 245	60 821 766	Burkina Faso
22 223 621	-149 101	262 728	25 872 510	903 474	26 775 984	Burundi
0	7 954 469	0	7 954 469	277 772	8 232 241	Central African Rep.
0	1 145 782	0	1 149 982	40 158	1 190 139	Ivory Coast
27 292 388	2 209 510	1 791 774	75 962 791	2 652 638	78 615 429	Eritrea
79 278 297	15 922 751	2 321 358	201 742 182	9 273 849	211 016 031	Ethiopia
0	-6 453	0	-6 453	-225	-6 678	Gabon
-11 106	3 886 937	0	3 875 831	135 345	4 011 176	Gambia
0	692 543	0	20 357 715	710 896	21 068 611	Ghana
5 783 698	-6 453	0	5 777 245	201 743	5 978 988	Guinea
10 750 000	1 050 000	1 325 070	24 027 891	839 059	24 866 950	Guinea-Bissau
0	-6 453	0	-6 453	-225	-6 678	Cameroon
0	0	230 406	500 406	17 474	517 880	Cape Verde
7 554 886	19 770 308	2 160 999	140 025 079	8 059 295	148 084 375	Kenya
14 951 348	2 370 000	0	17 321 348	604 865	17 926 213	Congo
55 974 091	19 666 327	0	54 586 340	1 906 167	56 492 507	DR Congo
0	-6 453	0	-6 453	-225	-6 678	Lesotho
7 304 822	4 450 505	0	11 755 327	410 499	12 165 825	Liberia
0	-32 265	16 575 762	23 428 412	818 125	24 246 538	Malawi
0	2 495 465	2 326 662	44 931 880	1 569 031	46 500 911	Mali
0	3 926 993	0	3 926 993	137 131	4 064 124	Mauritania
21 819 185	12 960 199	23 617 244	434 239 358	21 786 910	456 026 268	Mozambique
1 000 000	4 702 517	119 559	88 454 101	7 504 672	95 958 773	Namibia
0	-6 453	0	-6 453	-225	-6 678	Nigeria
-7 458	2 338 006	0	6 830 548	238 524	7 069 072	Nigeria
4 505 328	13 405 225	3 250 000	87 105 337	4 945 098	92 050 435	Rwanda
0	-10 167	0	-10 167	-355	-10 522	Sao Tomé & Príncipe

International development cooperation by country and operational area, SEK '000

Country/region	Democratic governance and human rights	Social sectors	Infrastructure, private sector dev., urban dev. & financial systems	Natural resources and the environmen	Economic reforms	Research cooperation
Senegal	0	0	0	0	0	0
Sierra Leone	0	0	0	0	0	0
Somalia	0	0	0	0	0	0
Sudan	0	0	0	0	0	0
Swaziland	0	0	0	0	0	0
South Africa	100 869 950	49 078 544	73 743 330	135 884	0	4 743 603
Tanzania	47 891 983	96 662 609	102 436 906	56 879 559	80 000 000	50 005 866
Chad	0	0	0	0	0	0
Togo	0	0	0	0	0	0
Uganda	11 807 928	59 734 575	130 402 585	7 422 577	55 000 000	15 656 097
Zambia	27 083 750	61 786 966	27 544 564	49 236 695	0	1 599 692
Zimbabwe	33 168 522	11 299 714	558 731	2 596 514	0	10 077 500
Regional Sub-Saharan Africa	53 639 955	122 793 143	68 212 181	100 333 889	0	117 637 244
Total Africa	444 557 064	570 219 243	582 836 432	335 200 580	355 000 000	278 048 052
ASIA EXCL. CENTRAL ASIA						
Afghanistan	0	4 917 124	0	12 500 000	0	0
Algeria	800 000	0	0	0	0	0
Bangladesh	15 418 254	104 381 949	142 712 005	2 179 038	0	1 000 000
Bhutan	1 010 555	0	0	0	0	0
Egypt	3 259 774	420 000	2 291 856	286 000	0	0
Philippines	13 277 240	0	434 068	2 750 245	0	0
Hong Kong	0	0	0	0	0	0
India	5 399 188	8 496 838	27 085 068	12 994 544	0	5 039 289
Indonesia	23 689 861	0	566 177	1 031 475	0	0
Iraq	0	0	0	0	0	0
Iran	0	0	0	0	0	0
Israel	0	0	0	0	0	0
Jordan	0	1 057 737	5 664 191	0	0	0
Cambodia	30 042 193	30 409 106	12 800 832	39 685 372	24 000 000	71 000
China	1 928 085	24 672 198	43 244 408	27 471 042	0	0
Korea, North	0	0	0	65 580	0	0
Korea, South	0	0	0	0	0	0
Kuwait	0	0	0	0	0	0
Laos	17 349 253	9 952 729	74 002 454	18 330 946	0	432 126
Lebanon	21 725	474 678	0	0	0	0
Malaysia	0	0	0	0	0	0
Morocco	474 699	138 223	3 469 060	604 399	0	0
Mongolia	10 680 900	145 000	10 106 830	0	0	0
Myanmar	584 200	0	0	0	0	0
Nepal	842 301	0	135 000 000	0	0	0
Pakistan	0	0	0	0	0	0
Papua New Guinea	0	0	0	0	0	0
Samoa	0	0	0	0	0	0
Sri Lanka	17 275 246	1 596 944	122 143 143	173 527	0	21 950 000
Syria	0	0	887 748	0	0	0
Taiwan, Province	0	0	0	0	0	0
Thailand	2 758 980	880 000	164 894	4 665 931	0	0
Tunisia	735 603	0	24 837	940 055	0	0
Turkey	4 168 736	1 000 000	0	0	0	0
Vietnam	79 711 954	65 250 454	117 617 721	61 769 868	0	15 466 720
West Bank/Gaza	32 090 095	45 760 792	101 672 764	11 500 000	0	0
Yemen	0	0	0	0	0	0
East Timor	2 535 147	0	0	0	0	0
Regional Asia	19 974 908	24 041 329	12 059 943	32 662 691	0	47 206 097
Total Asia	284 028 898	323 595 101	811 947 999	229 610 713	24 000 000	91 165 231

Humanitarian contributions and conflict prevention	NGOs	Other operational areas	Total exclusive administration expenditure	Administration expenditure	Total	Country/region
0	639 683	0	639 683	203 343	843 026	Senegal
32 205 500	-27 498	0	32 178 002	1 123 663	33 301 665	Sierra Leone
55 277 512	2 328 306	0	57 605 818	2 011 608	59 617 426	Somalia
65 066 967	16 062 863	0	81 129 829	2 833 072	83 962 901	Sudan
0	0	0	0	0	0	Swaziland
51 863	38 187 148	549 611	267 359 933	12 986 263	280 346 196	South Africa
6 500 000	33 893 084	7 303 047	481 573 054	23 982 652	505 555 706	Tanzania
0	1 075 782	0	1 075 782	37 567	1 113 348	Chad
0	2 790 131	0	2 790 131	97 432	2 887 563	Togo
8 121 064	11 554 326	3 221 079	302 920 232	14 354 956	317 275 188	Uganda
4 572 736	3 902 298	224 604	175 951 305	9 438 943	185 390 248	Zambia
3 194 524	21 090 116	2 264 203	84 249 825	7 331 616	91 581 441	Zimbabwe
21 378 036	38 985 235	23 463 076	546 442 759	19 081 903	565 524 662	Regional Sub-Saharan Africa
556 949 438	301 884 313	90 349 447	3 515 044 569	168 350 482	3 683 395 051	Total Africa
ASIA EXCL. CENTRAL ASIA						
182 454 000	11 317 603	814	211 189 541	7 109 498	218 299 039	Afghanistan
16 536 731	-41 949	0	17 294 782	582 213	17 876 995	Algeria
-74 039	25 490 752	1 242 023	292 349 983	13 435 953	305 785 936	Bangladesh
0	1 930 000	0	2 940 555	98 991	3 039 546	Bhutan
0	4 879 078	62 800	11 199 508	377 021	11 576 529	Egypt
-29 616	7 575 199	0	24 007 137	808 178	24 815 314	Philippines
0	0	0	0	0	0	Hong Kong
27 092 469	23 481 887	1 779 046	111 368 330	5 483 576	116 851 906	India
9 300 000	3 638 693	0	38 226 206	1 286 849	39 513 055	Indonesia
30 528 607	4 859 986	0	35 388 593	1 191 324	36 579 917	Iraq
0	0	0	0	0	0	Iran
0	0	0	0	0	0	Israel
0	0	0	6 721 928	226 287	6 948 215	Jordan
31 123 856	6 369 121	131 277	174 632 757	7 986 543	182 619 300	Cambodia
-487 382	5 440 268	625 025	102 893 643	5 672 071	108 565 714	China
27 597 053	0	0	27 662 633	931 237	28 593 869	Korea, North
0	-41 949	0	-41 949	-1 412	-43 361	Korea, South
0	0	0	0	0	0	Kuwait
-3 702	2 056 259	24 404	122 144 469	7 181 554	129 326 023	Laos
3 255 672	4 781 216	0	8 533 292	287 265	8 820 557	Lebanon
0	0	0	0	0	0	Malaysia
0	0	0	4 686 381	157 763	4 844 144	Morocco
5 000 000	-67 765	0	25 864 965	870 720	26 735 684	Mongolia
4 700 000	607 901	0	5 892 101	198 352	6 090 453	Myanmar
0	5 023 999	0	140 866 300	4 742 132	145 608 431	Nepal
0	6 958 278	0	6 958 278	1 653 944	8 612 222	Pakistan
0	545 782	0	545 782	18 373	564 155	Papua New Guinea
0	0	0	0	0	0	Samoa
16 843 952	7 705 020	0	187 687 831	8 675 578	196 363 409	Sri Lanka
0	-67 765	0	819 983	27 604	847 587	Syria
0	0	0	0	0	0	Taiwan, Province
19 500 000	4 698 667	0	32 668 472	1 099 753	33 768 225	Thailand
0	1 082 235	0	2 782 729	93 678	2 876 407	Tunisia
-138 389	571 598	14 366	5 616 312	189 068	5 805 380	Turkey
0	13 467 753	1 150 621	354 435 093	18 897 240	373 332 332	Vietnam
22 406 897	10 422 486	0	223 853 034	10 481 811	234 334 846	West Bank/Gaza
0	6 279 666	0	6 279 666	211 399	6 491 065	Yemen
4 565 000	-67 765	16 000 000	23 032 382	775 364	23 807 746	East Timor
34 970 247	33 627 885	2 690 885	207 233 983	6 976 338	214 210 321	Regional Asia
435 141 356	192 524 139	23 721 260	2 415 734 698	107 726 264	2 523 460 963	Total Asia

International development cooperation by country and operational area, SEK '000

Country/region	Democratic governance and human rights	Social sectors	Infrastructure, private sector dev., urban dev. & financial systems	Natural resources and the environmen	Economic reforms	Research cooperation
LATIN AMERICA						
Argentina	0	0	0	0	0	0
Bolivia	45 058 733	67 071 960	6 330 431	2 081 730	60 000 000	15 202 507
Brazil	0	0	0	0	0	0
Chile	71 000	0	15 000 000	0	0	0
Colombia	31 449 840	-665 157	0	0	0	297 500
Costa Rica	0	0	707 819	134 314	0	0
Dominican Republic	0	0	852 404	0	0	0
Ecuador	1 311 870	0	0	0	0	0
El Salvador	17 684 388	8 218 000	32 745 287	0	0	0
Guatemala	36 605 451	19 890 769	35 672 291	7 229 589	0	0
Guyana	60 895	0	0	0	0	0
Haiti	1 990 000	0	0	0	0	0
Honduras	78 951 702	17 373 435	4 234 644	1 553 887	60 000 000	287 937
Jamaica	1 440 217	0	2 141 560	0	0	0
Cuba	7 125 000	483 482	0	140 960	0	0
Mexico	-78 599	0	0	0	0	0
Nicaragua	62 981 724	24 860 565	17 100 517	8 840 858	0	23 008 516
Paraguay	6 077 550	0	0	0	0	-1 017
Peru	11 360 339	0	0	0	0	0
Uruguay	0	0	0	0	0	0
Venezuela	0	0	0	0	0	0
Regional Latin America	43 277 742	28 093 859	38 175 947	32 388 471	0	35 410 029
Total Latin America	345 367 850	165 326 912	152 960 900	52 369 809	120 000 000	74 205 472
EUROPE						
Albania	16 246 876	5 800 037	5 033 673	10 358 110	0	0
Armenia	5 511 018	0	250 000	0	0	0
Azerbaijan	44 839	0	0	0	0	0
Bosnia & Herzegovina	58 641 335	15 984 599	138 289 667	16 677 807	0	0
Former Republic of Yugoslavia	116 660 945	9 278 304	140 548 828	8 066 981	0	0
<i>of which Kosovo</i>	59 387 839	8 218 447	78 909 675	7 514 303	0	0
<i>Montenegro</i>	8 000 393	-6 357	0	33 107	0	0
<i>Serbia</i>	36 772 983	466 214	36 568 587	369 167	0	0
Georgia	8 007 881	3 650 866	0	204 331	0	0
Kazakhstan	5 906 031	0	0	21 187	0	0
Kyrgyzstan	9 121 164	63 583	0	0	0	0
Croatia	19 700 868	1 161 286	36 950 000	75 674	0	0
Macedonia	24 075 415	6 638 643	12 331 198	7 398 430	0	0
Moldova	15 345 867	1 452 105	3 522 659	0	0	0
Slovenia	0	0	0	0	0	0
Tajikistan	0	0	0	0	0	0
Turkmenistan	0	0	0	0	0	0
Uzbekistan	0	0	0	0	0	0
Regional Europe	9 015 888	8 197 158	1 849 545	65 527	0	0
Total Europe	288 278 128	52 226 581	338 775 569	42 868 048	0	0
Other countries	0	0	0	0	0	0
Global contributions	157 352 062	392 441 007	148 932 307	268 834 290	0	384 457 140
Total excl. administrative costs	1 519 584 003	1 503 808 844	2 035 453 208	928 883 440	499 000 000	827 875 896
Administrative costs	39 369 819	56 902 408	88 106 764	44 432 410	15 361 787	58 567 549
TOTAL	1 558 953 822	1 560 711 252	2 123 559 972	973 315 850	514 361 787	886 443 446

Humanitarian contributions and conflict prevention	NGOs	Other operational areas	Total exclusive administration expenditure	Administration expenditure	Total	Country / region
LATIN AMERICA						
-7 404	1 568 380	0	1 560 976	54 317	1 615 293	Argentina
-393 616	10 113 088	1 112 827	206 577 661	9 889 179	216 466 839	Bolivia
-55 529	20 915 637	0	20 860 108	725 862	21 585 969	Brazil
0	8 715 948	0	23 786 948	827 706	24 614 654	Chile
24 897 418	8 075 393	0	64 054 995	2 228 899	66 283 894	Colombia
0	2 427 957	0	3 270 090	113 788	3 383 878	Costa Rica
0	-111 544	0	740 860	25 779	766 640	Dominican Republic
-18 510	2 474 738	0	3 768 097	131 117	3 899 215	Ecuador
12 293 894	13 122 412	1 336 634	85 400 615	2 971 655	88 372 270	El Salvador
8 591 130	17 304 472	1 412 507	126 706 208	6 594 391	133 300 599	Guatemala
0	613 547	0	674 442	23 468	697 910	Guyana
-18 510	-135 531	0	1 835 960	63 885	1 899 845	Haiti
138 208 002	4 069 004	2 310 964	306 989 573	11 314 693	318 304 266	Honduras
0	0	0	3 581 777	124 634	3 706 411	Jamaica
0	0	449 489	8 198 931	285 295	8 484 226	Cuba
600 000	2 232 235	0	2 753 636	95 817	2 849 453	Mexico
74 022 684	17 338 898	1 981 326	230 135 088	13 203 888	243 338 976	Nicaragua
-14 808	8 081 123	0	14 142 848	492 124	14 634 971	Paraguay
1 995 100	14 273 679	0	27 629 118	961 401	28 590 518	Peru
0	536 836	0	536 836	18 680	555 516	Uruguay
0	1 050 000	0	1 050 000	36 536	1 086 536	Venezuela
29 331 025	45 358 060	20 421 569	272 456 702	9 480 578	281 937 280	Regional Latin America
289 430 877	178 024 332	29 025 315	1 406 711 467	59 663 692	1 466 375 159	Total Latin America
EUROPE						
0	0	1 520 287	38 958 983	1 212 569	40 171 552	Albania
0	2 062 885	0	7 823 903	243 513	8 067 416	Armenia
-617 246	-41 949	0	-614 355	-19 121	-633 477	Azerbaijan
61 504 464	4 286 518	886 124	296 270 515	11 412 916	307 683 430	Bosnia & Herzegovina
65 119 882	0	7 245 088	346 920 028	10 797 623	357 717 651	Former Republic of Yugoslavia
<i>19 845 558</i>	<i>0</i>	<i>3 473 225</i>	<i>177 349 047</i>	<i>5 519 855</i>	<i>182 868 902</i>	<i>of which Kosovo</i>
<i>0</i>	<i>0</i>	<i>0</i>	<i>8 027 143</i>	<i>249 839</i>	<i>8 276 982</i>	<i>Montenegro</i>
<i>29 954 179</i>	<i>0</i>	<i>0</i>	<i>104 131 130</i>	<i>3 241 003</i>	<i>107 372 133</i>	<i>Serbia</i>
0	0	28 623	11 891 701	370 120	12 261 821	Georgia
0	0	0	5 927 218	184 480	6 111 698	Kazakhstan
0	0	0	9 184 747	285 868	9 470 615	Kyrgyzstan
0	241 103	1 114 391	59 243 321	1 843 903	61 087 225	Croatia
7 485 411	0	2 046 806	59 975 903	1 866 705	61 842 607	Macedonia
0	0	1 470 312	21 790 943	678 227	22 469 170	Moldova
4 004 367	0	0	4 004 367	124 633	4 129 000	Slovenia
10 050 000	0	0	10 050 000	312 799	10 362 799	Tajikistan
9 900 000	0	0	9 900 000	308 130	10 208 130	Turkmenistan
0	-67 765	0	-67 765	-2 109	-69 874	Uzbekistan
4 656 212	987 560	1 756 018	26 527 908	825 661	27 353 569	Regional Europe
162 103 090	7 468 351	16 067 648	907 787 416	30 445 916	938 233 331	Total Europe
23 348 440	4 815 000	0	28 163 440	876 566	29 040 006	Other countries
198 608 807	191 251 037	1 421 972 104	3 163 848 755	98 472 395	3 262 321 150	Global contributions
1 665 582 007	875 967 173	1 581 135 775	11 437 290 345	465 535 314	-	Total excl. administrative costs
14 947 601	28 616 905	119 230 071	-	465 535 314	465 535 314	Administrative costs
1 680 529 608	904 584 078	1 700 365 846	-	465 535 314	11 902 825 659	TOTAL

APPENDIX 1B

Cooperation with Central and Eastern Europe, by country and operational area, SEK '000

Country/region	Security promotion support	Democracy	Socially sust. economic development	Environmentally sustainable development	Total
Bulgaria	0	155 602	570 225	0	725 827
Estonia	1 415 928	5 319 237	9 563 832	19 071 274	35 370 271
Latvia	5 593 766	4 004 073	16 138 493	19 883 465	45 619 797
Lithuania	1 058 919	6 470 905	35 850 060	8 010 029	51 389 912
Poland	0	-230 447	8 167 209	19 414 794	27 351 555
Rumania	0	638 952	2 383 476	165 000	3 187 428
Ryssia	6 441 154	30 729 561	105 516 561	64 832 466	207 519 742
<i>of which Barents region</i>	127 312	4 195 360	10 077 652	11 703 131	26 103 455
Slovakia	0	216 604	1 286 708	0	1 503 312
Czech Republic	0	133 332	245 145	0	378 477
Ukraine	1 700 000	11 839 809	22 496 946	14 889 692	50 926 447
Hungary	0	369 051	1 492 204	0	1 861 255
Belarus	12 338	6 695 794	4 248 094	452 079	11 408 304
Regional Central and Eastern Europe	11 651 278	39 260 914	125 137 739	34 005 579	210 055 510
Total Eastern and Central Europe	27 873 384	105 603 385	333 096 691	180 724 377	647 297 837
Other countries	0	0	531 702	0	531 702
Total	27 873 384	105 603 385	333 628 393	180 724 377	647 829 539

APPENDIX 1C

Peace promotion activities, by country, SEK '000

Country/region	Peace promotion	Administration expenditure	Total
Azerbaijan	701 373	70 824	772 197
Bosnia & Herzegovina	2 301 886	232 443	2 534 329
Former Republic of Yugoslavia	11 529 916	1 164 282	12 694 198
<i>of which Kosovo</i>	0	0	0
<i>Montenegro</i>	0	0	0
<i>Serbia</i>	0	0	0
Georgia	485 262	49 001	534 263
Croatia	1 860 410	187 863	2 048 272
Macedonia	1 173 412	118 490	1 291 902
Tajikistan	4 326	437	4 763
Uzbekistan	449 895	45 430	495 325
Total	18 506 480	1 868 769	20 375 249

Appendix 2. Support to UN and other international organisations

Sida shall submit a report on the total amount of support channelled through the agency to international organisations such as un agencies development banks etc.

In comparison with 2000, the outcome for UN agencies and other international organisations increased by SEK 1

518.2 million, of which SEK 1 337.5 million refers to UN agencies, basic support, SEK 169.8 million to UN agencies, project cooperation, and SEK 73.9 million to Other international organisations.

II. UN agencies, project cooperation, SEK million

	2001	2000
Unicef	395	417,3
UNDP	372	285,9
World Bank group	371,3	484,2
WHO	109,6	97,6
FAO	91	77,4
UN-DHA/UNOCHA	82,7	77,3
PAHO	75	53,5
ILO	63,7	46,5
WFP	63,1	44,8
UN	41,4	28,5
UNCHR	30,6	16,2
UNOPS	24,2	-0,2
WMU	24	22
UNEP	22	4,7
IFAD	17,7	2,5
UNMIK	14	0
UNHCR	13,8	5
UNESCO/IIEP	13,5	8,8
UNFPA	9,3	7,2
Habitat/UNCHS	8,8	7,8
UNRISD	8,5	7
UNECA	8,5	0
UNHCHR	5,4	1
UNRWA	5	2
UNDP/COHRED	4,5	6,8
ICTP	4	5
Unctad	4	0
UNAIDS	3,7	4
ITC	3,1	-0,1
UNDCP	3	5,4
ESCAP	1	3,1
UNOA	1	0
WTO	1	0
UNTCA	0,6	0
UNV	0,5	3,1
ECLAC	0,5	1,5
UNCCD	0,1	0
ITU	0	0,8
WIPO	0	0,6
UNIDO	-0,6	-0,5
Total UN agencies, project cooperation	1 896,5	1 727
Total UN	3 234	1 727

I. UN agencies, basic support, SEK million

	2001
UNDP	795
Unicef	297
UNFPA	160
UNDCP	38,5
UNAIDS	47
Total UN organisations, basic support	1 337,5

III. Other international organisations, SEK million

	2001	2000
ICRC	205	269,5
Lutheran World Federation	91,3	55,2
IPPF	69,8	109,6
IOM	60,6	10
IUCN	42,1	53,7
AIT	31,3	14,5
Save the Children	29,6	6
IFS	18,7	18,8
IDB	18,6	16,5
OAS	17	40
ICRAF	15	16,7
European Bank	12	15,3
Mekong Committee	11,3	11,8
IFU	10	36,9
Mines Advisory Group	5	18,1
OAU	1,9	20,6
Others	436,7	290,6
Total Other international organisations	1 075,9	1 002

TOTAL UN and OTHER INTERNATIONAL ORGANISATIONS	4 309,9	2 728,7
---	----------------	----------------

Appendix 3. Credits programme, import guarantees, independent guarantees, 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

Under the credits programme a guarantee was given to Barclays Bank in Zimbabwe in respect of the Women's Finance Trust. The guarantee has expired where new loans are concerned, and any losses on outstanding loans are covered by the funds allocated by SWFT for the purpose.

Import guarantees

Sida's guarantee commitments amounted to SEK 1.7 million at the year-end. This is reduction of SEK 1.8 million on 2000. 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 180 000 compared with 1999 and now amounts to SEK 170 000.

Independent guarantees

The Government has authorised Sida provide independent guarantees for a trial period. The trial period runs from March 11, 1999 to March 11, 2002.

Sida's engagement where independent guarantees are concerned amounted to SEK 150 million at December 31, 2001. Of this amount SEK 127 million refers to outstanding obligations and SEK 23 million to actual commitments. The engagement consists of two credits, a guarantee of SEK 70 million to Swedfund for a loan in the Swedish Export Credit Corporation relating to Sida's participation in AIG – the African Infrastructure Fund, and a guarantee of SEK 80 million relating to an emission of promissory notes by the telecommunications company in Uganda, MTN Uganda. A valuation of the risk of the engagement shows a risk that a loss of SEK 3.5 million may be incurred. In view of the pilot project character of the activity, the Government has approved the establishment of a guarantee reserve amounting, in total, to SEK 500 million, through allocations of funds that have been accumulated in the concessionary credits system. This guarantee reserve shall be placed in relation to the ceiling authorised by the Government of SEK 1,000 million for guarantee activities. Income from guarantee activities amounted to SEK 1 431 000. No expenditure is incurred by the activity.

Concessionary credits

The Export Credit Guarantee Board has valued the risk of Sida's guarantee commitments and outstanding claims as at December 31, 2001 in accordance with a decision of Parliament. Sida's guarantee commitment in respect of concessionary credits amounted to SEK 7.363 million at December 31, 2001 of which SEK 6.246 million refer to outstanding obligations and SEK 1.117 million to outstanding commitments. The valuation made by the Export Credit Guarantee Board indicates an average risk of loss, excluding the concentration risk, of 13.6 per cent or SEK 852 million, which can be compared to 8.7 per cent or SEK 603 million in 2000. The corresponding figures for 1999 just under 5.5 per cent or SEK 391 million.

In the final accounts consideration has 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 63 million which, together with the risk of loss of SEK 852 million, gives a total provision of SEK 915 million. Agency capital, i.e. assets minus liabilities and provision for risk, has, under this new method, decreased from SEK 550 million to SEK 458 million.

The year's result, SEK -92 million, can be mostly explained by changes in the value of the risk of the commitments. Of the change of SEK -139 million, SEK -249 million refers to a higher concentration risk in parts of the portfolio, above all certain countries in Africa. This is weighed up to a certain extent by a lower concentration risk as a result of a change in the structure and composition of the portfolio. Sida's outstanding claims have increased by SEK 168 million to SEK 1,060 million. The value of these claims, taking anticipated losses and risk of concentration into account, amounts to SEK 299 million, an increase of SEK 52 million.

The cash flow result is similar to previous years. However, the result is diminished by small changes in revenues and increases in compensation.

It is Sida's conclusion that the present level of the contingency reserve corresponds to a reasonable estimate of the risk level.

Appendix 4. Field appointments financed by the development

Sida shall provide a specification of all posts financed by the development cooperation appropriation to the Ministry for Foreign Affairs, as at January 1, 2001, and shall report on changes to this specification. The report shall also provide:

- *the number and orientation of full-time posts in the field which are 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 month, number of regular consultant contracts and number of consultant hours/months which are debited against the development cooperation appropriation.*

In 2001 68 short-term posts (not exceeding one year) were financed, at a cost of SEK 6.5 million. The unit cost of these short-term posts was, on average, SEK 95 000. None of the short-term posts were recruited externally.

The number of full-time posts (exceeding one year) amounted during the same period to 93 at a cost of SEK 125.1 million. The unit cost of these full-time posts amounted, on average, to SEK 1.4 million.

The total average consultant cost debited to the development cooperation appropriation per month amounted to SEK 140.7 million. The number of consultancy contracts was 394 and the number of consultant hours per month was, on average, 50 580 hours.

Posts financed by development cooperation appropriation as at December 31 2001, number of persons, SEK '000

	Africa			Asia (incl. West Bank/Gaza)			Latin America			Global		Europe			Total
	< 1 year*	> 1 year	> 1 year local empl.	< 1 year*	> 1 year	> 1 year local empl.	< 1 year*	> 1 year	> 1 year local empl.	< 1 year*	> 1 year	< 1 year*	> 1 year	> 1 year local empl.	
Coordinators	4	5	5		1	1		1			1		7		25
Reconstruction															
Humanitarian/Disaster Aid	5	2	1	3											11
Democracy/human rights	2	5	3		4,5	3		2							19,5
Trade promotion								1							1
Private sector development	2	2	1	1	1	1		1				1			10
Economic development	3	5				1									9
Infrastructure	1	2			3,5	2		1					1		10,5
Energy/Contract-financed technical cooperation		1	1		1	1									4
Water	2	2	2												6
Natural Resources	2		3		4	2		2							13
Education	3	4	3	4	2	3									19
Health	4	5	4	3	3	3	3	2		2					29
Socio-culture		1													1
Culture Media	2	1	2	2		1	1								9
Others	7	11	3	2	1	1	6	7	7	1		2		2	50
Total	37	46	28	15	21	19	10	17	7	3	1	3	8	2	217
Cost	3 550	64 287	9 328	1 733	27 402	5 229	791	22 172	1 888	242	1 435	129	11 219	422	149 827
Cost per person	95,9	1 397,5	333,1	115,5	1 304,9	275,2	79,1	1 304,2	269,7	80,7	1 435,0	43,0	1 402,4	211,0	–

* None of the short-term posts was recruited externally.

Posts financed by development cooperation appropriation as at January 1st 2001, number of persons, SEK '000

	Africa			Asia			Latin America			West Bank/Gaza			Europe			Total
	< 1 year	> 1 year	>1 year local empl.	< 1 year	> 1 year	>1 year local empl.	< 1 year	> 1 year	>1 year local empl.	< 1 year	> 1 year	>1 year local empl.	< 1 year	> 1 year	>1 year local empl.	
Coordinators	1	3					1			1			1			7
Reconstruction																0
Humanitarian/Disaster Aid	2	2		3	1											8
Democracy/human rights	3	5			4		4						1			17
Trade promotion		1														1
Private sector development		3			1		1	2								7
Economic development																0
Infrastructure	2	4			1		2						1			10
Energy/Contract-financed technical cooperation				1	1											2
Water	1	2														3
Natural Resources	1	6		1	3		2			1						14
Education	1	6		1			1									9
Health	4	4		1	4			1								14
Socio-culture		1					1	2								4
Culture Media	1			1			1									3
Others	4	6	26		1	17	2		3				1	1	1	62
Total	20	43	26	8	16	17	6	14	3	0	2	0	1	4	1	161
Cost	1 825	51 122	8 270	628	19 288	3 548	465	21 893	877	0	4 012	0	40	6 437	96	118 501
Cost per person	91	1 189	318	70	1 286	209	78	1 564	292	0	2 006	0	40	1 609	96	-

List of abbreviations and acronyms

2001

List of abbreviations and acronyms

AfDB	African Development Bank
ALNAP	Active Learning and Performance in Human Assistance
ASDB	Asian Development Bank
ASEAN	Association of South East Asian Nations
AWS	Africa, West Indies and the South Pacific area
BBE	Bilateral Associate Expert
BIP	Baltic Investment Programme
CSD	Commission on Sustainable Development
DAC	Development Assistance Committee
Danida	Danish International Development Assistance
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
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
EUF	European Development Fund
EURODAD	European Network on Debt and Development
FAO	Food and Agriculture Organization
Finnida	Finnish International Development Agency
Forum Syd	Swedish NGO centre for development cooperation
GATT	General Agreement on Tariffs and Trade
GNI	Gross National Income
GWP	Global Water Partnership
Habitat	United Nations Centre for Human Settlements
HIPC	Heavily Indebted Poor Countries
IBRD	International Bank for Reconstruction and Development
ICRC	International Committee of the Red Cross
IDA	International Development Association
IDB	Inter-American Development Bank
IDEA	The International Institute for Democracy and Electoral Assistance
IFAD	International Fund for Agricultural Development
IIDH	Inter-American Institute for Human Rights
ILO	International Labour Office
IMF	International Monetary Fund
IOM	International Organization for Migration
ISPA	Instrument for Structural Policies for Pre-Accession
JPO	Junior Professional Officer

LFA	Logical Project Framework Approach
MFS	Minor Field Study
NAI	The Nordic Africa Institute
Nato	North Atlantic Treaty Organisation
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
NIB	Nordic Investment Bank
Norad	Norwegian Agency for Development Cooperation
OAS	Organization for American States
OAU	Organization for African Unity
OCHA	Office for the Coordination of Humanitarian Affairs
OECD	Organization for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
OSCE	Organisation for Security and Cooperation in Europe
Phare	EU's programme for Cooperation with Central Europe and the Baltic States
PRSP	Poverty Reduction Strategy Papers
Relma	Regional Land Management Unit
SADC	Southern African Development Community
Sapard	EU's programme for support to agriculture and rural development in Central and Eastern Europe
SAK	Swedish Afghan Committee
SPA	Strategic Partnership for Africa
SRK	Swedish Red Cross
SWAPO	South West Africa People's Organization
UN	United Nations
UNAIDS	United Nations Programme on HIV/AIDS
UNCED	United Nations Conference on Environment and Development
UNCDF	United Nations Capital Development Fund
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
WTO World Trade Organization

LIST OF PHOTOGRAPHERS:

p. 8: Annie Anderberg
p. 27: Pedro Ugarte / AFP / Pressens Bild
p. 28: Sean Sprauge / Phoenix
p. 31: Afrikagrupperna
pp. 32–33: Pontus Liljenberg
p. 35: Donald Boström
p. 37: Phoenix
pp. 38–39: Sean Sprauge / Phoenix
p. 41: Göteborgs Musikhögskola
p. 43: Thomas Wester / Bildhuset
p. 45: Anders Gunnartz
p. 46: Gustaf Eneroth / Phoenix
p. 49: Mark Edwards / Phoenix
p. 51: Sean Sprauge / Phoenix
p. 52: Heldur Netocny / Phoenix
p. 55: Lars Forstedt / ETCbild
p. 56: Pietro Cenini / Phoenix
p. 57: Wanke / West Stock / FLT / PICA
p. 59: Janulis Vilius / windh / Megapix
p. 60: Sean Sprauge / Phoenix
p. 61: Trygve Bølstad / Phoenix
p. 62: Håkan Ludwigson / Bildhuset
p. 63: Claes Grundsten / Bildhuset
p. 64: Magnus Rosshagen
p. 65: Ole Christiansen / Bildhuset
p. 67: Amit Bhargava / AP / Pressens Bild
p. 71: Damir Sagolj / Reuters / Scanpix
p. 72: Wim Van Cappellen / Reporters / Scanpix
p. 73: Sean Sprauge / Phoenix
p. 75: PMU / Interlife
p. 77: Denise Grünstein / Bildhuset
p. 81: Johan Nilsson / Kombinera
p. 83: Bruno Ehrs / Bildhuset
p. 87: Anders Lindh / Tiofoto
p. 88: Jørn Stjerneklar / Phoenix
pp. 88–89: Trygve Bølstad / Phoenix
p. 90: Heng Sinith / Reuters / Scanpix
p. 91: Sean Sprauge / Phoenix
p. 92: Romeo Gacad / EPA / Pressens Bild
p. 93: World Food Program / AP / Pressens Bild
pp. 94–95: Pontus Liljenberg
pp. 96–97: Beppe Arvidsson / Bildhuset
pp. 98–99: Anders Gunnartz
p. 107: Robert Blombäck
p. 109: Vasilij Fedosenko / Reuters / Scanpix
p. 112: Mats Sundgren, Sida
p. 115: Mats Sundgren, Sida
p. 116: Johan Wingborg / Bildhuset
p. 119: Johan Wingborg / Bildhuset
pp. 120–122: Victor Brott / Global Reporting

ISBN: 91-586-8753-X

PRODUCTION: KOMBINERA

GRAPHIC DESIGN: JOHAN NILSSON / KOMBINERA

IDEA FOR FRONT COVER: CHRISTINE CLIFSTOCK / CLIFSTOCK FORM

PRINT: ELANDERS NOVUM, GOTHENBURG, MAY 2002

PRINTED ON ENVIRONMENTAL FRIENDLY PAPER LABELED TCF AND ECF

ARTICLE NUMBER: D0740

annual report

2001

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 common security
- deepen the culture of democracy
- support socially sustainable economic transition
- support environmentally sustainable development.

A gender equality perspective shall permeate all cooperation.

Do you want to know more?

Visit Sida's website www.sida.se

or contact Sida's Information Centre info@sida.se

Visiting address Sveavägen 20, Stockholm

Telefon +46 8 698 55 80



SWEDISH INTERNATIONAL DEVELOPMENT AGENCY

105 25 STOCKHOLM