

Annual report

2005



Every human being is entitled to a life in dignity. This has been agreed by the countries of the world in the Universal Declaration on Human Rights.

The rights perspective and the perspectives of the poor constitute the points of departure of Sweden's policy for global development. Sida works on the basis of these perspectives to strengthen the possibilities available to poor people to assert their rights and interests. We work to strengthen the right of poor people to participate in decisions and to counteract discrimination.

Poverty has many different causes and expressions. Sida's work is therefore always being adapted to the situation in question. Some of the fields that are important to work with to reduce poverty are protection of the environment and sustainable development; peace and security; democracy; equality between women and men; social development; and economic growth. Development must always be driven by the society in which it takes place.





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Introduction

2005



Introduction

2005 was the Year of Development. Questions relating to development had a considerable impact in the international debate. Moreover, a number of important decisions were made at top-level meetings in Paris, Gleneagles and New York which strengthened efforts to reduce poverty. When summing up the year I can say that progress has been made in a number of development fields that are of importance for Sida's future work.

One important initiative to improve the effectiveness of development cooperation was taken through the Paris Declaration at the high level DAC meeting in March. The demands made in the declaration for a greater degree of donor harmonisation and alignment have the effect that Sida and other bilateral donors need to review and change their ways of working. Donor harmonisation is not a new issue but, through the agenda that was adopted in Paris, a route has been staked out that has specific objectives up to the year 2010. This will be of great significance for reducing transaction costs for our partner countries.

The need of a greater degree of donor harmonisation was evident when I visited Tanzania in April for a special donor meeting on harmonisation arranged by the Tanzanian government. All in all 47 sat around the table, most of us actively providing support to ten or more different sectors. The large number of donor delegations and follow-ups with different reporting requirements create a considerable workload for the Tanzanian government. At the meeting it was proposed that in the long term donors should limit their engagement to three sectors each. Sida and the other Nordic donors have undertaken to take steps in this direction.

Sida's activities range over many sectors and over a variety of different issues that reflect the different dimensions of poverty. Poverty reduction is complicated and our work to support processes that contribute to reducing poverty cannot therefore be one-dimensional. At the same time we see the need to reduce the number of sectors in which we are engaged in each country. Moreover Sida has the ambition, in line with the Paris agenda, to make increasing use of budget support when appropriate conditions are in place.

The issue of limiting cooperation to fewer partner countries was given prominence when Sida's development cooperation was the subject of a DAC Peer Review, a review that is made every fifth year. Sweden was rated very highly in all respects for development cooperation activities by the DAC Peer Review, as well as for its strong active interest in development, which can be seen in the fact that Sweden has increased its volume of development cooperation once again to one per cent of GNI. Sweden's new policy for global development, which was adopted at the end of 2003, was also given prominence by the Peer Review and a positive assessment was also made of the intensification of Sida's focus on poverty in order to implement its part of the policy.

As part of the policy for global development Sida has also worked to strengthen cooperation with multilateral organisations and with organisations in Swedish society. Some are apprehensive that the focus on greater concentration and donor harmonisation will reduce the extensive role that organisations in Swedish society currently play in development cooperation. However, I am convinced that Swedish industry, government agencies, universities and NGOs possess expertise that will remain in demand in the future. This demand means that their expertise will be utilised even in programmes of support where other donors or representatives of the partner country concerned lead the procurement processes.

The injustice in the different living conditions for poor and rich people was a theme that permeated the international debate during the year. A number of civil society organisations demanded in an extensive campaign that poverty should be made a thing of the past. The Make Poverty History campaign, led by rock star Bono and characterised by its white armbands, contributed to putting injustices in the public limelight in many rich countries.

At the G8 meeting in Gleneagles in July the leaders of the rich countries also emphasised poverty issues when they approved extensive debt relief programmes for the poorest countries in the world in respect of their debts to the International Monetary Fund (IMF), the World

Bank and the African Development Bank. The decision to approve debt relief is an important contribution to strengthening the financial possibilities available to poor countries to pursue poverty reduction policies.

In September the UN held a summit meeting to follow up progress made in respect of the Millennium Development Goals, halfway to the goal of halving the number of poor people in the world by the year 2015. From the global perspective the proportion of poor people has decreased considerably, even if over a billion people are still living in extreme poverty. From 1990 to 2001 the number of poor people living on less than a dollar a day decreased by almost 250 million people. The progress made has the effect that most regions are expected to achieve the MDGs by 2015, but the situation varies considerably between different regions and countries. In many countries in Africa the trends are moving in the wrong direction and the number of poor people is increasing.

In 2005 half of Sida's regional budget was allocated to Africa and we will continue to give priority to this region when the development cooperation budget increases. One decisive factor for development in countries in Africa is the disastrous effects of HIV/Aids, which causes over two million deaths a year in the region. The struggle against HIV/Aids is a strategic priority for Sida and we have increased our contributions to combat the pandemic in our programmes of support to Africa. We are working to prevent HIV/Aids with care and treatment for those people who are infected, and to relieve the consequences of the disease. In countries with a large proportion of infected people we take HIV/Aids as the point of departure of our programmes of development cooperation even in other sectors that we support, for example road construction or education programmes.

The annual reports of both the United Nations Development Programme (UNDP) and the World Bank took up—from different starting points—lack of equality as an obstacle to development. There is a growing understanding that poverty reduction is made difficult in countries where resources are distributed very unequally. Not only social aspects but also prospects for economic growth are affected negatively by a high level of inequality. Sida aspires to counteract inequality through the dialogue and with the aid of direct contributions. In Latin America, where income distribution is extremely distorted, Sida and other donors have financed studies in eight countries that have produced proposals for measures that will create public finance policies that are more sustainable and equitable.

Public financial management is also a field to which Sida is giving greater emphasis in order to contribute to effective poverty reduction and to counteract the risk of corruption. Counteracting corruption is a strategic priority for Sida and a great deal of attention is being given to this matter. In 2005 the expertise of Sida's staff

was enhanced through courses in ways of dealing with risks of corruption.

Our work with trade-related support was also reinforced during the year with the aid of an increase in staff and closer cooperation with the Ministry for Foreign Affairs. One important development issue, which Sida will continue to emphasise in the future, refers to the possibilities available to developing countries to participate in world trade.

In 2005, Sida was assigned by the Government to establish a new unit, the Baltic Sea Unit, on the island of Gotland in the Baltic Sea. It is intended that this new unit will strengthen contacts between Sweden and the countries around the Baltic Sea, in particular the new EU member states: Estonia, Latvia, Lithuania and Poland. The unit is being financed by the Government's budget for international cooperation. The relocation of some parts of Sida's work to Gotland was also announced by the Government, but no formal decision of the Government in this respect had been received by the end of the year.

A further change that took place in 2005 was that the Government decided to complete the integration of administration work at embassies where both the Ministry for Foreign Affairs and Sida are active. This will be fully implemented by June 30, 2007.

The year 2005 marked the tenth anniversary of the UN's Women's Conference in Beijing and Sida contributed a research report on the ways in which the situation of women has changed during these ten years. The conclusion drawn in the report was that even if progress had been made in some fields, for example political representation, no appreciable improvements have been made in others. The lack of equality between women and men is a considerable obstacle to development: a fact that has also been emphasised in the Government's special programmes in its budget bill. At Sida gender equality has been an important component in the struggle against poverty for a long time. Nonetheless Sida decided to give further emphasis to equality. Sida's equality policy was revised and now reinforces this work. The importance of gender equality to combat poverty was also emphasised in Sida's information campaign.

Sida's annual opinion poll showed that the active interest of the Swedish people in combating poverty and in contributing to development cooperation increased in 2005. More than 62 per cent consider that the Swedish government budget for development cooperation should increase or is at the right level.

The devastating effects of the tsunami disaster at the end of 2004 contributed to enhancing interest in combating poverty and this interest still exists. The tsunami also had a considerable effect on Sida's humanitarian support for the alleviation of the acute crisis and for reconstruction. Our objective is that we should not only rebuild what has been lost, we should

also try to build something better which enhances the possibilities available to poor people to improve their living conditions.

Sida contributed to a seminar on the relationship between social planning and natural disasters that was arranged by the Swedish Environmental Secretariat in Asia (SENSA). The conclusions drawn at the seminar related to well-known relationships that are nonetheless worth repeating: overexploitation of nature increases the vulnerability of people; poor groups are most vulnerable and it is hardest for them to find resources for reconstruction.

At the end of the year an evaluation was presented of the ways in which Sida handled the tsunami disaster. All in all Sida's work was rated highly. As early as in the morning of December 26 the first green light for the provision of humanitarian assistance was given; coordination with other parties was given priority in the work; and planning for future reconstruction was started at an early stage. However, the evaluators warned that Sida's resources have been reduced to such an extent that Sida would probably have difficulties in handling a long, drawn out crisis that required contributions from the entire organisation.

Sida's support for reconstruction after the tsunami was mainly directed towards Aceh province in Indonesia and to Sri Lanka. Both these areas are characterised by long-standing conflicts. While the tsunami opened up opportunities for reconciliation in Indonesia, positions in Sri Lanka remain unchanged.

Approximately three-quarters of Sida's partner countries are characterised by ongoing or recently ended conflicts. Conflicts and the lack of security are fundamental obstacles to development. In order to strengthen our capability in these matters Sida established a unit, Peace and Security, in 2005. The situation in Sudan is such that Sida decided to station a member of staff in the country to coordinate programmes of development cooperation.

Despite the fact that many developing countries suffer from the effects of conflicts, development trends are positive. Between 1992 and 2003 the number of armed conflicts decreased by 40 per cent and the number of deaths in conflicts also decreased substantially during the same period, according to the Human Security Report, which was published at the end of the year.

Nonetheless, reconstruction after a conflict is a process that takes time. Since the end of the war in Bosnia ten years ago a million people have returned to their villages and towns in the country. Sweden has given more than SEK 1 billion in support to returnees and an evaluation presented in the autumn gives prominence to ways in which development cooperation can contribute to reconciliation.

The development of democracy also continues to make advances. In 2005 progress towards democracy was made in a large number of countries, according to the measurements of political freedom made by Freedom House. However, despite the fact that progress predominates, there are naturally many setbacks. The threat of a conflict and shortcomings in democracy had the effect that Sida decided to withhold some planned support to the governments of Ethiopia and Uganda.

Democratic development is necessary for combating poverty and support for democracy and human rights made it the largest sector in Sida's support. At the same time the rights perspective and the perspectives of the poor are the points of departure of all Sida's activities. In both the field and in Stockholm efforts were made to develop methods for the application of the rights perspective and the perspectives of the poor into Sida's activities. It is a matter of contributing to the right of every human being to have a life in dignity.

The world's greatest disasters often take place in silence outside the searchlight of the mass media. These "silent" disasters include the 28 000 people who die every day from starvation or deficiency diseases and the 10 000 people who die from HIV/Aids every day. These disasters, which receive little attention, also characterise to a great extent our programmes of development cooperation. I hope therefore that the debate on development, which picked up momentum in 2005, will continue in the years to come.



Maria Norrfalk

Maria Norrfalk,
Director General Sida

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Under Sida's standing orders, the Head of the Department for Evaluation and Internal Audit is not a member of the management committee, but is entitled to be present and to express opinions at the meetings of the committee.

Eva Lithman, *Head of the Department for Evaluation and Internal Audit (UTV)*

Policy area: International development cooperation

2005



Goals, perspectives and central component elements in development cooperation

Sida shall submit a report on ways in which development cooperation has promoted, and has been permeated by, the goal of international development cooperation, the two perspectives and the eight central component elements.

The new goal of Sweden's development cooperation is to contribute to an environment supportive of poor people's own efforts to improve their quality of life. Two perspectives: the rights perspective and the perspectives of poor people are to permeate all Sida's work. Sweden's new policy for global development also has eight central component elements that illustrate the many dimensions of poverty. All in all, the new policy makes new demands of Swedish development cooperation. Sida has therefore developed policies and methods which are contained in the document "Perspectives on Poverty". This has been supplemented by another document, "Goals, Perspectives and Central Component Elements", which has the aim of creating general understanding at Sida of ways in which the goal of development cooperation, the two perspectives and the eight component elements relate to each other, and the ways in which they govern Sida's work.

In 2005 Sida approved two new overarching policies: "Promoting Peace and Security through Development Cooperation" and "Promoting Gender Equality in Development Cooperation". Both these policies are strongly influenced by the new policy for global development and follow the new rule for policies and methods in the development cooperation process (approved at the end of 2004), which was produced to ensure correspondence between the new policy and Sida's overarching policies. Another overarching instrument, "Sida at Work", which describes how Sida interprets its assignment, sees its own role and those of its partners, and provides a framework for the ways in which Sida plans and runs its activities, was revised and updated in 2005 on the basis of the new policy for global

development and the new international agenda on aid effectiveness (Paris Declaration, OECD/DAC, March 2005). Sweden, through the Ministry for Foreign Affairs and Sida, successfully pursued the issue of ownership in the preparatory work on the Paris Declaration, linked to the goal of the policy for global development of "contributing an environment supportive of poor people's own efforts to improve their quality of life".

Where the internal organisational work is concerned, the project for launching and gaining support for the new approach to poverty, "From Words to Action", was finalised. Thereafter, in accordance with the recommendations made in the final report, an action plan was approved that intensifies the focus on poverty throughout the entire agency. The implementation of activities in the action plan started in 2005 and will continue throughout 2006. The activities are linked to one of Sida's four strategic priorities for 2005–2007, i.e. intensifying the focus on poverty with an emphasis on gender equality. The two focus areas in the action plan are to strengthen management and leadership in relation to the new poverty reduction goal, and internal and external programmes to enhance expertise at Sida and in the field. During the autumn Sida finalised and adopted several of the directives listed in the action plan: guidelines for poverty analysis at country level, a position paper on poverty reduction strategies (PRS), and a draft version of the handbook for gender equality in accordance with the new gender equality policy. In 2005 Sida also worked on developing methods for economic growth with a poverty focus. In Kenya a pilot study was implemented as part of a project for developing a new method for making economic analyses

of countries. The method includes all aspects of economic growth with a poverty perspective and an analysis is made of the country's macro economy, labour market trends and private sector development.

Sida's platform for policy and methodological work at the agency (POM Forum), which was established in 2004, took shape in 2005. The main task of the Forum is to contribute to ensuring that the new goal has an impact in programmes of development cooperation. The Forum participated in the production of the directives mentioned above. Where the work on methods is concerned, a working group at Sida produced a paper on the two perspectives. This paper focuses on what Sida needs to do to ensure that due consideration is given to the rights perspective and perspectives of the poor. In 2005 Sida started a methods project in cooperation with the embassy in Bangladesh. This is intended to provide guidance on ways in which perspectives of the poor can be applied in the cooperation strategy process and in direct contributions.

Training programmes for Sida staff on the goal of development cooperation and the two perspectives have been started and hitherto some 100 members of staff have participated in the courses.

Sida has strengthened its profile in the international forum, for example in three of the groups/networks in OECD and DAC, with the aim of acquiring an impact for the goal, the perspectives and the central component elements. One network is the Network on Poverty Reduction (Povnet). This network is a forum for international exchanges of experience and the development of models that include poor people in processes of economic growth and social development. The mandate for Povnet's present phase is to work with the many dimensions of poverty as well as the relationships between inequality, economic growth and poverty reduction in developing countries. In 2005 Sida led the work of the sub-group working with private sector development. This work resulted in a publication, "Accelerating Pro-Poor Growth through Private Sector Development—an analytical framework". Sida has also been very active in OECD/DAC's network for democratic governance (Govnet). Sida participates in this network in the development of analyses of power and agents of change in development cooperation and in the work of creating standards for capacity development. Sida is also participating in the work on anti-corruption issues and is deputy chairperson in the working group on human rights and development. Sida has also been active in the group that produced the Paris Declaration on aid effectiveness which was adopted at OECD/DAC's high level meeting in March 2005. Since then Sida has participated in the follow-up of the declaration in the working group on aid effectiveness (WP-EFF). The Paris Declaration has many links to several of the central component elements in Sweden's new policy. One example of Sida's involvement in other international

work is its participation in the Poverty and Environment Partnership (PEP), an informal network of a large number of bilateral and multilateral donors and environmental organisations. Sida and the Ministry for Foreign Affairs hosted a PEP meeting in Stockholm in March 2005.

The goal of reducing poverty has had an impact in several of the new cooperation strategies that were produced together with Sida's partner countries during the latter part of the year. The new guidelines for cooperation strategies, which reflect the new goal, the perspectives and the central component elements, became available on April 28, 2005. Despite this it has been possible for several proposed cooperation strategies to take the new policy into consideration. One example is Bosnia and Herzegovina where Sida made an analysis of poverty in the country. This had the effect that the proposed cooperation strategy could focus on areas that are linked to the underlying causes of poverty. The goal of the cooperation strategy for Bosnia and Herzegovina, 2006–2010, according to Sida's proposal, is to develop an enduring form of government and sustainable economic growth. Another example is the proposal Sida has submitted for a cooperation strategy with Tanzania for 2006–2010 which, to a great extent, is based on Tanzania's own "National Growth and Poverty Reduction Strategy". The points of departure of the proposed cooperation strategy are the rights perspective and the political dimensions of poverty, i.e. democracy and human rights, social reforms and more possibilities for the poor to participate in social processes. At the overall level the central component element of peace and security has now started to be better reflected at country level. This has had the result that the proportion of cooperation strategies with a specifically integrated peace and security perspective increased from 28 per cent in 2002 to 78 per cent in 2005. The cooperation strategies have a greater emphasis on early conflict prevention to enable regular programmes of development cooperation to have a preventive effect.

The new policy has also had an influence on Sida's work in countries whose cooperation strategies have already been approved. In Kenya, Sida has made a strong effort to integrate the principles of human rights and democracy (defined, for example, as non-discrimination, participation, accountability, openness and insight) in all sectors of Swedish development cooperation (roads, water, rural development, governance, legal sector and agriculture) and this has resulted in a ground-breaking method: Mainstreaming in Action (Mainiac). Close and broad cooperation has also been developed on rights issues with representatives of the Kenyan state, Kenya's National Commission for Human Rights and with Kenyan civil society.

Sida provides a few selected examples below of contributions in which development cooperation has promoted, and has been permeated by, the goal, the perspectives and the central component elements. As an

example of ways in which the central component element “democracy and good governance” has permeated development cooperation in Vietnam, Sida—as the only donor—has been entrusted with the task of participating in an extensive survey and analysis of corruption. The report is the first of its type that has been published and it covers seven provinces and cities and three government ministries. The analysis is based on more than 100 seminars with representatives of the state administration, the party, the general public and industry. It is expected that the report will lead to a strategy to counteract corruption which Vietnam’s ruling party, parliament and government are expected to adopt in 2006.

Where the central component element “sustainable development of natural resources and protection of the environment” is concerned, Sida’s support to the World Resources Institute (WRI) has focused on relationships between the environment and ecosystems and poverty reduction. An understanding of these relationships is not least important when Sida produces and analyses poverty reduction strategies. WRI also develops methods for determining relationships between the environment and poverty reduction at global, regional, national and local levels. One example is a project on poverty and a survey of ecosystems in East Africa. Another example is Sida’s cooperation with the Environmental Economics Unit at Gothenburg University, which has gradually been developed and now also includes support for environmental economics networks and centres in partner countries, initially Ethiopia and China. In 2005 Sida increased its support to developing countries to enhance their knowledge and capacity to handle climate effects in relation to sustainable development.

Contributions that promote growth can be found, for example, in Ethiopia, Zambia and Mozambique. In Zambia Sida is supporting the Agricultural Support Programme (ASP) in cooperation with the Zambian Ministry of Agriculture. In 2005, 20 000 small farmer households in four provinces were incorporated into the programme, which is now directed at 40 000 households, on the basis of the concept “agriculture is business”. Of these, approximately 30 per cent are women farmers. The goals are to enhance food security and to produce a marketable surplus using environmentally sustainable methods. The programme has succeeded in linking up producers and the market. One component has been to establish and develop cooperative societies and hitherto 127 cooperatives have been established. On average, the small households increased their annual income from SEK 1 500 in 2003 to SEK 3 000 in 2005.

Private sector development is an important component in the integrated provincial development programme in Niassa in northern Mozambique. In this component Sweden is supporting a number of different measures to promote private investments, entrepreneurship, production and employment, particularly in the sectors of agriculture, forestry, service industries and tourism.

Important elements are a centre for business development; access to risk capital and land survey contributions which, since 2003, have given 150 000 people the right to use land and water resources; and the development of financial services via the local post office system. Contacts with foreign companies have resulted in the establishment of two forest companies. These companies plan to plant 170 000 hectares which will provide 5 000 new job opportunities in the province. The planting activities will also contribute to reducing soil erosion, which is serious in the region.

Trade promotes growth but, in order to formulate a trade policy that contributes to sustainable growth and poverty reduction, trade issues must be seen in the light of a broad national development agenda. Sida is therefore supporting the Integrated Framework for Trade-related Technical Assistance in the Least Developed Countries (IF), a process that has the aim of supporting the efforts of the least developed countries to integrate trade into their national development strategies. The process is also an important instrument for donor harmonisation and making trade-related support more efficient. Where the central component element “social development and social security” is concerned, Sida has, for example, initiated support to contributions that can provide effects for many people. One of these is the support given to the international network for women in the informal economy. The aim is to make visible, and develop, central issues for poverty analysis and gender equality, particularly the relationships between growth, employment and security systems in the informal sector. The network embraces international research institutes as well as institutions and voluntary organisation in, for example, India, South Africa and Kenya. Where the central component element “conflict management and security” is concerned, a number of studies have been made within the framework of cooperation in OECD/DAC. The studies have resulted in guidance and guidelines for the OECD countries, for practical programmes of development cooperation for the reintegration of former combatants and prevention of recruitment of child soldiers, and the promotion of peace and security in relation to democratisation, reconciliation and gender equality.

ANALYSIS OF OUTCOME

Poverty reduction requires contributions that have a direct effect on, and are aimed at, poor women, men and children, and contributions that are directed towards overall structural and institutional conditions. It also requires a counterpart that is a driving force for the implementation of poverty reduction efforts since development cooperation can only contribute to creating the requisite conditions for poverty reduction. Weak democratic structures or weak institutions lead, for example, to injustices and the marginalisation of

poor people. In order to reach the poor it is often essential to have projects and programmes that reach broad groups in society that include poor people, for example programmes for primary health care and primary education. In Sida's statistics, contributions are broken down into categories that relate to the way in which they are expected to contribute to the goal:

- Contributions that have a direct effect on, and which focus on, poor women, men and children
- Contributions that reach several social categories, including the poor.
- Contributions that have an indirect effect on poverty through changes to policies and institutions, for example support to the legal system.
- Programmes of support at the national level that indirectly contribute to poverty reduction, for example environmental contributions.
- Other contributions, for example methods development projects.

All in all, the trend of an increase in the outcome for the first two categories, which have a direct effect on poor people, has been maintained. In 2005 these two categories represented almost half (47 per cent) of the total ODA outcome. The corresponding figure in 2003 was 39 per cent and in 2004 it was 41 per cent. The category "other contributions" decreased by 50 per cent in 2005 in comparison with 2004.

The breakdown between types of contributions naturally varies between Sida's operational areas. Contributions in the first category increased in both Latin America and Asia. In Latin America support for democratic governance and human rights (category three: indirect effect through changes to policies and institutions) has a special position but is, despite this, comparable in terms of outcome with the first two categories together. In Africa the first two categories with direct effects constitute almost half (48 per cent) of the outcome, which is also an increase in comparison with 2004.

All in all, it can be said that Sida has considerably increased the proportion of disbursements to programmes and projects that either focus on the living conditions of poor people or in which poor people constitute part of the target group of the contribution.

SIDA'S ASSESSMENT

Sida has made progress at the overall policy and methods development level and in its organisational work, both internally and externally. A number of directives of a strategic character have been produced and approved. In addition to this, several existing instruments have been revised. This has been supplemented with the production of overall guidelines to increase the focus on poverty at the level of both countries and contributions. All in all, this means that better conditions have been created during the year for the application of the new policy in Sida's operations. Some methodological challenges are still to be overcome, for example to achieve a stronger focus on poverty and better integration of social and political aspects in analyses and strategies, and to specify how the two perspectives should be applied in practice.

One major challenge faced by Sida is the necessary enhancement of its expertise to enable the new policy and the directives—in the form of policies and guidelines—to be internalised and applied in practice. Sida attaches great importance to the use of experience gained in the field in its policy and methods development work, and to ensuring that results of the work with change at overall level are translated into operations in the field. Even if Sida has a long tradition of working to reduce poverty, there will probably be a delay before the work with change has permeated Sida's entire portfolio of contributions. This is due to the large proportion of ongoing contributions that were regulated in agreements approved before the new policy was adopted. Despite this, the present trend is an indication that the intensified focus on poverty is starting to have an impact.

Table 1. Goal of international development cooperation, outcome in SEK '000 and per cent of total outcome

Goal of development cooperation	2003		2004			2005		
	Outcome ODA	%	Outcome ODA	%	Outcome non-ODA	Outcome ODA	%	Outcome non-ODA
Direct effect	2 129 738	21	2 729 312	23	72 370	3 556 856	27	42 360
Projects and programmes that include the poor	1 799 194	18	2 137 524	18	41 396	2 684 146	20	65 047
Indirect effects through policies and institutions	4 355 889	43	4 526 577	38	146 175	4 795 496	36	154 845
Indirect effects through national support	1 323 420	13	1 625 991	14	15 321	1 859 950	14	11 557
Other effects	619 944	6	744 252	6	325 437	390 296	3	269 363
Total	10 228 184	100	11 763 657	100	600 698	13 286 744	100	543 173

Harmonisation and alignment

Sida shall submit a report on the measures it has taken to strengthen harmonisation with other donors and alignment with partner countries.

At the international level the harmonisation and alignment of development cooperation took a considerable step forwards in 2005 with the adoption of the so-called Paris Declaration at a high-level meeting in March. This document is important since it contains joint undertakings from all the major donors and some 60 partner countries. Sweden (Ministry for Foreign Affairs and Sida) participated in producing the document in OECD's Development Assistance Committee (DAC), as well as in formulating the EU's position, which goes further than the declaration itself in certain respects.

Sida works with harmonisation and alignment, particularly in the so-called Nordic+ group (the Nordic countries, Ireland, Netherlands and Great Britain). A joint action plan for this work has been updated and guidelines for ways in which the donors' contributions should supplement each other have been produced under Sida's leadership.

For Sida, the Paris Declaration is the point of departure for future work on improving effectiveness to achieve the goal of Swedish development cooperation. This work is being done by both Sida in Stockholm and in all countries in which Sida has programmes of development cooperation. Sida has decided to make aid effectiveness a strategic priority for 2006.

One important step in this direction is an action plan for the concentration of cooperation, which was finalised in June 2005. Under this plan cooperation will be concentrated to fewer sectors, a division of work will be established with other donors, and silent partnership will be used to a greater extent. Sida signalled a greater degree of concentration in its directive for operational planning for 2006, and the embassies were requested to report on existing and planned concentration of the portfolio of contributions. The reports show that the number of contributions has decreased. Contributions started each year in the regional operating areas decreased from 1 433 in 2000 to 784 from October 2004 to August 2005.

The new guidelines have the effect that cooperation strategies will contain specific measures for greater concentration of cooperation, harmonisation with other donors within the framework of the partner countries' national poverty strategies, and the use of the countries' own systems for implementation, for example through programme and budget support. This approach has been applied in the strategy processes that were started in 2005. The process has made most progress is that in Tanzania where the new cooperation strategy was formulated under the assumption that it would be adapted to the so-called Joint Assistance Strategy, which is produced under the leadership of the country's government. The aim is to achieve a considerable concentration of cooperation, based on a division of work between the donors, and to make increasing use of harmonised budget support as the predominant form.

Silent partnership has become an increasingly common form of cooperation since the Government's instruction to Sida was changed in 2004 to create specific conditions for it to become possible. Silent partnership means that Sida can allow another donor to assume responsibility for the preparation, implementation and follow-up of Swedish contributions, and that Sida can assume corresponding responsibilities on behalf of other donors. Sida has produced a reference document to guide extended forms of silent partnership. In one case (Mali), Norway has delegated all its bilateral cooperation to Sweden—in a corresponding manner to the delegation by Sweden of all its bilateral cooperation in Malawi to Norway. Support to Burundi is already being channelled via the Department of International Development (DFID) of Great Britain and total delegation is being considered. Support to the southern Sudan is delegated to the board of a joint office (together with the Netherlands, Norway and Great Britain), which is administered by Norway.

The proportion of support to the regions that was channelled via silent partnership increased from one per

cent in 2004 to four per cent for the period October 2004 to August 2005.

SIDA'S ASSESSMENT

In 2005 Sida made considerable progress in strengthening processes of harmonisation and alignment within the framework of principles that have been agreed internationally and which were formulated in, for example, the

Paris Declaration to increase aid effectiveness. With the aid of methods and policy development, conditions for implementation at country level have been improved and good examples have been set through a better division of work and silent partnership. The challenges in the future are principally to formulate goals, to follow-up results, to develop Sida's expertise, and to communicate the "new aid architecture" to politicians and the general public.

Volume of Sida's international development cooperation

ANALYSIS OF OUTCOME

In 2005, the volume of Swedish international development cooperation amounted to SEK 13 830 million excluding administrative expenses. This is an increase of approximately 12 per cent compared to 2004.

The operational area "Africa" accounts for slightly less than 75 per cent of the increase, which is in line with Sida's plans. This operational area now accounts for some 27 per cent of the total support provided. The outcome for humanitarian and conflict-related activities has also increased. This increase has partly been made possible by a reallocation of funds from the budget for concessionary credits to the humanitarian budget.

The low outcome for concessionary credits can be explained by the fact that Sida's concessionary credits are tied to relatively great extent compared to the credits provided by other countries. Moreover, the preparation and assessment of credits is complex and infrastructure projects in Mozambique and Bangladesh have been delayed.

The outcome in relation to the ceiling on expenditure amounts to 100 per cent. In 2005 Sida used part of its unspent balances from 2004. Sida worked actively with forecasts and regular reallocations and this has permitted full use of the budget. The unspent balances at the end of the year amounted to SEK 1 772 million which is SEK 138 million less than in 2004.

Sida's five main partner countries in 2005 were Tanzania, Mozambique, Sri Lanka, Ethiopia and Uganda. Apart from Sri Lanka, all these countries were among the top ten partner countries in 2004. Sri Lanka is among the top five recipients of Swedish support as a result of contributions relating to the tsunami. The 20 main partner countries are shown in appendix 1, table 1:7.

SIDA'S ASSESSMENT

Sida has extensive programmes of cooperation with a large number of countries. Sida's operations also range

Table 2. Volume of Swedish development cooperation, outcome in SEK '000 and per cent of outcome

International development cooperation by operational area	2004		2005	
	Outcome	%	Outcome	%
Africa	2 765 640	22,4	3 824 306	27,7
Asia, Middle East and North Africa	1 749 420	14,1	1 840 098	13,3
Latin America	843 203	6,8	923 413	6,7
Eastern Europe and Central Asia	1 442 313	11,7	1 557 093	11,3
Global development programmes	1 323 347	10,7	1 463 442	10,6
Research	773 216	6,3	846 780	6,1
Humanitarian contributions and conflict-related activities	1 610 570	13,0	1 876 997	13,6
Concessionary credits*	795 803	6,4	247 239	1,8
Non-governmental organisations	1 000 288	8,1	1 190 995	8,6
Information	60 554	0,5	59 553	0,4
Total	12 364 355	100,0	13 829 917	100,0

* In 2004 concessionary credits were included under the operational area "Economic Support", which also included economic reforms (SEK 595 million). In 2005 economic reforms are included under the regional operational areas.

over many sectors and a diversity of different issues which reflect the different dimensions of poverty. Reducing poverty is a particularly complex task which, in turn, has the effect that Sida's work to support processes that contribute to reducing poverty must have a multi-dimensional character. In the introductory sections of this annual report, an outline and assessment were provided of the ways in which this work was pursued in 2005 in respect of overall policy and methods development work and the internal and external organisation of work. Two conclusions that can be drawn are that better prospects have been created for the application of the new policy for global development, and that an intensified focus on poverty in Sida's work has definitely started to have an impact.

Another conclusion is that there is a need to concentrate programmes of development cooperation to fewer countries and sectors and, to a great extent, harmonise the work with that of other donors, for example through silent partnership. Greater concentration is essential if Sida is to be able to administer increasing volumes of development cooperation while maintaining quality, and to implement the new policy for global development. In the light of this, Sida approved an action programme in 2005 for greater concentration of its activities. The conditions for Sida's programmes differ to some extent between regions and countries as a result, for example, of economic, political and social conditions and traditions. The following sections give in-depth reports, analyses and assessments of the outcome of Sida's many operational areas.

Table 3.

International development cooperation, total outcome in SEK '000

Five main partner countries 2005	2003*	2004	2005
Tanzania	535 305	613 744	680 499
Mozambique	457 204	486 468	570 682
Sri Lanka	108 826	168 519	386 463
Ethiopia	231 044	372 710	380 078
Uganda	266 200	313 810	358 287
Other countries and regions	8 629 605	10 409 104	11 453 908
Total costs	10 228 184	12 364 355	13 829 917
Forms of support			
Project support	4 328 351	5 120 703	6 156 273
Sector programme support	614 100	805 506	858 020
Technical assistance incl. contract-financed technical cooperation	499 037	764 543	678 382
International training programmes	173 861	210 649	200 980
Credits	346 062	317 021	483 019
Guarantees	80	197	588
Economic reforms	560 833	798 523	728 000
whereof general budget support 2005			725 000
Humanitarian assistance	1 611 807	1 758 275	1 979 951
Research	790 665	837 122	904 211
Grants to NGOs	1 303 389	1 751 815	1 840 493
Total costs	10 228 184	12 364 355	13 829 917
Channels			
Multilateral organisations	2 018 198	2 729 892	3 204 815
Swedish organisations	3 808 695	4 568 612	4 605 466
Organisations in partner countries	2 554 493	2 985 349	3 558 786
Organisations in other countries	831 345	970 275	1 125 455
International NGOs	1 015 453	1 110 226	1 335 396
Total costs	10 228 184	12 364 355	13 829 917
Number of valid contributions	5 188	5 669	5 356
whereof >15 mnkr	114	147	157
Number of new contributions	1 664	1 564	1 478

* Excluding non-ODA

Africa

The operational area includes international development cooperation with sub-Saharan Africa with the exception of those programmes financed under the operational areas for research, humanitarian assistance and conflict management, financial support and NGOs.

Sida's operations are governed by the goals specified in country, regional or corresponding strategies for cooperation, and by the Government's communication on a revised Swedish policy for Africa and by the Ministry memorandum entitled Africa in Change—a follow-up of the Government's communication on Africa.

REPORT BASED ON GOALS IN COUNTRY, REGIONAL AND COOPERATION STRATEGIES ETC.

The Government has approved 16 country strategies and four strategies for different regions to govern and guide Swedish development cooperation in Africa. All strategies contain goals that govern cooperation in the fields of human rights, democratic governance, social development, sustainable growth and combating HIV/Aids. The report below follows this breakdown.

Respect for human rights and democratic governance

Cooperation in this field accounted for approximately 21 per cent of the operational area's expenditure. The three main partner countries were Mozambique, Tanzania and Kenya. Sida has increased its commitments in countries that are in a process of transition from a conflict to peace and reconstruction.

In Mozambique the support provided for the development of public financial management, auditing, and decentralisation in the central government sector contributed, among other things, to the issue of guidelines in April based on local government legislation. This made it possible for the central government to allocate budget funds for the first time to the districts in the government budget. The number of government institutions that have undergone external or internal audit has increased considerably after the Swedish programme of support to the supreme audit institution. Considerable contributions have been provided to increase the capacity of the statistical office and through, for example, household surveys, it has been possible to produce reliable statistics to analyse the poverty situation. However, the statistics need to be broken down to individual level and used better in planning.

In Tanzania, Sida and the Swedish National Audit Office have started an extensive programme of

cooperation with the supreme audit institution for the administration, control and follow-up of public funds. All in all, Swedish programmes of support to institutions for public financial management and the reform of the country's budget process have made it possible to increase Swedish budget support to implement the country's new strategy for poverty reduction.

Sida has provided support for the preparation and implementation of the general elections, in particular through support for the establishment of a permanent electoral roll. Sida has started to provide support for an extensive reform of the legal sector.

During its first year the programme to strengthen the rights sector in Kenya focused on education, equipment and buildings and on the development of strategies and policies. Support to civil society in Kenya contributes to shaping opinion on human rights, including the rights of women and children, civic education and legal aid. Furthermore Sida's support has contributed to improving coordination between different NGOs and to the coordination by the organisations of their opinion-shaping activities.

During the year Sida participated in producing a strategy for the government's plan to reform the judicature and the law and order systems, and in producing a plan for anti-corruption work. The ongoing programme of support in the field of public financial management was restructured during the year to make it more demand-steered. However, the implementation suffers from the poor functioning of the information and communications technology.

In so-called transition countries (transition from a conflict to reconstruction) Sida has increased its support and contributed to promoting donor harmonisation and aid effectiveness. One example is the decision to establish a joint donor office in southern Sudan together with the Netherlands, Norway and Great Britain.

Activities have been started and Sida approved support for two joint donor funds for reconstruction in Sudan.

In the Democratic Republic of Congo (DRC), the donor community has made great efforts to establish a joint fund for all humanitarian activities. In 2005 a pilot phase was implemented, to which Sida contributed. Sida has also started a tripartite programme of cooperation with DRC and South Africa to make an inventory of the number of civil servants. This programme has received a great deal of attention.

In Zimbabwe, despite considerable difficulties, an extensive programme of support is being provided through NGOs in the field of human rights. Examples of results are medical and psychological support to persons who have survived organised violence and torture, protection of persons subjected to threats, and provision of legal support. Furthermore extensive civic and electoral training programmes have been implemented as well as election observation activities in connection with the parliamentary elections in 2005. In the media sector opinion-shaping and research activities were implemented with the goal of creating respect for freedom of expression.

HIV/Aids and social development

This section consist of a short report on activities to combat HIV/Aids that Sida has given priority to in Africa, and sections on the health and education sectors. In total some 26 per cent of total expenditure was used for activities in these sectors.

HIV/Aids

In 2005 Sida gave priority to activities to combat HIV/Aids in Africa. Priority was given to placing a greater emphasis on the integration of HIV/Aids activities in all operations, through direct contributions and in the dialogue with governments and other stakeholders.

In South Africa, where more than 5.5 million people are infected, support has been concentrated to contributions in the transport sector, the national debate on HIV/Aids, and programmes to prevent violence against women and children.

In Zambia, Sida and other donors have supported the National Aids Council. Sida also functioned as the donors' representative in the group coordinating support from the Global Fund. An extensive programme was started in Tanzania which has the aim of providing free care and treatment of HIV/Aids cases in the health system.

Sida's support to regional cooperation in the HIV/Aids field increased from SEK 113 million in 2004 to SEK 148 million in 2005. Sida's regional HIV/Aids team concluded an agreement with the Southern Africa Development Community (SADC), an intergovernmental regional organisation for 14 countries, on cooperation with its HIV/Aids unit. Sida is the lead donor. A Sida-supported regional organisation that works in 13 countries

with 140 organisations has succeeded in changing attitudes towards the needs of vulnerable children to include psychosocial aspects.

Health

Regional contributions

In the health sector, support amounting to some SEK 31 million was given to regional contributions in fields given priority.

In the field of sexual and reproductive health and rights for example, support was given to regional networks working against genital mutilation. In the field of safe abortions support has been given to an organisation which trains health personnel in dealing with complications arising from abortions. The organisation has also contributed to an amendment to the legislation on abortion in South Africa. The amendment has the effect that nurses may also perform abortions, which contributes to greater accessibility to this service, particularly in rural areas.

Support has also been given to the so-called Samouza project, a programme of cooperation between women's clinics in South Africa, Mozambique, Uganda, Angola and Zambia and the Karolinska Institute that has the goal of reducing maternal mortality. During the year a regional seminar for the exchange of experience was held in Maputo.

In the field of public health, support was given to a programme of cooperation between the Swedish National Institute for Working Life and its national counterparts in southern Africa. This programme includes a number of projects, for example to reduce silicosis in the mining industry. In this project training material for mine inspectors was produced during the year.

In Uganda Sida initiated a study of the health sector. The study indicated possibilities of enhancing priorities, harmonisation and alignment, and of producing data on results in the sector. In August Sweden took over the role as the coordinator of donors to the health sector. As a first initiative a seminar was arranged on enhanced alignment and harmonisation. The seminar resulted in an action plan for the donors and the government.

As part of the preparation of a new health agreement in Zambia, two programmes of institutional cooperation in the health sector were evaluated: support for a training programme for nurses and support for capacity development in the field of health economics. The recommendations are that both programmes of support should be integrated more in the sector and should become a part of its financing mechanism. Sida also contributed technical support for the production of a five-year staff supply plan.

Education

During part of 2005 Sida and other donors to the education sector in Tanzania withheld support to primary education due to delays in reports and audits

and the lack of response to problems in the sector indicated by different studies. However, progress in the form of increases in the enrolment of students and the training of more teachers was reported. The programme of support to the education sector in Zanzibar developed very favourably during the year. A new education policy was produced and the construction of new classrooms has had the effect that more children can attend primary school.

Sida proposed to the Swedish Government that the planned programme of support to the education sector in Mozambique should be transformed into general budget support for the implementation of the strategy for poverty reduction. The Government approved the proposal. In the agreement on budget support it is stipulated that Sida should give priority to the dialogue on the sector. The higher education scholarship programme for special provinces started in 2005.

Support for the education sector in Mali, where Sweden has a silent partnership arrangement with the Netherlands, shows several positive results. The proportion of children attending primary school is increasing continuously and it was reported during the year that the figures are just under 60 per cent for girls and just over 80 per cent for boys. The use of the new curriculum, which was started in 2005, is an important step towards pupil-based teaching in the primary schools in the country. The strengthening of the education administration, specially at lower levels, and a better overall grasp of the entire education sector were key issues in the long, drawn out preparations made in 2005 for the next phase of the education programme.

In Burkina Faso the discussions on the basic education programmes were dominated by the reinforcement of the ministry's administration by funding from the donors. There have been shortcomings in the reports which has had the result that most of the donors have not been able to disburse their planned support. The effect of this has mainly been considerable delays to long awaited school buildings. Measures have been taken to remedy the problems but Sida cannot make disbursements until an audit has been made of the unit that administered funds from several donors. This unit was closed during the year. However, the support to that part of the basic education programme that is responsible for literacy programmes shows very good results with an increase in the number of young people and adults who can read and write.

Sustainable growth

Sustainable growth is essential for poverty reduction. Sida disbursed some 28 per cent of its total expenditure in this field.

Infrastructure, financing and urban development

In Mozambique the Directorate for Regional Roads receives support for its roadworks, technical advisory

services, seminars and training activities. The repair of roads that were destroyed in the floods of 2001 was completed in 2005. Furthermore, preparations are being made for the River Zambezi bridge project, which will be jointly financed by Sida, EC and Italy. Among other things, Sida has initiated a joint coordination group which will work to strengthen the positive effects that the bridge will bring about and counteract any negative social consequences, for example the risk that HIV/Aids will be spread.

In Tanzania Sweden was the leading bilateral donor in the energy sector in 2005 and preparations have been made for a substantial increase in support. However, support for the energy sector on Zanzibar has been held back pending political decisions on key reforms.

A programme of support for the introduction of information and communications technology in teacher training colleges was approved and implementation started during the year.

In the programme of cooperation with Kenya in the water and sanitation sector, Sida and Denmark supported a development that should be seen as a first step towards a sector development programme. Key areas are institutional reforms, for example for decentralisation and more opportunities for participation, better management and reports, and environmentally sustainable use of water.

Cooperation in the roads sector has been designed to give prominence to the rights perspective and democratic governance. HIV/Aids has been integrated into the programme. Sida has held far-reaching talks on support to a programme to reduce poverty in urban areas through, for example, enhanced accessibility and guaranteed rights to use land.

Trade, industry and financial systems

During the year the private sector development programme in Tanzania was implemented according to plan. Concentration and donor harmonisation were in focus. A large number of contributions were finalised. The last phase in the programme of support for chambers of commerce and the programme of support for the export of ecological products was started. An agreement was signed with five donors on a sector programme for the development of financial services for the poor and Sida was the coordinating donor of a reform programme to enhance the business climate and develop trade.

In Uganda a successful programme of cooperation with the International Labour Organisation (ILO) was finalised during the year. This programme had the objective of developing radio programmes on business topics directed to small and medium-size companies. One result of the programme is that 20 radio stations broadcast business programmes that reach over seven million Ugandans in 53 of the country's 57 districts.

Regional contributions

Sida is providing support for the development of technical and legal systems for standardisation purposes, for example

[Picture removed]

Roadworks in Mozambique.

a pilot project for quality control of condoms (which also contributes to reducing the spread of HIV/Aids and sexually transmitted diseases) and support to the African Regional Standardisation Organisation (ARSO).

In some countries the private sector development programmes “Start and Improve Your Business” and “Expand Your Business” have made such progress that activities can continue without external financing and therefore the phasing out of Sida’s support has been started.

Natural resources and the environment

Extensive activities for sustainable use of water resources in Africa were financed by Sida’s regional programme. Preparations for three major projects were implemented. They referred to projects in the catchment areas of the Okovango and Pungue rivers. However, delays have arisen in the programme of support for the management plan for the Okovango delta due to the complex political situation.

In Ethiopia the programme document for rural development in the Amhara region was supplemented after extensive consultations with stakeholders, including villagers. However, other parts of the programme continued to be implemented and a further nine municipalities were included in the programme. Furthermore, land certificates have been issued to farmers in over half of the municipalities in the programme.

In the rural development programme in Kenya a complete follow-up system was developed in every district and province, the policy for providing advisory services in the agricultural sector was reviewed, and a system to evaluate results was implemented. The possibility of demanding accountability was enhanced by giving the agricultural advisers training in democracy and human rights and by giving the farmers support to enable them to organise themselves. The reporting and audit functions were also strengthened. A pilot project for reaching the absolutely poorest farmers, i.e. those

who are vulnerable and have very few resources, was documented and, on the basis of experience gained, this form of support is now being increased.

POVERTY REDUCTION STRATEGIES

Sida shall report for each region on the ways in which it supports, monitors and participates in the dialogue on the partner countries' nationally owned processes for reducing poverty, including the ways in which Sida promotes participation by poor people and their representatives in setting priorities, making decisions, implementing and following up measures for poverty reduction.

With the degree of success of the processes for producing poverty reduction strategies (PRS) in Sida's main partner countries as the starting point, the following approximate categories can be presented:

1. Countries that have worked successfully with poverty reduction strategies:

Burkina Faso, Mozambique, Rwanda and Tanzania. Some examples of activities are given below.

In Burkina Faso an increasingly effectively coordinated group of donors is supporting the implementation of the poverty reduction strategy by the government and civil society through, for example, budget support. Harmonisation has been given high priority. The IMF's assessments of macro-economic trends are positive and the country has a well-considered balance between an austere finance policy and expenditure to reduce poverty in the state budget. The donors coordinate the dialogue with the government on the implementation of the country's PRS. In April a coordinated donor review was made of PRS implementation and of public financial management.

In Mozambique relations between the government and the donor community are also good and extensive budget support is being provided. Most of the largest donors to the country, including Sida, and the government have signed a memorandum of understanding (MoU) on conditions and procedures for budget support. The MoU lays down how harmonisation and alignment of the donor group, G 18, should proceed. In 2005–2006 Sida is the chairman of G 18. In this role Sida has focused, in particular, on greater effectiveness and a focus on gender equality in the struggle against HIV/Aids, better implementation of reforms in public sector management and human rights, and the prevention of starvation in regions affected by drought. Under Sida's chairmanship considerable progress has also been made in increasing alignment with Mozambican systems and in synchronising donor planning. Growth is high and the budget, which is in balance, gives priority to poverty reduction in line with the country's PRS. After successful consultations with civil society and the donors, the government has produced a draft version of its second PRS which covers the period 2006–2010.

2. Countries where the poverty reduction strategies have certain weaknesses

Ethiopia, Kenya, Malawi, Mali, Uganda and Zambia.

In Ethiopia relations between the government, society in general, the political opposition and the donors are affected by a lack of trust between the government and other political and civil society groups. This lack of trust can be seen, for example, in the government's reluctance to involve civil society and even parliament in consultations on the country's PRS. However, after pressure had been exerted by the donor community, consultations of this type were held during the year prior to the production of Ethiopia's second PRS. A joint follow-up of the PRS was arranged in February but the final official report on implementation of the PRS was considerably delayed. In the dialogue Sida gives prominence to issues of democratic governance and respect for human rights. It was not possible to approve the Swedish budget support for 2005 due to uncertainty in respect of macro-economic trends. Sida also decided to wait until the situation after the election in May 2005 became clear before entering into new agreements.

In Kenya the government and the donors are focusing on the large number of reforms that are taking place, for example in respect of the legal sector, public financial management and anti-corruption activities. However, efforts to achieve harmonisation are proceeding under Swedish leadership: among other things a harmonisation secretariat was established in the Ministry of Finance. The IMF, World Bank and European Commission are preparing programmes of budget support. In 2005 Sida started internal discussions on the possibility of providing budget support from the Kenyan budget year 2006/2007. The Kenyan economy is still struggling with considerable problems even if positive growth is being registered and tax revenues are increasing.

In Zambia the government, with support from Sida and others, has started to draw up a new PRS for the period 2006–2010. The work is being done with the participation of interested parties. At the district level development plans have been produced and these plans form the basis of the central strategy for poverty reduction. The strategy and Zambia's aid policy, financed by Sida, form the basis of the strategy for donor harmonisation in Zambia, the Joint Assistance Strategy (JAS). The donors, including Sida, participate in the consultations through a central group of a few donors, and through sector groups. Some sector groups function well while others do not achieve results. Harmonisation has made great progress in Zambia. Joint follow-ups have been made twice during the year and the donors, including Sida, have made an assessment of their own comparative advantages prior to the expected JAS decision. The greatest challenges facing Zambia are to implement the widely supported development plans and to maintain good macro-economic and finance policy trends. The follow-up of the existing PRS

has been affected by the lack of a good follow-up system. However, the conclusions that have been drawn on the implementation of the PRS are not particularly positive. For example, a follow-up against the MDGs made in August shows that only three of the ten goals will certainly be achieved.

3. Countries that have not produced poverty reduction strategies
Angola, Burundi, DRC, Namibia, Somalia, Sudan, South Africa and Zimbabwe.

In three of these countries, South Africa, Namibia and Angola, Sida is in the process of phasing out traditional bilateral development cooperation. Instead the process will be to transform development cooperation relations into to broad, long-term cooperation between equal partners.

The process has made most progress in South Africa where cooperation in partnership has been developed in the fields of culture, health and private sector development. The possibilities of having joint programmes of development cooperation to support other countries in Africa are being studied. In Namibia and Angola the conditions for broader cooperation are limited but institutional cooperation and the strengthening of commercial relations are being further developed.

In a comparison of the countries in the different categories the following features emerge:

The first group of countries, which have successfully pursued PRS processes, all have a better macro-economic situation and their state budgets are under control. Resources are available to finance the PRS and the priorities in the budgets follow the balance between sectors and areas of expenditure specified in the PRS.

The dialogue between civil society and the governments is mature. The governments invite discussion and regard civil society as a partner in the struggle against poverty. Relations with donors are open and clear.

There are joint, effective mechanisms for the government and donors to follow up the implementation of the PRS and for discussions.

Donors providing budget support also play a decisive role in the follow-up and dialogue for other members of the donor community.

Processes for donor harmonisation have made great progress in at least three of the countries. It has been possible to build on mature sector development programmes that were in place.

On the other hand, the situation in the category of countries with less effective PRS processes is characterised by poor or undeveloped relations between the government and civil society. Among other things, in some countries there have been shortcomings in consultations during the production of the PRS. Consultations have only taken place after the donor community exerted pressure. In some countries there are also deficiencies in cooperation with civil society during the implementation process. The dialogue with the donors has also been poor

(Ethiopia) or in need of improvement (Kenya). There are problems with corruption, macro-economic controls, the finance policy or democratisation and human rights that have not been taken up in the dialogue in a constructive manner. The economic problems have the effect that the poverty reduction strategies are considerably under-financed and cannot be implemented in a satisfactory manner.

The countries that have not worked with poverty reduction strategies are all transition countries in one way or another: from conflict to peace, countries with natural resources that are on the way to becoming middle-income countries, or—as in the case of Zimbabwe—are going from development to internal conflicts.

Sida has to adapt to a great extent to the prevailing situation. However, it can also, to a certain extent, exert an influence on the situation, for example as in Kenya by actively participating in the social debate through newspaper articles and by arranging opportunities for an exchange of views. In Malawi Sida provided budget support in 2005 to contribute to breaking the vicious circle of underfunding of PRS implementation. In Ethiopia a growing amount of support is being given to civil society to contribute to making it possible for it to participate in PRS implementation.

ANALYSES OF OUTCOMES AND EVALUATIONS

The overall goal of the country strategy for Tanzania, 2001–2005, was to reduce poverty by providing support for pro-poor growth, human development and democratic development. During the period Tanzania was Sweden's main partner in cooperation with a volume of disbursements of, on average, SEK 500 million per year. The breadth of cooperation has also been extensive: efforts to concentrate support have led to a reduction in the number of contributions but they are still spread over many sectors.

The most important areas in terms of disbursements have been general budget support (some 20 per cent of the annual amount), education (some 20 per cent), and energy (some 20 per cent). During the year an evaluation of budget support was made together with other budget support donors in Tanzania. Positive results had been brought about that could not have been achieved with other forms of funding. At the same time a number of recommendations were made on ways in which the support could provide greater reductions of poverty in Tanzania.

In the education sector Sweden has contributed to Tanzania's reform programme for primary education. As a result of the programme the number of students enrolled in schools has increased significantly. However, much still remains to be done to improve the quality of education.

Sida's work in the energy sector has the principal aim of strengthening institutions, rules and regulations and

has contributed to the production of a national energy policy as well as increasing accessibility to electricity in rural areas.

The Sida-financed urban development and housing programme in South Africa was evaluated. The overall assessment is that the programme has been successful. It has contributed to innovations and the introduction of new concepts and new technology. One weakness given prominence is that the programme has not been completely successful in developing permanent knowledge and capacity in the three municipalities involved. Sida has accepted the recommendations and has started a study that has the aim of improving the programme before it is phased out.

In Zimbabwe the programmes of cooperation with three NGOs working with food security, orphans and micro-finance were evaluated. All three organisations were considered to be doing a very good job. The recommendations concern the ways in which the organisations should organise themselves from the personnel perspective, how they should integrate, for example, child rights and combating HIV/Aids into activities, and how they should ensure that the results of the projects are made permanent.

OTHER REPORTS REQUIRED

Sida shall submit a report on reconstruction contributions that are being planned, are under implementation, or which have already been implemented. This includes contributions for disarmament, demobilising and rehabilitating soldiers, so-called DDR contributions, and other conflict-related activities in countries that have experienced conflicts and regionally.

In Burundi support for peace, democracy and human rights has focused on contributions in the legal system, support for parliament, election support and support to peace and reconciliation organisations. Sida has concluded an agreement on silent partnership with DFID in respect of greater cooperation in these fields.

The long-term assistance to DRC is being built up and its main emphasis is on democratic governance. Sida is continuing to provide support for UNDP's election fund as well as support for programmes of civic education through international NGOs. Furthermore, support will be provided for the reform of the police force. A census project in cooperation with South Africa was financed in 2005 and can possibly be continued after an in-depth analysis has been made. A major programme of support to the education sector is under preparation.

In the Ivory Coast, if the disarmament, demobilising and rehabilitation process starts, Sida is once again prepared to contribute assistance through UNDP, in addition to the SEK 10 million that was provided in 2005. Contributions to reduce the spread of light weapons can also come into question if a demobilisation process is started and the security situation is stabilised.

In Liberia support with a focus on the return and

rehabilitation of former combatants, of internally displaced persons and refugees was finalised in 2005. The new Liberian government took office in the beginning of 2006 and discussions are currently taking place on ways in which support for development in Liberia should be designed. Sida intends to support programmes, for example for institution development and reform of the legal sector. Support will be provided via the UN system.

According to the current cooperation strategy, the framework of regional development cooperation shall consist of support for the follow-up of the international conference in the Great Lakes region. However, the summit meeting in Dar es Salaam in November 2004 did not result in sufficiently concrete conclusions to identify conceivable contributions for Swedish support in 2005. Further support for the process itself will therefore also be provided in 2006 when a new summit meeting is planned. Sida has the capacity to make preparations for contributions in the fields of peace, security and democracy in the Great Lakes region. A regional media contribution is being implemented during the period 2005–2007. Further support to DDR contributions is anticipated.

As part of Sida's ambition to support Sierra Leone in a process of transition from humanitarian assistance to reconstruction and development work, Sida intends to increase its support to the country through multilateral channels, primarily the UN system. Funds are intended partly for long-term contributions in accordance with the strategy, and partly short-term contributions to facilitate the transition from humanitarian assistance to long-term development cooperation.

In Somalia Sida contributed to UNDP's programme for DDR projects and the reform of the police force in 2005. The planning of reconstruction projects in Somalia is characterised by a great deal of uncertainty. An agreement has been concluded with UNDP on support for basic administration. Contributions in the legal sector, through Diakonia, are being prepared. Sida is planning an extensive programme of support to UNDP's joint donor fund in 2006.

Where Sudan is concerned, Sida will provide extensive support in 2006 and 2007 to the two joint multi-sector donor funds that are being administered by the World Bank, one in northern Sudan and one in southern Sudan. Furthermore a joint donor office will be established in southern Sudan that will represent, in addition to Sweden, Norway, Great Britain, Netherlands and Denmark. The donor office will represent the countries in the southern donor fund's board and pursue programmes of supplementary support that focus on, among other things, democratisation, local peace-building, women's rights, HIV/Aids and the media. Great importance will be attached to strengthening women's rights.

It is expected that humanitarian assistance will continue to play an extensive role through the UN's work plan for 2006 and through Swedish NGOs that are active in the country.

ANALYSIS OF OUTCOME

The total outcome for the operational area, Africa, can be seen in Table 4. The outcome for 2005 was some 21 per cent higher than 2004 including the budget support that was reported under the budget item “economic support” for 2004.

As in 2004, Tanzania, Mozambique, Ethiopia and Kenya were the four main partner countries in Africa. Cooperation with Ethiopia has not increased at the same rate as the increase in Sida’s budget appropriation due to the uncertain political situation in the country after the elections in May 2005. Where the other three countries are concerned, the proportion of the total appropriation allocated to them increased and all in all 38 per cent of the budget for Africa was channelled to them. Cooperation in post conflict countries increased dramatically from 2004 to 2005 and now amounts to more than SEK 260 million, or some seven per cent of the budget.

The proportion allocated to project support decreased considerably in 2005—to 58 per cent of the budget—in accordance with demands for greater aid effectiveness. Budget support to African countries increased by 56 per cent during the same period. Before the decisions were made to withhold budget support to Ethiopia and Uganda it was planned that the increase would be greater. Therefore, in accordance with the Paris agreement, the total proportion of programme support has increased—however budget support replaces sector programme support to a certain extent, and the proportion of sector programme support is decreasing.

A growing proportion of the support is being channelled via organisations in the partner countries while support via Swedish organisations and third country organisations is decreasingly correspondingly. This trend is also well in line with the greater focus on aid effectiveness and ownership by the partner countries of the development efforts. Compared to 2004 there has been an increase in the proportion of cooperation that is intended to have a direct effect on poverty or projects that include the poor.

SIDA'S ASSESSMENT

Sometimes events in Sida’s partner countries get the upper hand and reduce the prospects of goal fulfilment. For example, it is not possible to reach consensus, and thereby goal-oriented programmes of development cooperation, with partner countries that do not focus on democratic decision-making processes, participation, the rights of minorities etc. In such countries it is also not possible to implement the Paris agreement on using the partner countries’ follow-up systems for the follow-up required by the donors. Combating corruption continues to be given high priority by Sida. As can be seen above, projects to improve public financial management,

Table 4.

Africa, outcome in SEK '000

Five main partner countries 2005	2004	2005
Tanzania	424 377	610 494
Mozambique	358 514	552 054
Ethiopia	269 546	301 360
Kenya	188 086	274 858
Zambia	181 957	194 373
Other countries and regions	1 343 160	1 891 167
Total costs	2 765 640	3 824 306
Forms of support		
Project support	1 978 724	2 214 170
Sector programme support	458 622	485 237
Technical assistance incl. contract-financed technical cooperation	35 069	33 575
International training programmes	2 471	8 548
Credits	13 351	-588
Guarantees	0	0
Economic reforms	25 023	665 000
whereof general budget support 2005		665 000
Humanitarian assistance	52 112	196 985
Research	24 312	18 142
Grants to NGOs	175 956	203 236
Total costs	2 765 640	3 824 306
Channels		
Multilateral organisations	341 694	448 082
Swedish organisations	464 888	544 233
Organisations in partner countries	1 381 955	2 196 470
Organisations in other countries	484 792	511 344
International NGOs	92 311	124 177
Total costs	2 765 640	3 824 306
Overall goal of development cooperation		
Direct effect	548 492	782 556
Projects and programmes that include the poor	711 475	1 070 689
Indirect effects through policies and institutions	1 018 962	1 231 589
Indirect effects through national support	456 523	713 186
Other effects	30 188	26 287
Total costs	2 765 640	3 824 306
Number of valid contributions	1 416	1 409
whereof > SEK 15 m	36	40
Number of new contributions	289	296

The figure for “Economic reforms” is included in the figures for 2005 under the operational area “Africa”. In 2004 this figure was included under the operational area “Economic Support”.

including better audits, are taking place in many countries. Work of this type prevents corruption. In connection with the process of transition towards an increasing amount of programme and budget support, conditions for combating corruption are changing. Central institutions such as supreme audit institutions and parliamentary budget committees are being given greater opportunities to acquire an overview and to exercise controls. At the same time Sida's work and dialogue must be shifted from direct control of project funds to overall reforms of entire systems for public administration in partner countries.

As shown above, there is considerable breadth in the programmes of development cooperation. At the same time it is clear that Sida, in more or less all countries from traditional stable partners to countries in which devastating conflicts have just ended, is involved in extensive reform processes and that Sida's cooperation is well in line with the countries' PRS and the harmonisation and JAS processes that have picked up momentum.

One indication that Sida is a highly respected donor is that Sida has been given the responsibility for leading the donors' dialogue and for donor harmonisation in many countries and sectors, for example the budget support group in Mozambique and the health group in Uganda.

Sida's quality assurance systems are improving all the time. Among other things project committees are working at different levels to ensure that the goal of poverty reduction remains in focus. Sida works at a high pace with assessments of contributions in support of projects and programmes. The work of making the country strategies operational in the country plans is being continuously improved. The embassies' annual and six-monthly reports maintain high and even quality. All the internal work on quality contributes to improving goal fulfilment.

A direct consequence—and an indication—of the fact that quality assurance functions well in the implementation of contributions is that Sida takes up problems of a process nature rapidly and effectively. For example, disbursements to Tanzania and Burkina Faso were withheld when agreed conditions were not fulfilled. In other words there are control mechanisms and systems that provide warning signals when things go wrong.

The process problems are due in general to the fact that the capacity of our partners in cooperation is weak and this is naturally a field for improvement to which Sida gives high priority. It is partly due to the situation that specific systems and approaches are not well developed internally at Sida and partly that results indicators must still be improved at country, sector and project level.

As can be seen from the outcome, Sida has succeeded in using the increased resources (approximately 21 per cent increase in budget utilisation) with only moderate increases in administrative resources. In other words there has been a clear improvement in efficiency in the operational area.

The country plans have mainly been implemented according to plan. Of 24 plans only eight showed deviations of more than 10 per cent downwards in financial terms. In total, 94 per cent of the original budget was used. The downward adjustment of the forecast to this level was made in October after events that took place, for example in Ethiopia and Uganda, made decisions to reduce budgets necessary.

Despite the considerable increase shown above, starting up cooperation in transition countries takes longer than expected. One of the reasons is a consequence of the quality assurance mechanisms that have been strengthened in recent years; another is that it is difficult for Sida to assess and approve projects rapidly. Work has been started to remedy this problem.

The overall conclusions for the operational area, Africa, are

- Sida is implementing effective programmes of development cooperation that meet the requirements of the Swedish government as formulated in country and regional strategies.
- Sida should increase its efforts to specify results and to make follow-ups of results and reports possible.
- Sida must continue to have quality assurance mechanisms for its work and ensure that routines and processes flow as they should in accordance with the rules. At the same time measures must be taken to speed up decision-making processes in a flexible manner when circumstance so require, for example in post-conflict situations.

Asia, Middle East and North Africa

The operational area includes international development cooperation with Asia, the Middle East and North Africa, with the exception of those programmes financed under the operational areas of research, humanitarian assistance and conflict management, development credits and NGOs.

Sida's activities shall be governed by the goals contained in current country, regional or corresponding strategies for cooperation and by "A Swedish Strategy for Asia", "The Future with Asia—a Follow-up of the Government's Strategy for Asia", and the "Study of North Africa and the Middle East".

REPORT BASED ON GOALS IN COUNTRY, REGIONAL AND COOPERATION STRATEGIES ETC.

Cooperation with Asia, the Middle East and North Africa is governed by ten country strategies, one regional strategy for South-East Asia and an "approach" for the Middle East and North Africa. The regional strategy contains bilateral programmes with five countries and regional contributions, while the approach includes bilateral and regional contributions in nine countries. Democratic governance and the environment are represented in the most important goals in most strategies. Capacity and institution development are given special emphasis in the countries in Indochina. Where resources are concerned, cooperation with the long-term partner countries in Indochina and South Asia, including Afghanistan, predominates

Democracy, human rights and conflict management

In Cambodia, Sida supports decentralisation, education, and capacity building in the public sector. An extensive project, in cooperation with UNDP, for institution and capacity development with close links to the Cambodian local government reform has achieved good results according to a number of studies and evaluations. The results of the implementation of an associated decentralisation project in cooperation with Asian Development Bank have been mixed. In the project's main area, investments in local government councils, the results are considered to be successful. Support has been given to a broad circle of Cambodian human rights organisations through two Swedish NGOs: Diakonia and the Swedish NGO Centre for Development Cooperation (Forum Syd). With the aid of support given to the UN's Cambodia Office of the High Commissioner for Human Rights (COHCHR), Sida has contributed indirectly to protect local organisations working for human rights.

The programme of cooperation with the Cambodian centre for documentation of violations of human rights during the period when Khmer Rouge ruled the country (DC-CAM) has given very good results and has had the effect that the archive has become an important source of evidence in forthcoming trials.

In 2005 Sida focused on enhancing the rule of law for poor and vulnerable groups in Vietnam, for example by extending its support to Vietnam's legal aid system for the poor, strengthening the position of children in the legal system in cooperation with Unicef, and helping Vietnam to establish a national bar association. During the year Sida renewed the programme of cooperation between Lund University and Hanoi Law University to improve the quality of the legal education programmes. Sida and other donors have conducted a dialogue with the government of Vietnam on reforming the entire legal system and increasing the independence of the courts system.

With the aid of contributions from Sida and other donors, the Palestinian Authority held presidential and local elections in the Palestinian territories of West Bank and Gaza occupied by Israel and made preparations for the parliamentary elections in 2006. During the year Sida restructured its support to the work being done by civil society for human rights and a common form of cooperation was established together with a number of other donors. Sida's cooperation with the Palestinian Authority's children's secretariat has not achieved the desired results. The programme of cooperation has been phased out and demands for repayment of funds have been made.

The provision of support to the peacekeeping force in Sri Lanka, the Sri Lanka Monitoring Mission (SLMM), was continued in 2005, together with the Nordic countries. SLMM has the responsibility of supervising the cessation

of hostilities. SLMM's contributions have proved to be extremely valuable, particularly after the increase in unrest in the spring and summer of 2005. Its role as mediator between the government and the Liberation Tigers of Tamil Elam (LTTE) at the local level is important for communications between the parties.

After negotiations between Israel, Jordan and the Palestinian Authority in the West Bank and Gaza, the parties have taken the initiative to make a joint feasibility study for a canal between the Dead Sea and the Red Sea. The Palestinian side thereby achieved its goal of having its rights to parts of the Dead Sea coastline confirmed. Support in the form of experts for the Palestinian negotiators funded by Sida and other donors was essential for the success of negotiations. Within the framework of a tripartite programme of cooperation, a series of meetings were held between South Africans and Palestinians. The point of departure of these meetings was South African experience of peaceful conflict solution.

Social development

The introduction of a sector support programme in the health sector in Bangladesh has resulted in improved efficiency and strategic advantages by giving the ministry of health better priorities and better controls over existing resources. The high fertility rate in Bangladesh has declined in recent years.

Support for the health sector in Vietnam focuses on providing advice on policies and strategies in the field of public health. One result of this is that in February 2005 the government of Vietnam approved a health insurance system for the poorest people and, at the same time, confirmed its goal that all people in Vietnam will have health insurance by 2010. During the year Swedish contributions to improve health care services were evaluated. According to the report Swedish support has contributed to the production of better strategies, enhanced capacity and greater expertise. However, the study also states that the support has been too disparate. It is considered to be impossible to have a sector support programme in the health sector in Vietnam before, at the earliest, 2008. Since 2005 Sida and the Asian Development Bank (ADB) have supported a health care fund for poor people living in the central highlands.

The incidence of HIV/Aids is increasing in Asia and is a serious threat to development in some countries. National decision-makers and donors in several countries still do not want to allocate resources to combat HIV/Aids. Sida has therefore chosen to support, together with the ADB, the integration of efforts to counteract HIV/Aids in the Bank's investment projects. The bank provides considerable credits in the region and has major investment projects in most countries there. The Swedish contribution—in the form of a grant—has made it possible for countries in the region to work with HIV/Aids in activities that are being financed by loans.

The Swedish support has also contributed directly to the production by the bank of an overall HIV/Aids policy for all its activities, which is an important advance.

In the education sector in Afghanistan, Sida has supported the Swedish-Afghanistan Committee (SAC), Unicef and the Bangladesh Rural Advancement Committee (BRAC). Unicef has focused on the education of girls at primary school level; BRAC's has focused on making it possible for older girls to continue their education; and SAC has worked with the education of both girls and boys. Since the fall of the Taliban regime the number of pupils enrolled in schools has increased from about half a million to five million (girls and boys). The needs are still considerable, as is the demand. Some 45 per cent of children in the country still lack access to schooling. Of these two-thirds are girls. Despite the successes in the education sector its quality is still low and there is a great lack of trained teachers, particularly women teachers. Many girls leave school when they reach the age of puberty or are married. Clearer ownership on the part of Afghanistan is required. Coordination within the education sector has not functioned sufficiently well and needs to be improved. This applies both to the Afghan Ministry of Education and between donors.

Sweden has been a donor in the education sector in Bangladesh for many years. In recent years the government has prepared a sector programme and at the end of 2004 Sida decided to contribute to a programme of sector support. This support has largely been given for reorganisation processes designed to enhance efficiency and quality to enable the ministry of education to implement the plan. One important measure has been to transfer 11 000 posts in the education sector (of which some 40 per cent are funded by donors) to the operational budget which is entirely financed by the government. This will have the effect that the posts are made permanent. Moreover 35 000 new teaching posts will gradually be established and be financed by the government budget. The National Academy for Primary Education has been given its own organisation, which will put it in a better position to implement the reforms. The donors in the sector support programme are coordinating their contributions better: financial systems and procurement procedures have been harmonised. A joint follow-up system is being introduced.

In Cambodia, in cooperation with Unicef, Sida has contributed to the development of the entire sector for basic education with a focus on poor and marginalised families. External studies indicate extremely good results but the goal of transforming the programme into a programme of sector support has not yet been achieved.

Sustainable growth

After the tsunami in South-East Asia, Sida made SEK 80 million available to a fund, run by the World Bank, for

[Picture removed]

In some provinces in Afghanistan it is not possible for almost all the girls to attend school. These girls are attending a provisional school in a tent.

reconstruction in Indonesia. One of the projects works with land ownership in Aceh after the tsunami. By October 2005, 25 000 properties had been reviewed and the owners had received provisional legal registration. By the end of the year it was expected that at least 50 000 landowners would have their land re-registered.

Within the framework of Afghanistan's priorities and in close cooperation with other donors, including the World Bank, ADB and the EU, Sida has provided support for the transport sector in Afghanistan. The support was used for the rehabilitation of the road between Kabul and Jalalabad and has made it possible for vehicles to increase their speed from 20 km/h to 55 km/h.

Sida has supported the microfinance sector through the Afghanistan Reconstruction Trust Fund (ARTF), which is administered by the World Bank. The Microfinance Investment Support Facility Afghanistan (MISFA) is an organisation that provides credits and

technical support to the microfinance institutions that qualify to receive them. According to reports and evaluations, the development of MISFA has exceeded expectations. The original ambition was to reach 35 000 customers before March 2005. The forecast now indicates that 80 000 customers will be active borrowers. More than 90 per cent of the borrowers are women and the repayment rate is 99 per cent.

Highway 8 in Laos is an important national link between Laos and Vietnam. Due to severe weather conditions in the area, i.e. heavy rains, work on the road has been delayed. There is a considerable lack of maintenance work on roads in Laos. During the second phase of the programme of sector support to the roads sector, which was finalised during the year, a national maintenance programme for minor roads was planned and started. The importance of taking social and environmental consequences into consideration is an

important experience that will be included in the third phase of the programme. Experience also shows how important it is that poor people in the villages are involved in the planning and implementation of road projects.

An agreement was signed during the year with the Ministry of Agriculture in Vietnam on the policy dialogue and harmonisation and further work towards a programme of sector support. The Chia Se programme is a multi-sector poverty programme that makes it possible for decisions to be made locally in respect of donor funds in rural areas. The programme was implemented in three provinces in Vietnam during the year and the possibility of extending the programme to two more provinces in the middle and southern part of the country is being examined. Another contribution in the environmental field, support for environmental management and land survey, was started in 2005. Both these contributions help poor people to gain legal access to land.

The preparation of the second phase of the programme of cooperation with the Science, Technology and Environment Agency (STEA) in Laos was finalised during the year and a new agreement was signed in June. A major national conference with more than 300 participants was arranged during the spring and the national environmental committee had two meetings during the year. Another contribution has supported the livelihoods of farmers living in the highlands and promoted sustainable use of natural resources by increasing the focus on research and education. Support has previously been given for the production of the Forestry Strategy 2020. During the year the prime minister issued a decree on the strategy and a proposal has been prepared for implementing the strategy with funding from Sida, among others. The preparation of a new programme of support for natural resources in the highlands has been delayed.

The Swedish Environmental Secretariat in Asia (SENSA) has participated in an informal dialogue on conditions to increase cooperation between the countries bordering the Mekong River. A feasibility study was made in the spring. This resulted, among other things, in a regional seminar in September. More cooperation between the research world and decision-makers is necessary to make it possible to solve problems on natural resources that cross borders. In April SENSA held a seminar on the relationships between social planning and natural disasters, which is a topical theme in South-East Asia. The conclusions were not new but can well be repeated: overexploitation of natural resources increases the vulnerability of people; poor groups are most vulnerable and have the greatest difficulties in finding resources for reconstruction.

Sida is supporting the Mekong Commission's work on sustainable development and integrated water resource management of the Mekong River. This is partly being done through an environmental

programme and partly through the production of a joint regional development plan for Thailand, Laos, Cambodia and Vietnam for the use of the Mekong River's water resources. During the year the environmental programme developed a programme for reports on environmental conditions and proposed guidelines for the implementation of cross border environmental impact assessments. The donors make the assessment that the regional development plan has come a long way but that much remains to be done.

Within the framework of the Marine Initiative, Sida has financed regional marine contributions in South-East Asia since 2003 for sustainable fishing and protection of the marine environment. The contributions are mainly being implemented together with the National Board of Fisheries. However the National Environmental Protection Agency and the Swedish Maritime Administration are also involved. Support channelled through the FAO has had the aim of reinforcing flows of information for fishery administrations in Cambodia, Vietnam, East Timor and Thailand. In Thailand capacity issues in the fishing industry have been studied and, in 2005, several universities participated in questioning fishermen using trawlers whether they could consider abandoning trawling and doing something else. UNEP's Coordinating Body for Seas of East Asia has developed a database containing information on the marine environment in the region and on different regional and national programmes to improve the environment. Support provided to the South East Asian Fisheries Development Center has had the aim of developing human resources in the region for the application, on a regional basis, of the FAO's code of conduct for responsible fishing. The projects were implemented in Thailand, Cambodia, Vietnam and Indonesia and the issue of overcapacity in the fishing industry has been given special attention. In parallel with the national projects, work has also been started on a regional database (and network) on human resource development in the fishery administrations.

POVERTY REDUCTION STRATEGIES

1. Countries that have successfully pursued PRS work.

During the year Vietnam has started working on its next five-year plan, which is also intended to be Vietnam's second poverty reduction strategy (Comprehensive Poverty Reduction and Growth Strategy—CPRGS). Thereby the new strategy will be integrated in the planning process much more specifically than before. In cooperation with the EU and like-minded donors, the Swedish embassy in Hanoi has commented on the draft version of the forthcoming five-year plan with a focus on issues relating to good governance. Several donors have started planning to link future budget support to the credit (Poverty Reduction Support Credit—PRSC) that was granted in 2005 by the World Bank. During the year the Vietnamese government and donors produced

and approved the so-called Hanoi Core Statement on Aid Effectiveness, which concretises the Paris Declaration in Vietnam.

2. Countries with PRS processes with some difficulties but nonetheless on the right way.

After the government in Bangladesh opposed the former format for consultations with donors and referred to unjust criticism in respect of human rights, the donors and government agreed in 2005 to establish a new forum called the Poverty Reduction Strategy Implementation Forum, chaired by the government. The first meeting was held in November. The work on producing a new poverty reduction strategy has involved the local level to a greater degree than before. Sweden has participated in coordination at sector level, primarily in the health and education sectors.

In Laos the implementation of the poverty reduction strategy adopted in 2004 has started slowly. The first step was to prepare the integration of the strategy with the country's socio-economic plan, which has the full support of the donors, including Sweden.

In Cambodia Sida has participated in seven technical working groups that have had direct links with the country's national strategic development plan. Regular meetings with representatives of the country's government and chairmen in the various working groups have made a dialogue possible.

3. Countries with major shortcomings in the implementation of PRS work.

As a result of the country having had so many governments in recent years it has been difficult to establish continuity in the PRS work in Sri Lanka. Every new government has started the PRS process from scratch. However, Sweden has participated in the regular meetings with the government on donor harmonisation.

After the tsunami the dialogue with the donors has principally revolved around harmonisation and government principles for support to disasters and reconstruction.

The dialogue with East Timor is limited to participation in Consultative Group Meetings.

4. Countries that have not produced PRS.

In 2005 the following partner countries did not have any nationally owned strategies for poverty reduction: India, North Korea, West Bank and Gaza, Afghanistan and Iraq. In China there is no overall PRS but there are several strategies for poverty reduction instead.

In Sida's assessment it is principally Vietnam that has succeeded in producing a national PRS in cooperation with the donors. Efforts are being made in several countries, but the impact is limited as yet. In most of Sweden's partner countries in Asia there are still no strategies for poverty reduction. This is particularly the case in unstable or isolated countries in which there are

ongoing conflicts or in countries where international aid is only marginal in relation to other parts of the countries' economies.

OUTCOME ANALYSES AND EVALUATIONS

According to an evaluation of overall development cooperation in Afghanistan with five countries (including Sweden), the process of transition from humanitarian assistance to long-term development cooperation has proceeded relatively painlessly. The five countries' development cooperation programmes are assessed to be highly relevant and the countries have been successful in adapting their programmes to Afghanistan's priorities. The following key results are reported: a political process with a legitimate government has been finalised; progress has been made in stabilising the security situation; conditions for effective and responsible government have been created; and progress has been made in meeting the basic needs of the people, primarily in respect of education. The evaluation also indicates that the view that equality between women and men should permeate all development cooperation has not given adequate results. The evaluators are of the opinion that in extreme cases, such as in Afghanistan, there must also be specific contributions for women.

Within the framework of the production of the country strategy for China, an outcome assessment was made during the year. During the last 15 years China has undergone considerable changes and has had rapid and extensive economic growth. Foreign aid is small in relation to the country's GNI and it has therefore been important to focus cooperation on areas where it could have a leverage effect. With the aid of support from Sida, the Raoul Wallenberg Institute has worked with capacity development in the human rights field since 1996. Among other things, training programmes have been held for the public prosecution authorities and a master's degree programme with a focus on human rights has been established at Peking University. Through support to a think tank, China Council, Sida has contributed knowledge and experience to Chinese decision-makers on sustainable ecological development. Sida has also work with gender equality and has financed the production of gender statistics.

As much as 60 per cent of China's sewage is discharged without treatment. With the aid of concessionary credits a number of sewage treatment plants have been financed in China. An evaluation made in 2005 shows that the projects have been implemented satisfactorily and that in the long term the treatment plants will lead to better water quality and better health for the people concerned

A comparative evaluation was made in 2005 of two World Bank funds that provide support to the Palestinian Authority in the West Bank and Gaza. The conclusions drawn were that the funds, Emergency Services Support

Project (ESSP) and the Reform Trust Fund (RTF), function in practice as budget support with the main difference that ESSP is concerned with conditions for the follow-up of disbursements and RTF focuses on reforms of the economic management of the Palestinian Authority. Swedish support was previously channelled through ESSP.

ANALYSIS OF OUTCOME

The total outcome for the operational area Asia, Middle East and North Africa can be seen in table 5. In 2005, use was made of 95 per cent of the funds made available in the Government's annual directives and letter of appropriations. This represents an increase of three percentage points on 2004. The outcome was SEK 91 million higher than in 2004. The distribution of disbursements over the year was more even than before: approximately a third each during the last two quarters, compared to 50 per cent in the last quarter of 2004. This is a result of deliberate efforts to achieve a better balance in disbursements over the year.

The outcome was largest in Vietnam, after several years' problems. As a result of various contributions related to the tsunami, Sri Lanka was one of the five largest recipients. The outcome for the sub-region Middle East and North Africa decreased, mainly as a consequence of lower disbursements to Iraq. The outcome for Bangladesh could have been considerably higher if the World Bank had not changed its contribution cycle for its support to the health sector.

The World Bank's new routines also contributed to the lower outcome for sector programme support. The outcome for economic reforms was also considerably lower, but this is due to the fact that the support given to the Afghanistan Reconstruction Trust Fund (ARTF), which accounted for SEK 175 million in 2004, was reclassified. No budget support was disbursed during the year. Project support showed the largest increase, over SEK 300 million, including SEK 100 million to ARTF.

The deliberate focus on increasing cooperation with multilateral organisations, principally the Asian Development Bank (but also the World Bank) is reflected in the fact that this channel was even more predominant than in previous years. Support through the channel "organisations in partner countries" decreased somewhat and corresponded to less than 20 per cent of the total outcome for the operational area, compared to over 25 per cent for all Sida's programmes of development cooperation.

Both the total number of contributions and the number of new contributions increased somewhat, mainly in the Middle East and North Africa. The number of contributions in excess of SEK 15 million also increased, by slightly less than 40 per cent.

The contributions which, in Sida's assessment, have a direct effect on poverty increased, while other contributions decreased correspondingly.

SIDA'S ASSESSMENT

In the very largest countries the Paris agenda is not given high priority and attempts to establish harmonisation and alignment with other donors have not made much progress. A conceivable explanation for the relative lack of interest is that the countries in Asia, as well as the Middle East and North Africa, are not dependent on aid in the same way as those countries where work with harmonisation has made most progress. Another explanation is probably that the donor collective is dominated by large donors such as Japan and the ADB.

There was no budget support as a form of cooperation in 2004, but sector programme support is becoming increasingly common, with Bangladesh as the leading country. Silent partnership with other bilateral donors is still uncommon—with a few exceptions such as Vietnam. In general Vietnam is the country where harmonisation has been most successful, possibly since it is under the clear leadership of the government.

On the other hand cooperation with the multilateral organisations, primarily ADB and the World Bank, has increased both in Asia and the Middle East. This is a relatively successful way of reducing transaction costs for the countries, even if it initially makes considerable demands on Sida, for example in respect of establishing forms and routines for joint funds, drawing up new agreement templates and disbursement models.

Regional cooperation in Asia, particularly in the environmental field, is increasing and planning was intensified during the year. This form of cooperation is mostly implemented together with international organisations.

There are still programmes of cooperation in many countries and several country programmes are also thematically far too diversified and in need of further concentration efforts. In, for example, the work done in 2005 on a new cooperation strategy for China, Sida partly proposed the phasing out of cooperation during the forthcoming strategy period and partly stronger sector concentration.

In 2005, the work on reconstruction after the tsunami in December 2004 had a great impact on bilateral cooperation with Indonesia, Sri Lanka and, to a certain extent, Thailand, as well as in programmes of regional cooperation. Sida has shown considerable ability, partly to present a strategy and a method of working at an early stage, which are then approved by the Government, and partly to prepare—in a short space of time—both new contributions and changes to existing programmes which were given a special focus on assisting victims of the tsunami.

The contributions have been characterised by the ambition for harmonisation with other donors and by an attempt to work through national systems and authorities, even where these have been newly established.

Sida also has succeeded, rapidly and flexibly, to

Table 5.

Asia, Middle East and North Africa

outcome in SEK '000

	2004		2005	
Five main partner countries 2005				
Vietnam	161 197		270 469	
Afghanistan	343 210		262 669	
Bangladesh	149 857		161 269	
West Bank and Gaza	160 369		145 868	
Sri Lanka	102 889		138 534	
Other countries and regions	831 898		861 288	
Total costs	1 749 420		1 840 098	
Forms of support		whereof Middle East and North Africa		whereof Middle East and North Africa
Project support	1 109 733	235 888	1 348 560	210 896
Sector programme support	179 469	47 073	113 754	4 228
Technical assistance incl. contract-financed technical cooperation	95 020	20 082	81 264	15 197
International training programmes	1 640	0	17 217	4 945
Credits	41 594	25	114 139	132
Guarantees	0	0	0	0
Economic reforms	175 000	0	0	0
whereof general budget support 2005			0	0
Humanitarian assistance	77 606	-160	86 447	4 775
Research	8 296	0	4 482	0
Grants to NGOs	61 063	5 855	74 235	14 393
Total costs	1 749 420	308 764	1 840 098	254 566
Channels				whereof Middle East and North Africa
Multilateral organisations	757 164	100 006	847 831	66 128
Swedish organisations	517 272	89 497	517 591	101 636
Organisations in partner countries	366 407	111 591	348 428	61 792
Organisations in other countries	73 737	3 115	80 022	19 352
International NGOs	34 840	4 555	46 225	5 658
Total costs	1 749 420	308 764	1 840 098	254 566
Overall goal of development cooperation		whereof Middle East and North Africa		whereof Middle East and North Africa
Direct effect	240 650	47 683	409 053	39 823
Projects and programmes that include the poor	236 791	20 124	255 400	30 956
Indirect effects through policies and institutions	710 634	151 932	780 905	136 200
Indirect effects through national support	273 612	60 495	343 561	24 086
Other effects	287 733	28 531	51 178	23 502
Total costs	1 749 420	308 764	1 840 098	254 566
Number of valid contributions	769	136	781	153
whereof >SEK 15 m	18	0	25	1
Number of new contributions	165	46	194	75

reinforce the departments and field representation concerned and has drawn together many of the parties involved in a joint learning process.

Latin America

The operational area includes international development cooperation with Latin America, with the exception of those programmes financed under the operational areas research, humanitarian assistance and conflict-related activities, concessionary credits and NGOs. Sida's operations shall be governed by the goals laid down in existing country, region or corresponding strategies for cooperation.

REPORT BASED ON GOALS IN COUNTRY, REGIONAL AND COOPERATION STRATEGIES ETC.

Two regional strategies guide development cooperation with Latin America, one for Central America and the Caribbean, and the other for South America. In both strategies, democracy and economic and social equality are particularly important goals of development cooperation, within the overall framework of poverty reduction.

Geographically, special priority has been given, on the one hand, to some of the poorest countries in the region in terms of gross national income, GNI, per capita (Honduras, Nicaragua and Bolivia) and, on the other hand, to some of the countries most prone to conflicts (Guatemala and Colombia). A limited amount of development cooperation is taking place with a few other countries in the region, and in the form of contributions with a regional coverage.

Democratic governance, human rights and conflict management

In terms of volume, contributions linked to democracy, human rights and conflict management predominate and account for more than half the expenditure. The contributions in these fields cover a broad range including strengthening democratic institutions; contributions for conflict prevention; support for the role of civil society to safeguard human rights; strengthening legal systems; and gender equality. The following examples illustrate some of the results that were achieved in this field in 2005.

Democratic governance and human rights

During the last five years, with the aid of Swedish support, Nicaragua has developed a system of voluntary judicial facilitators in rural areas. This has had the effect that people living in remote villages have acquired access to the legal system for the very first time. Today there are some 630 judicial facilitators who are active in 680

villages with a combined population of some 350 000 people. Of the judicial facilitators, 125 are women. They have helped to mediate in order to solve conflicts between neighbours and families in over 13 000 cases. The conflicts often refer to ownership issues, inheritance issues, maintenance of children, and violence in families. The judicial facilitators also fill an important function as the link to the local judge in matters that cannot be solved by mediation. Since the judicial facilitators participate in regular training sessions, they can also enhance their knowledge of these laws, which are important for people in the villages and strengthen the sense of justice. The system of judicial facilitators has been recognised by the supreme court and some 40 local authorities have allocated resources in order to finance the system in the long term.

For some years Sida has supported the reform of the police force in Nicaragua (and previously also in El Salvador). An extensive public opinion survey with regional coverage that was published in 2005 shows that the police forces in these two countries are considered to be among the least corrupt in the opinion of the citizens. This can be seen as a sign that the efforts to reform the system—of which Sida's support has been a part—have been successful. The support provided to the police force in Nicaragua was evaluated with good results in 2005.

In Central America, UNIFEM, with Sida's support, has implemented a project to develop capacity and make gender analyses of the economy. The first report on the ways in which changes in the Central American economies affect women—and ways in which women affect the economies—was published in 2005.

In all the countries there are secretariats or institutes for women's issues in different ministries. These work together in a regional council. Through the UNIFEM project the women's secretariats have developed their capacity to work with policies relating to gender equality

linked to economic growth and poverty reduction at both the national level and within the framework of the Central American integration system.

The women's secretariat of the president in Guatemala, *Secretar a Preidencial de la Mujer (SEPREM)* has, with support from Sida, assumed the role of gender equality adviser to different ministries and government bodies and has drawn up a national gender equality plan which has had a broad impact, for example as a basis for government policies in different sectors.

In 2005, 102 people from Latin America participated in courses in Sweden, held in Spanish, that presented Swedish experience in the field of good governance, popular participation, and preventive work designed to counter violence in the family.

Conflicts, peace and security

In 2005 Sida intensified its work to adapt its programme of cooperation with Bolivia to give more specific attention to issues relating to conflicts and the lack of security. This was done taking into consideration the deep political and social crisis the country is undergoing. Extensive analyses and work with the dialogue have resulted in new contributions, and have extended contacts and consideration of the security perspective in all activities. The embassy in La Paz has approved the provision of support to a harmonised donor programme for conflict management and prevention (UNIR). Moreover, contributions have been implemented which are of direct relevance for solving ongoing conflicts, including the employment programme, PLANE, and support has been provided to make the voices of marginalised groups heard in the work of the constitutional assembly and election processes. The work of redefining support for private sector development is a concrete example of a way in which consideration of conflicts has been integrated into activities. The close relations with the government have been balanced with extended contacts with civil society.

In Colombia, since 2004, Sida has supported the verification work done by the Organization of American States (OAS) in the ongoing demobilisation and disarming of the so-called paramilitary (illegal armed groups that have the character of right wing militia that have fought against the left wing guerrillas). The OAS' mandate permits the verification of the cease-fire, disarmament, demobilisation and rehabilitation of all illegally armed forces. For the first time in Colombian history an international verification commission is now in place and is verifying what is happening in respect of disarmament and the cease-fire agreement, which has resulted in greater insight into the process. An independent study made by Dutch and Swedish peace and conflict research workers draws the conclusion that the OAS project in Colombia is relevant and suitable, but that it needs to be strengthened and that the criteria for the factors that should be verified need to be made more specific.

Social and economic equality

The extremely distorted distribution of income in Latin America has the effect that poverty problems require measures to promote social and economic equality to a greater extent than in other regions. Development cooperation contributions with Latin America in this sector include, for example, support for the reform of the social sectors, rural development, budget support for the implementation of poverty reduction strategies, support for the reform of the tax and expenditure systems in the public sector, and integrated housing and micro-credits programmes.

Health

Sida has provided extensive project support to the health sector in Nicaragua since 1992. A final evaluation shows that the decentralised model for maternity health care designed in the project has proved to be extremely successful. Both child mortality and maternal mortality have been reduced in the areas in which the project was implemented, despite the fact that they are some of the poorest areas in the country. One of the foremost results in the health sector during the period 1999–2004 is that maternal mortality has decreased by 19 per cent. The Millennium Development Goal is to reduce maternal mortality by 75 per cent by 2015.

During recent years Sida has also driven the process towards sector programme support in the health sector. From 2005 all donors' contributions will be collected in a joint fund to implement the five-year health plan that has been prepared by the ministry of health. The model for maternal health care that was designed in the project supported by Sida has guided the design of primary health care in the health policy and health plan. All major bilateral donors and development banks have agreed on the ways in which they and the ministry of health will implement planning and budget processes, follow-up and dialogue, as well as the mechanisms for the transfers of funds from the donors. The fact that the donors have joined forces and coordinated their support for Nicaragua's health plan and harmonised mechanisms for planning and follow-up will have the effect that the support will be more cost-effective and easier to administer, both for the donors and the ministry of health.

In Honduras, a health programme, *Acceso*, which is being supported by Sida, was evaluated in 2005. The *Acceso* programme has systematically surveyed the inequalities in access to health services in more than half of the country's local authorities that has been incorporated in the planning of the health services. The evaluation shows that the programme has thus contributed to improve access to health services and better health among the population in the areas the programme has worked in. Furthermore, the programme has laid the foundations of decentralised financing and planning and stimulated greater participation and ownership at local level.

Education

In Honduras Sida and other donors are supporting the Education for All (EFA) programme. In 2005 the programme contributed to enhancing quality since books in mathematics and Spanish have been purchased and distributed to all children in the public school system. A new curriculum has been launched and the teachers have undergone extensive programmes of further education. Sweden, represented by Sida, as chairman of the donor group, has worked for donor alignment, harmonisation and adjustment to national systems.

Sida has supported an education reform in Bolivia for several years. The reform work done in the last ten years has provided encouraging results even if considerable challenges remain in place. The enrolment of Bolivian children in primary and secondary school has increased. Almost full coverage was achieved in 1999 and the number of children who completed five years' schooling increased from 72 per cent in 1994 to 95 per cent in 2002. Education has become more equal among girls and boys and the differences in school attendance between girls and boys have almost all disappeared. Today, approximately half of the indigenous population who live in rural areas attend the bilingual schools that were introduced with the reform. Since 2004 the donors have taken several steps towards a programme for the entire sector. This was made more concrete in 2005. Sweden, Denmark and Holland contribute through a joint fund administered by the Bolivian ministry of education.

Natural resources and the environment

FondeAgro has the goal of developing the agricultural sector in northern Nicaragua with a focus on small and medium-size producers. In 2005 the direct target group was doubled to some 9 400 persons. During the year a network was also created. It has 536 "promotores" and shall ensure that the technicians working for the ministry of agriculture better meet the needs of the producers. The private sector channelled strictly regulated micro-credits to almost 1 600 producers. The programme has shown that it has the capacity to open doors and create alliances which have given the producers access to new markets and which has stimulated organisation development. One of the most important results in 2005 was the legalisation of the right to ownership. During the year 753 title deeds were handed over to families in FondeAgro's target group.

Sida has supported the development of a land survey office in Guatemala since 1997. This development is considered essential for the fulfilment of commitments made in the peace agreements. For a couple of years the programme has been made difficult and has been delayed by strong opposition in parliament. However, a positive change took place in 2005 when the new land survey legislation was finally passed by parliament. This creates good opportunities for rapid progress towards securer and fairer forms of ownership.

Trade, industry and financial systems

Together with the Interamerican Development Bank (IDB), Sida, DFID (Great Britain) and NORAD (Norway) have financed studies of governmental finance policies in eight of the countries in the region. The studies analysed the need for both tax and expenditure reforms to establish finance policies that would be both long-term and equitable. Action plans in these areas were recommended in order to rectify some of the fundamental problems, for example the tax systems in the countries. The project has also contributed to stimulate a discussion of these issues at several different levels in society and in several of the countries tax reforms have been implemented on the basis of the proposals.

Infrastructure

Through the programme for house improvement in five countries in Central America, more than 95 000 families with low incomes had been given the opportunity to improve their housing situation by the end of 2005. All in all, almost a half million people living in poor areas on the outskirts of large cities have been reached by the Sida-supported programmes. This corresponds to six per cent of poor people in the cities. The average investment cost per person is approximately USD 110 and the programmes have demonstrated that, with the aid of small investments channelled in the right way, considerable effects can be achieved in improving living conditions.

Budget support

Budget support to Nicaragua is linked to the implementation of the country's poverty reduction strategy and an action programme that has been jointly agreed with the donors. The disbursement was made after Nicaragua had passed, in accordance with the action programme, several new laws to improve the budget process and audit routines. Taxes collected have increased as a consequence of a better tax administration and micro-economic stability has improved. However, the inequitable distribution of incomes is still a great problem. Sweden, as a leading member of the budget group, draws attention to this constantly in the political dialogue.

POVERTY REDUCTION STRATEGIES

In Bolivia, Honduras and Nicaragua, poverty reduction strategies have been produced as a framework for the countries' development policies and the donors' support for the implementation of these policies. Sida has had an independent assessment made of the implementation of these strategies and this assessment states that in 2005 it is clearer than before that the strategies are not living up to the expectations of the instrument. In Bolivia and Nicaragua the strategies are perceived as an external demand and the degree of national ownership that would guarantee that the strategies will be implemented

[Picture removed]

More than 95 000 families have been able to improve their houses thanks to Sida's housing programmes in Central America.

has not been achieved. In Honduras the picture is far more positive. In 2005 the assessment checked how the strategies affected the composition and implementation of the budget. Despite several improvements in the budget work such as clear reports and better insight into the budget as well as a movement towards long-term planning, the studies show that much work remains to be done before the strategies can have a clear impact in the form of a budget that focuses more on reducing poverty.

EVALUATIONS

An evaluation of the programme of support for the Project Counselling Service (PCS) in Columbia, a project that has the aim of strengthening peace initiatives in Colombian civil society, states that the project has succeeded in achieving very good results despite difficult conditions. The results include support and protection of vulnerable leaders and villages, making the effects of

the conflict more visible, an increase in the participation of cooperation organisations in the public context; and improved advocacy work—mainly at regional local level. The project is also characterised by a high degree of cost effectiveness. The evaluation recommends that Sida continues to provide support to PCS and also gives a number of recommendations relating to future support which will be included in the assessment of PRC's next application.

An evaluation of the support given to the Human Rights Ombudsman in Colombia shows among other things that the activities have had a sound impact. The gender perspective is given special prominence in this regard as well as the relevance of the support. The evaluation also points out some institutional weaknesses that should be strengthened. In particular the effects could be better if support was given to programmes that are better integrated. Proposals are also provided for ways in which the administration can work better together and be made more effective at the institution.

The third phase (2003–2005) of the bilateral health programme in Honduras was evaluated in 2005. The conclusion drawn is that the programme has succeeded, in an effective and flexible way, to support the decentralisation of the health service in eight of the country's 16 provinces, which corresponds to 42 per cent of the country's population. Health services in these areas have been improved since resources and decision-making have been moved closer to the local population.

The programme of support to Honduras's women's institute (INAM) was the subject of an interim review in 2005. The Swedish support has mainly concerned the implementation of the institute's strategic plans in five broad areas (health, education, violence against women, economy and poverty, and political participation). The evaluation is of the opinion that INAM has succeeded in establishing itself in an important and respected expert role in relation to a number of other national organisations. Its work to counteract violence against women in cooperation with the police and legal system has been particularly successful.

An evaluation of Sida's support for the modernisation of Nicaragua's police force states that Swedish support has been relevant and well in line with the strategic priorities of Nicaragua and the Nicaraguan police. The expected results have largely been achieved and the project has contributed to better police work, a greater feeling of security among the citizens, and better relations between the police and the general public. The evaluation also points out that the modernisation of the police force has had effects on the institutionalisation of the police force, governance, strengthening of democracy and the rule of law. The evaluation recommends long-term Swedish support.

The third phase of the programme to strengthen autonomy on the Nicaragua's Atlantic coast was evaluated in 2005. The evaluation establishes a good degree of goal fulfilment but, at the same time, makes the criticism that the programme has become somewhat remote from its main goal and objective by placing far too much importance on the implementation of activities in a large number of areas and with a large number of different actors. The lack of output data and indicators makes it difficult to measure the effects of the programme on poverty reduction but the evaluation nonetheless claims that the programme has contributed to improving the living conditions of the population living on the Atlantic coast. The evaluation also provides a number of recommendations for strengthening the programme's strategic focus on the autonomy process and for changing forms for its implementation. These recommendations will be taken into consideration in Sida's planning of future support.

An evaluation has been made of Sida's support to Unicef in Colombia for the demobilisation and rehabilitation of child soldiers, 2003–2004. The evaluation points out that the contribution is extremely relevant

and that Unicef had the experience, leadership and capacity to implement it. Unicef's personnel are highly professional and actively engaged, which facilitates contacts with the direct target group. The methods for implementing the plan need to be improved, as well as coordination between Unicef and their partner in cooperation in Colombia. Where sustainability is concerned it is important that Unicef contributes to institutionalising and improving the national policy for demobilisation and rehabilitation of child soldiers. The evaluation also provides several concrete recommendations to improve the design and follow-up of the project. These recommendations will provide an important input for Sida's forthcoming decision on future support to the programme.

The national human rights ombudsman institution was evaluated in Honduras. The evaluation shows that the human rights ombudsman has given priority to support for victims of violations of human rights, particularly women, which even if it reflects the enormous needs in the country, has partly taken place at the expense of its mandate to pursue and defend human rights issues vis-à-vis the government and authorities responsible. The present ombudsman is criticised on this point. However the evaluation underlined the importance of the institution. The mandate and the strategic priorities of the work of dealing with economic, social and cultural rights is still a considerable challenge.

The programme of support for private sector development in Bolivia, which has three chambers of commerce as its counterpart, of which one—Camara de Industria, Comercio, Servicios y Turismo de Santa Cruz (CAINCO)—is responsible for implementation, was evaluated in 2005. The evaluation shows good results in several areas, including the efforts to increase the competitiveness of Bolivian industry. However, the activity as a whole is assessed to have a small effect on poverty reduction. This shortcoming, together with the high profile of one of counterparts (CAINCO) in the Bolivian political crisis, has caused Sida to reconsider the continuation of its support.

In 2005 the World Bank commissioned an independent evaluation of the programme of support for the Bolivian public administration reform since its start in 1993. On the whole the results of the reform do not live up to expectations but the civil service reform, which has been at the core of Swedish support, has achieved better results. Through the programme a small number of government authorities (customs, roads and tax authorities) have improved their professionalism and efficiency while effects at the three ministries included are difficult to demonstrate.

Sida has worked with IDB for several years, particularly in Central America. The bank is the most important source of investment and development finance in the region and Sida regards its cooperation with this influential body as strategically important. One important

component in Sida's cooperation has been the so-called Partnership Programme. This programme establishes a framework and forms of working for cooperation between IDB and Sida in issues of importance for poverty reduction in Central America. An evaluation made in 2005 shows that the programme had provided benefits for both IDB and Sida and that Sida had exerted an influence on the bank's activities that had improved its aid effectiveness and given it a clear focus on poverty reduction.

ANALYSIS OF OUTCOME

The total outcome for the operational area Latin America can be seen in table 6. The outcome amounted to SEK 923 million, i.e. 84 per cent of the funds that were allocated in the Government's annual directives and letter of appropriations. The low degree of utilisation is largely due to the fact that it has not been possible to disburse any budget support to Bolivian and Honduras. The five countries given highest priority received 75 per cent of the outcome. Most of the remainder was allocated to regional projects and programmes.

The proportion of sector programme support increased since Sida's assessments of support to the education sector in Bolivia and the health sector in Nicaragua were finalised and funds could be disbursed. As a consequence of this an increase in support can be noted through the channel "Organisations in partner countries". Sida's support for democratic governance and human rights has a special position, which contributes to explaining why such a high proportion of the expenditure relates to the overall goal of development cooperation, i.e. poverty reduction, via indirect effects through policies and institutions. However, the proportion of support that has a direct effect on the goal of development cooperation increased.

SIDA'S ASSESSMENT

Sida makes the assessment that development cooperation strengthens the possibilities available to countries to deal with social and political conflicts within a democratic framework, and to counteract the exceptionally inequitable distribution of incomes and wealth in the region. At the same time these are challenges that have a great effect on the possibilities available to the region to achieve the Millennium Development Goals.

Social and political conflicts are an explicit reason for the Swedish engagement in some of the countries in the region. At the same time a rapidly changeable and often unstable political environment can create problems for the implementation of programmes of development cooperation. When contributions are delayed or broken off in advance in countries such as Guatemala, Nicaragua and Bolivia, this is often a result of unpredictable political events.

Table 6.

Latin America, outcome in SEK '000

Five main partner countries 2005	2004	2005
Nicaragua	195 907	261 877
Honduras	132 762	140 053
Bolivia	106 269	126 075
Guatemala	107 019	94 973
Colombia	68 497	66 593
Other countries and regions	232 749	233 843
Total costs	843 203	923 413
Forms of support		
Project support	524 369	456 047
Sector programme support	54 465	135 998
Technical assistance incl. contract-financed technical cooperation	96 964	127 263
International training programmes	0	10 653
Credits	0	
Guarantees	7 843	27 712
Economic reforms	0	60 000
whereof general budget support 2005		60 000
Humanitarian assistance	22 286	5 622
Research	-491	2 067
Grants to NGOs	137 767	98 052
Total costs	843 203	923 413
Channels		
Multilateral organisations	213 990	202 282
Swedish organisations	264 947	227 531
Organisations in partner countries	279 119	404 808
Organisations in other countries	45 159	53 254
International NGOs	39 989	35 539
Total costs	843 203	923 413
Overall goal of development cooperation		
Direct effect	176 322	258 924
Projects and programmes that include the poor	156 594	178 657
Indirect effects through policies and institutions	456 489	452 159
Indirect effects through national support	19 296	13 655
Other effects	34 501	20 019
Total costs	843 203	923 413
Number of valid contributions	497	448
whereof >SEK 15 m	9	9
Number of new contributions	148	126

"Economic reforms" is included in the figures for 2005 under the operational area "Latin America". In 2004 this figure was included under the operational area "Economic Support".

Development cooperation that has such clear linkages to political processes requires sensitivity to changing conditions, flexibility and good interaction between development cooperation, Swedish diplomacy and other non-governmental Swedish parties. Sida makes the assessment that Swedish development cooperation in Latin America has found effective forms in this respect. Together with strong historical confidence in Sweden in the region this strengthens the impact of the contributions. The clearest example of this in 2005 was in Colombia where Swedish development cooperation, Swedish diplomacy and a large number of Swedish NGOs have been engaged in the peace efforts.

Regarding the renewed efforts which are being made internationally, not least from the Swedish side, to

achieve harmonisation of development cooperation (the so-called Paris agenda), Sida has noted certain difficulties in obtaining a full impact for this approach in Latin America. Part of the problem lies in the fact that in some countries there are fewer “like-minded” donors to work together with in the ambition to implement the Paris agenda, for example in the fields of budget support and sector programme support. Another problem has been that the requisite conditions—well supported strategies for poverty reduction and reasonably stable institutional conditions—are not always in place. The most obvious example of the latter is Bolivia where the previously relatively effective donor coordination mechanism was subjected to severe tests when the country ended up in a deep political crisis.

Eastern Europe and Central Asia

This operational area includes countries that the Organisation for Economic Cooperation and Development (OECD) has classified as developing countries (ODA countries) and countries that have not been classified as developing countries (non-ODA countries). Seven countries in the latter group are geographically close to Sweden: Russia, Ukraine and Belarus, and the new EU member states—Estonia, Latvia, Lithuania and Poland. There is also a small amount of development cooperation with Romania and Bulgaria. Sida's operations shall be governed by the goals contained in current country strategies, regional strategies or corresponding strategies for cooperation.

REPORT BASED ON GOALS IN COUNTRY, REGIONAL AND COOPERATION STRATEGIES ETC.

Operations are governed by cooperation strategies that the Government has approved for ten countries in Eastern Europe and the Western Balkans, regional strategies for the Southern Caucasus and Central Asia, and a strategy for Kosovo. For all countries, apart from those in Central Asia, closer association with the EU is a framework for cooperation, and includes making it possible for poor people to improve their living conditions. There are no strategies now for the new member states: Estonia, Latvia, Lithuania and Poland. In 2005 all that happened in these countries was that some old projects were concluded.

Democratic governance

Sida is supporting the public administration reform in Serbia and Montenegro by developing personnel resource systems at twelve ministries in the country. During the year personnel have been trained in using the system and in strategic personnel matters, and the system was introduced to a further three agencies under the Ministry of Finance. Another project refers to cooperation between Sida, Statistics Sweden and the three statistical agencies in Serbia and Montenegro. A seminar on the role of statistics in society and links to EU integration was held during the year.

The East-West Institute (EWI) is implementing three projects in the Western Balkans for cross-border cooperation in sectors that are of common interest for the participating countries (cooperation between local authorities in, for example, trade, exchanges between universities and in civil society). Sida has contributed to the financing of these projects and they were evaluated during the year. The result of the evaluation is that cooperation processes of this type take a long time and

the progress made has been small but relevant. Therefore, further support is recommended and proposals were made for improvements to project organisation and goals.

In Bosnia & Herzegovina Sida is supporting the Dayton process through a project that has the aim of improving the country's constitution. Work was started during the year by a working group that met to produce proposals for a new constitution and to gain acceptance and support for the new constitution in civil society. During the year Sida also seconded personnel to the Office of the High Representative (OHR) and for part of the year to the Supreme Court in Bosnia. In the autumn Sida signed an agreement with USAID for greater cooperation to counteract trafficking in human beings in Bosnia.

In Russia Sida has supported the reform of the public administration. The programme is being led by, among others, the Swedish Agency for Administrative Development and has focused on capacity development in areas such as agency management, gender equality and recruitment in the Russian public administration. Sida has supported the development of the Ministry of Finance in Russia for many years through projects run by the Swedish Ministry of Finance. The programme has provided substantial and sustainable support for the Russian reform process, for example through a clearer and simplified tax administration.

Conflict, peace and security

A final report was presented during the year on the project of the International Organisation for Migration (IOM), financed by Sida, for the reintegration of military personnel. All in all 7 915 soldiers (more than 60 per cent of the soldiers who were given notice in 2002) have received support of one type or another through the project. The support provided has been in the form of

education and training, assistance in applying for jobs, and grants for the ex-soldiers to start their own businesses.

Prior to the parliamentary elections in Chechnya that were held in the autumn, Sida financed a project of a Russian NGO, Strategy North Caucasus, which through training programmes for independent election observers, is trying to contribute to open and free elections. The support for the project was coordinated with other countries financing the project: Canada, the Netherlands and Great Britain. The Swedish Peace and Arbitration Society has started a feasibility study in order to ascertain how it can cooperate with Chechnya's Mothers, an organisation in Chechnya.

Social development

A group of Russian educationalists have been given training in alternative methods of communication for people with disabilities.

Personnel from the education and labour market committees in Murmansk have studied forms of cooperation between local authorities and county councils in Sweden in questions relating to children with disabilities.

In 2005 funding was approved for a new project in the Kaliningrad region to counteract the spread of HIV/Aids through improving education programmes in sex and social life in compulsory school. Furthermore, the Special Education Institute has started a project to develop forms for the inclusion of children with disabilities and children with learning problems into the normal education system.

Sida has decided to participate in the preparations of the extensive health care reform in Ukraine. Swedish expertise has participated in a study that is to form the basis of a discussion at national level in both parliament and the regions.

Sida has financed the establishment of a training programme for social workers in Murmansk. In the project, which was finalised in the summer of 2005, instructors of students in social work have been trained and a syllabus for the education of social workers has been drawn up. In 2005 Sida approved further support for the training programme in land survey administered by the Royal College of Technology. The students come from Russia, Ukraine, Moldova, Georgia, Armenia, Tajikistan and Kyrgyzstan.

Infrastructure

An environmental study was made in 2005 for Ukraine and Belarus. The study analyses, among other things, the countries' environmental situation, priorities in the environmental field, and the activities of other donors and bankers. The study will form the basis of Sida's forthcoming programme of support in the field.

Both the Baltic Sea Regional programme and the Agriculture and Environment project in the Leningrad region, which are being organised by the Swedish

University of Agricultural Sciences, have made further progress. Sida funded an evaluation of the Agriculture and Environment project during the year as part of the preparations for the second phase of the project.

In 2005 the Lutheran World Federation (LWF) worked with the reconstruction of 670 houses, the People's Empowerment Programme (PEP International) with 220 houses, and Caritas with 317 houses for returning internally displaced persons in Bosnia & Herzegovina. At the same time Sida has worked with the planning of the phasing out of these integrated area programmes. In Kosovo a Swedish Christian foundation, Erikshjälpen, continued the reconstruction of houses for returning internally displaced persons and refugees and started preparations for the reconstruction of 60 houses for families, and for providing start-up assistance and local infrastructure. In Croatia the last phase of LWF's integrated area programme in the Lika region for returning Serbs commenced in 2005.

Sida has provided a programme of support for the Ministry for International Relations in Serbia and Montenegro. The aim of the programme has been to investigate the reforms that need to be made to increase foreign investment in Serbia. The programme was finalised during the year and resulted in a draft version of a national strategy for foreign investment.

A micro-finance organisation, LIDER, that was established in Bosnia and Herzegovina with support from Sida, among others, reports that it has disbursed 1 046 new loans (of which slightly less than half to women entrepreneurs), amounting to SEK 20 million and that there are now 410 active borrowers in the organisation. The rate of repayment of the loans remains at almost 100 per cent. LIDER also reports that the loans have resulted in 166 new job opportunities and that enterprises have also been able to retain 1 092 existing positions.

A Sida-funded project in southern Ukraine, which provides advisory services to 120 private farmers, was finalised during the year according to plan. The project has been successful. It has increased productivity and created job opportunities in the region. In accordance with the plan, a local advisory service has been started up which will continue the work on a commercial basis.

Natural resources and the environment

During the year Sida supported a project in Bosnia & Herzegovina in which small farmers working with ecological methods have received assistance in the form of training and technical counselling to produce ecological fruit and vegetables. Furthermore, a training centre for ecological farming has been established in Mostar and a local organisation for the certification of ecological production and products has also been established. In 2005 Sida support for a milk production programme in Bosnia and Herzegovina resulted in the establishment of eight producer societies and 25 milk collection points. Hundreds of farmers have been trained.

[Picture removed]

Do I take away the flower or the whole stem when I weed the plants? Omar Pleh in Gorazde in Bosnia and Herzegovina has just started to cultivate strawberries ecologically. Here he gets some advice from Eldina Muftic from ECON, which receives support from Sida.

A programme of cooperation between Macedonia's farmers' union and the Federation of Swedish Farmers (LRF) has been running for several years, financed by Sida. Cooperation with LRF has been of decisive importance for creating understanding between Albanians and Macedonians and the project has thus been given attention by EU's Social and Economic Committee.

Sida has initiated close cooperation with the European Bank for Reconstruction and Development (EBRD) in environmental projects in Central Asia and southern Caucasus. An agreement on this with the bank was concluded in the autumn of 2005.

POVERTY REDUCTION STRATEGIES

Sida has decided to finance an independent advisory expert group which is studying ways in which relations between the EU and Ukraine can be developed. One

measure has been to start a project to strengthen the capacity of the central administration in handling issues related to the EU. The project is being implemented in the form of tripartite cooperation with Estonia.

Sida is participating in the dialogue on the implementation of poverty reduction strategies in the five countries and regions in the Western Balkans—where they exist or are being prepared. One characteristic for the year was that the countries are working more on developing systems to integrate PRS with EU goals through greater cooperation between institutions in the countries.

In Albania the government and donors are discussing the development of a system for integrated programme support that has the aim of integrating the PRS, EU planning and budget systems, as well as establishing structures for donor and recipient coordination. In Serbia and Montenegro the donors meet in four advisory groups and give support to the government in the PRS

process, which was completed for implementation during the year. During the year Sida also had a dialogue with representatives of the government's PRS office in order to better integrate aspects of poverty into all its programmes. In this connection Sida also produced five poverty analyses of the Western Balkans to strengthen the focus on poverty in future planning of the programmes in the region.

At the request of the government of Moldova, Sida, UNDP, DFID and ILO have commissioned an extensive study of Moldova's poverty and development problems. In order to support the national acceptance of Moldova's PRS, Sida has also provided support for a communications analysis.

OUTCOME ANALYSES AND EVALUATIONS

In connection with the production of new cooperation strategies for Macedonia and Bosnia & Herzegovina, Sida made internal analyses of the outcomes of the last strategy period.

Experience gained from the production of the cooperation strategy for Bosnia & Herzegovina shows that Swedish development cooperation has increasingly dispensed with project support in favour of major programmes with other donors. In the sector for economic and social development, contributions to develop entrepreneurship and to develop systems for micro-credit financing have functioned well and created financially sound local micro-finance institutes and permanent job opportunities. In the field of democratic governance Sida has carefully followed progress in the process for closer association within the EU in order to supplement EU's support at the central government and local level. Support to the legal sector has not developed as Sida had hoped since donor support was fragmented and poorly coordinated which has made it difficult to work with large programmes. In the field of human rights the main problem still relates to the sustainability and ownership of NGOs. Approximately half of programmes of development cooperation with Bosnia & Herzegovina consist of support to the integrated area programmes. This support has proved to be very effective in getting people to return to the homes they had before the war.

The analysis of the strategy period 2003–2005 in Macedonia shows that there is a great need to concentrate activities to fewer sectors. This need of concentration has perhaps been most evident in the sector for democratic governance, with contributions in the fields of public administration, rural development, civil society, the legal sector and issues relating to minorities. In the legal sector the problems have had the effect that it has not been possible to successfully complete all the contributions specified in the strategy. Institutional cooperation has, in general, been slow and sluggish. In the sector for economic development, support to the agricultural sector has made good progress and Sida is now established as one of the principal actors in the sector.

Prior to the work on the cooperation strategy for Central Asia, Sida produced an outcome analysis. Where Kyrgyzstan is concerned, the analysis shows that projects to create sustainable growth have had varying degrees of success. Despite shortcomings in ownership, the work done on creating a land register has been praised by the World Bank in its regular follow-ups. The work with seeds has made slow progress and corruption and lack of ownership have been presented as possible reasons for this. Projects to create better living conditions for the population have shown better results and are considered positive for poverty reduction in the country. In the field of democracy and human rights the results are mixed. The projects are relevant but where, for example, trafficking is concerned, the work is making slow progress.

In Tajikistan the programme of support for election procedures has been implemented with varying degrees of success. The work with the dialogue between the government and civil society has shown very good results, as have reports on the human rights situation. Concrete results in respect of the agricultural reform and seed production have been delayed due to obstructive special interests. In the social sector the lack of national ownership, as well as the lack of donor harmonisation, have constituted general obstacles to effective progress.

In the work on a new strategy for cooperation with Turkey, internal analyses were produced of results achieved during the last strategy period. Support for human rights has predominated: this support has accounted for 60 per cent of the total amount of SEK 10 million per year. Despite these relatively modest sums, Sweden's contributions have led to concrete results and have received positive attention. The largest single project was a programme of cooperation between Raoul Wallenberg Institute and Bilgi, a private university in Istanbul, which works with the training of judges, prosecutors and key persons in the public administration. The project has contributed to enhancing knowledge of EU law and international practice in the field of human rights, and has received a great deal of attention in Turkey. Study visits have been an effective instrument in the project. To sum up, cooperation in the last strategy period contained effective but limited support administered by Sida, mainly for the promotion of human rights.

An evaluation of the integrated area programmes in the Western Balkans to shed light on effects and results of Swedish development cooperation was finalised during the year. The evaluation praises in particular the self-help principle and the participation of village committees in decision-making processes, which has contributed to sustainability. However, it states that even if people can return to their original homes, this is no guarantee of reconciliation between ethnic groups but an important step on the way.

An evaluation has been made of the support for decentralisation given to Albania to ascertain the results

of cooperation and possible needs of further support. The conclusion drawn is that the project functioned well by combining support to central, regional and local levels in the country. The evaluation pointed out the importance of harmonising the decentralisation process and regional development in Albania, and recommended that support to central structures should be reinforced to enable them to better develop and implement a coherent strategic plan for the entire decentralisation process in Albania.

An evaluation has also been made of the programme of support for capacity development of the association of local authorities in Serbia and Montenegro. The evaluation emphasises the importance of a balanced decentralisation process that is not merely based on the transfer of powers from central to local level, but where local interests can also be balanced vis-à-vis national interests and vice versa. The evaluation recommends that the project and the work on strengthening the capacity of the association, and of relevant central and local structures including civil society, should continue.

During the year an evaluation was made of the programmes of cooperation with Kvinna till Kvinna, KtK, (Woman to Woman) in the Western Balkans. The evaluation is largely very positive to Sida's support and recommends further support via KtK, but with improvements based on the recommendations provided in the report. The evaluation emphasises the importance of KtK's field presence and the local ownership of the women's organisations supported by KtK. However, the evaluation's recommendations stress the importance of a consolidation of KtK's activities in the Balkans and that further efforts should be made to develop indicators that measure the effects of the support as well as criteria to show that the goals have been achieved. The evaluation has been taken into account in the production of a new application for 2006 and will also be included as part of the future dialogue between Sida and KtK.

OTHER REPORTS REQUIRED

1. *Sida shall submit a report on the ways in which its operations have contributed to conserve, protect and improve the environment in and around the Baltic Sea and North-West Russia.*

The South-West treatment plant in St Petersburg was completed and taken into operation in 2005. The treatment plant receives wastewater from around 700 000 people and meets the requirements specified in the Action Programme for the Baltic Sea (HELCOM) and by the EU for wastewater treatment. Cooperation with the authorities in St Petersburg continues in order to further reduce pollution in the Baltic Sea. With the framework of the Northern Dimension Environmental Partnership (NDEP) Sida is supporting the further development of reform-oriented investment projects in Kaliningrad, Leningrad Oblast, Novgorod and Archangelsk for water and wastewater, and in

Murmansk, Kaliningrad and Novgorod for district heating. Among other things agreements in respect of investment support were signed during the year by Sida and Leningrad Oblast and the towns of Gattjina and Tikhvin. Furthermore, procurements were made for institutional development of the water corporation in Archangelsk and the district heating corporation in Murmansk. The project for water and wastewater and district heating in Kaliningrad has made slow progress but is now assessed to have better possibilities after changes at the political level and since the water project has been included under NDEP. Outside NDEP Sida gives support to a solid waste project in Krasny Bor in St Petersburg and to the water and wastewater project in Lviv in Ukraine.

Contracts for deliveries of Swedish equipment have been signed for the Lviv project. A solid waste project in Riga has been finalised in which investments have been made to meet the EU's requirements in respect of waste deposits. An evaluation of the district heating projects in Latvia and Russia was made during the year.

2. *Where Swedish NGOs are concerned, Sida shall report on the allocation of grants to frame organisations and sectors, and on the number of foreign partners in cooperation. The number of Swedish organisations included in the activities of the frame organisations shall also be reported.*

Reported in tables 7 and 8

3. *Where support for the information activities of NGOs in Sweden is concerned, Sida shall report on information grants disbursed, broken down by organisation.*

The total amount disbursed for information activities was SEK 4 million to 15 organisations. The NGOs that received the largest grants were the Swedish UN Association (SEK 1 million), Studieförbundet Vuxenskolan—a Swedish adult education association (SEK 600 000), ECPAT (SEK 400 000), Swedish Cooperative Centre (SEK 400 000) and SHIA (SEK 300 000).

ANALYSIS OF OUTCOME

The total outcome for the operational area Eastern Europe and Central Asia can be seen in table 9. Sida contributed SEK 1 557 million in 2005, of which SEK 1 039 million refers to ODA countries and SEK 518 million to non-ODA countries. Support to the ODA countries increased by SEK 170 million compared to 2004 while the support to non-ODA countries decreased by SEK 55 million.

In addition to SEK 402 million in appropriations for non-ODA countries, a further SEK 150 million in unspent balances was also available, i.e. a total amount of SEK 552 million. However, this was reduced by SEK 6 million through a change in the Government's directives made on December 15. All in all, Sida disbursed SEK 518 million, or 95 per cent of the appropriation. The delays in

Table 7. Support via NGOs, Non-ODA

Approved grants	Approved grants to NGOs, disbursements, SEK '000			Number of foreign partners			Number of Swedish organisations included in the frame organisation's activities		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Swedish NGO Centre for Development Cooperation (Forum Syd)	13 750	15 518	17 500	41	46	41	41	47	53
LO/TCO Council of International Trade Union Cooperation	10 500	10 000	9 000	43	48	28	35	39	15
Olof Palme International Center	17 500	17 000	12 000	4	3	25	41	34	17
PMU Interlife	1 050	1 050	1 000	8	8	9	8	8	8
Swedish Save the Children Federation	2 150	1 250	1 000	6	2	4	0	0	0
Church of Sweden	432	432	432	0	1	1	0	0	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	2 700	2 519	2 500	18	33	11	17	11	11
Swedish Mission Council	2 154	1 015	1 000	12	7	4	10	4	4
Swedish Cooperative Centre	6 400	6 000	4 500	10	18	8	0	0	0
Swedish Society for the Conservation of Nature	4 000	4 000	3 500	40	61	23	0	0	4
Total	60 636	58 784	52 432						
Non-requisitioned funds	0	0	-2 330						
Repayment of previous years' grants	-5 656	-5 372	-1 184						
Other contributions									
Information contributions via Swedish NGOs	4 196	4 180	3 983						
Support for youth organisations	500	500	0						
Other support, audits etc	425	0	0						
Grant to the Swedish Red Cross	–	900	900						
Total	60 101	58 992	53 801						

Table 8. Sector breakdown NGOs, Non-ODA, outcome in SEK '000

Broken down by main sector	2005
Health	2 378
Education	3 766
Democratic governance and human rights	24 356
Conflicts, peace and security	108
Trade, industry and financial systems	6 863
Infrastructure	145
Humanitarian assistance	900
Natural resources and the environment	7 844
Other sectors	7 442
Total	53 801

disbursements in 2004 in combination with the fact that the budget for 2005 was increased by additional funds to finance a credit in Bosnia & Herzegovina had the effect that the outcome in respect of the Balkans under the ODA appropriation increased by SEK 125 million for the year.

Bosnia & Herzegovina is Sida's main partner country in the operational area, followed by Serbia and Montenegro (including Kosovo) in the group of ODA countries. Support to Bosnia & Herzegovina still has a large element of reconstruction. A major credit of SEK 48 million is intended to support small and medium-size enterprises for sustainable economic growth as a part of the country's poverty reduction efforts. Contributions for reforms and for the integration of the countries into the EU are having a greater impact.

Sida gives most support to Russia, Ukraine and Belarus among the ODA countries. However support has also been provided for the Baltic States, Bulgaria and Romania.

Sida is working to develop forms of support for budget support and sector programme support in the region of

Eastern Europe and Central Asia and this work has made most progress in Moldova. In Sida's opinion it has not been possible hitherto to use these forms of support in the Western Balkans. EU's future financing instrument (Instrument of Pre-Accession Assistance — IPA), which shall enter into force in 2007, is expected to cover the necessary development of the countries' capacity for programme support. Sida continuously monitors changes in the countries' capacity.

The focus on poverty in the contributions has been strengthened and made concrete, which is reflected in the outcome statistics.

The number of new contributions has decreased, despite a higher financial volume, which is a consequence of Sida's aspiration for concentration in its programmes of development cooperation.

SIDA'S ASSESSMENT

The operational area was able to use the funds placed at its disposal and it also received additional funds from

Table 9.

Eastern Europe and Central Asia

outcome in SEK '000

	2004		2005	
Five main partner countries 2005				
Bosnia & Herzegovina	212 607		317 632	
Russia*	318 672		316 902	
Serbia and Montenegro	199 817		219 092	
Ukraine*	59 746		66 264	
Albania	41 106		63 589	
Other countries/regions	610 365		573 614	
Total costs	1 442 313		1 557 093	
Bistandsform		whereof non-ODA		whereof non-ODA
Project support	769 073	267 827	981 775	292 693
Sector programme support	3 147	-112	5 771	0
Technical assistance incl. contract-financed technical cooperation	347 296	218 005	265 184	156 226
International training programmes	3 001	1 622	15 634	0
Credits	27 797	8 252	62 124	-35
Guarantees	0	0	0	0
Economic reforms	0	0	0	0
whereof general budget support 2005			0	0
Humanitarian assistance	2 866	900	18 725	2 370
Research	5 000	0	15 000	0
Grants to NGOs	284 134	77 017	192 881	67 238
Total costs	1 442 313	573 511	1 557 093	518 492
Channels		whereof non-ODA		whereof non-ODA
Multilateral organisations	140 060	49 932	170 156	21 817
Swedish organisations	966 695	489 792	957 854	440 884
Organisations in partner countries	53 038	21 445	75 637	29 891
Organisations in other countries	211 969	1 172	296 972	15 195
International NGOs	70 551	11 170	56 474	10 705
Total costs	1 442 313	573 511	1 557 093	518 492
Overall goal of development cooperation		whereof non-ODA		whereof non-ODA
Direct effect	309 984	45 183	279 811	40 360
Projects and programmes that include the poor	121 962	41 396	277 879	61 042
Indirect effects through policies and institutions	484 472	146 175	488 907	138 225
Indirect effects through national support	100 208	15 321	138 412	9 501
Other effects	425 687	325 437	372 084	269 363
Total costs	1 442 313	573 511	1 557 093	518 492
Number of valid contributions	1 169	773	1 051	636
whereof > SEK 15 m	15	2	16	8
Number of new contributions	357	236	310	220

*Non-ODA countries

other operational areas. As described above, the outcome of activities has partly been analysed in evaluations and assessments at project level, and partly in the form of comprehensive outcome assessments made in connection with new cooperation strategy processes.

One common denominator in the project assessments is that positive results are in the majority. The largest, most extensive and ambitious evaluation referred to the integrated area programmes in the Western Balkans. Among other things, the evaluation had an innovative user perspective and it makes a positive assessment of the involvement of the users that has been achieved in the form of their own inputs in connection with housing programmes and through their participation in village committees and decision-making processes. This permits a high degree of sustainability in activities.

Where the outcome analyses for those countries for which Sida has submitted proposals for cooperation strategies in 2005 are concerned, one common feature is that the focus stipulated by the government in the strategies has been followed. The government's priorities and changes in focus have led to corresponding changes in the focus of the programmes. The countries in question are Bosnia & Herzegovina, Macedonia, Georgia, Armenia, Azerbaijan, Tajikistan and Kyrgyzstan. Turkey is a special case that has been treated above.

The programmes have also been relevant from the development perspective. The problems that have arisen have been due in most cases to problems in practical implementation. Most often it is the case that the government institutions in receipt of support have not had the requisite capacity. Sometimes it is also a case of major changes to structures, for example in Georgia where the political upheaval resulted in new priorities and, initially, in weak institutions.

One constant problem that emerges in the outcome assessments for countries is the lack of donor harmonisation. Without exception the countries have weak structures for coordinating donors and the donors have not coordinated their efforts in an efficient way (the exception is Kyrgyzstan). Several countries have poverty reduction strategies but these have not had a full impact in respect of the ways in which the countries have managed the support.

In all countries for which outcome assessments have been made, Sida has increased its activities to improve harmonisation. This has primarily been done by Sweden, in cooperation with, for example DFID and the World Bank, trying to provide support to bodies that coordinate support, for budget processes and for EU integration. Sida has also worked for greater coordination with other donors in programme activities and through frequent meetings between donors. Sida has combated the corruption aspect to a greater extent in the formulation of the strategies.

One general experience gained is that Swedish cooperation has been allocated to too many minor projects. The ambition to continue concentration to large sector-oriented programmes in cooperation with other donors made a clear impression on the strategy documents that Sida submitted in 2005. In all cases Sida proposes a specific concentration of support.

For most countries in the region closer association with the EU has been a positive driving force. This includes the determination and capacity to make necessary institutional reforms that are important not only for adjustment to the EU but also to increase the effectiveness of all programmes of development cooperation.

Global development programmes

Sida shall contribute to learning and development of international development cooperation in important subject fields. Sida shall contribute to the development of international policies, methods, capacity, institutions and communication. Sida shall aim to have an increasing proportion of qualified Swedish personnel working in the international and regional organisations given priority by Sweden, and extend, train and develop the Swedish resource base for international development cooperation.

Sida shall submit a report on the breakdown by subject areas and provide examples of their interaction with other operational areas; on synergy effects between the national, regional and international levels; and on conclusions and lessons drawn from evaluations finalised during the year.

The breakdown by subject fields can be seen in Table 10, Global development programmes by subject area.

Table 10. Global development programmes by subject area, outcome in SEK '000

Democracy/human rights	140 026
Freedom of expression/Access to information	14 901
Cultural diversity	18 221
Education	69 591
Health	396 176
Environment (incl. climate) and natural resources	257 839
Trade and finance	104 364
Labour market and employment	19 341
Information and Communications Technology (ICT)	21 464
Infrastructure	38 921
International training programmes	151 969
Resource base programmes	115 859
Other areas	114 772
Total	1 463 442

Democracy and human rights

During the year Sida arranged a seminar on support to parliaments in cooperation with Uppsala University in order to contribute to learning. The point of departure of the seminar was the first overall evaluation made hitherto of Sida's overall support to parliaments, parliamentary organisations and members of parliament at global,

regional and national level. The evaluation establishes, among other things, that Sida needs to improve the adaptation of its programmes to the political context, for example by supporting actors in parliaments that are willing and capable of acting as the driving force for the reform of the institution. Sida should also, in the opinion of the evaluation, reduce its support for exchanges between parliamentarians since individual visits of this type rarely lead to the fundamental reforms needed by complex and informal power relationships.

In Sida's programmes of development cooperation, the rights perspective—as well as the perspectives of the poor—is of central importance. Sida supports organisations that work with a rights perspective that is relevant for different operational areas, for example the Centre on Housing Rights and Evictions (COHRE).

In 2005 an evaluation was made of the support provided to Food First Information and Action Network (FIAN), which works with the right to food. The evaluation shows that the work done by the organisation is highly relevant and effective. However, the evaluation also presents concrete proposals for improvements to routines and working methods.

Freedom of expression/access to information

Sida pays the salary of a Swedish expert at UNESCO's department for information and communication. Sida's aim here is to support UNESCO's normative work for the role of the media in situations of conflict and in countries in a process of transition from a planned economy to a market economy. Among other things, the Swedish support has contributed to the production of the Dakar Declaration on the media and good governance (adopted in 2005). During the year the declarations/resolutions have influenced Swedish and other international support for media contributions in Iraq, Liberia, Congo, Sudan,

Afghanistan and the Occupied Palestinian Areas, as well as the preparations for Sida's regional programme of media support to the Middle East and North Africa.

Sida's global support for Article 19, the International Freedom of Expression Exchange (IFEE) and the International Federation of Journalists (IFJ/INSI) is intended to consolidate the work on legislation, its practical application, and the creation of democratic media structures. The above-mentioned organisations offer guidelines, knowledge, capacity training and handbooks that are used by member organisations etc at national and regional level. They also collect the experience of national and regional organisations and then disseminate it globally. IFEE, for example, through its support to local members, increased the number of its reports on freedom of expression by over 100 per cent last year, and the number of visitors to its website increased by over 500 per cent over the last two years. Among other things, the organisation has developed a handbook for campaigns and methods for measuring results that can be used by its members.

Education

In 2005 Sweden was chair of the steering committee of the Education for All—Fast Track Initiative (EFA-FTI) and of the advisory committee of the UN Girls Education Initiative (UNGEI), which has led to better coordination of the two initiatives. For example, a study has been made of ways in which issues of gender equality have been integrated into the FTI countries' educational plans.

Sida has provided support amounting to SEK 15 million to Unicef's programme for the education of girls. Within the framework of this programme, 25 countries have received support and in several of these countries, for example Afghanistan, many more girls attend school now (a considerable increase—from 15 per cent in 1997 to 40.5 per cent in 2005).

Health

Sida has given SEK 15 million in support to the WHO's normative work on infectious diseases. This support has the aim of strengthening the effectiveness and quality of Sida's bilateral health support. Sida's support to the tuberculosis programme in Uzbekistan is a concrete example of a way in which the WHO's normative work interacts with Sida's bilateral support.

Sida has also provided support for WHO's work to form the Human Resources Platform I which is intended to help poor countries relieve their difficult situation and increase access to health personnel.

(Sida's support to sexual and reproductive health is reported on separately in section 15.2.)

Environment

With Swedish technology and methods development as the point of departure, Sweden has introduced alternative, ecological sanitation systems in a number of partner

countries. These systems, which are based on urine separation, composting, and recycling of nutrients for agriculture and horticulture, have been successfully launched in China, Mexico and South Africa.

The international programme for biological diversity, Swedbio, which receives support from Sida, has further developed its activities. The programme contributes to Sida's work of integrating issues relating to biological diversity into programmes of development cooperation and also supports a number of global, regional and local initiatives. The programme also functions as a centre of knowledge for international biodiversity issues and thus contributes to Swedish and international capacity development in the field.

Sida continued to provide and further developed its support to global research and network activities in the field of environmental economics in 2005.

Sida contributes to Swedish human resource development in environmental economics that is relevant for developing countries by providing support to the Environmental Economics Unit at Gothenburg University (EME). Sida has also provided support for higher education programmes in environmental economics at EME for students from Sida's partner countries.

In 2005 Sida and the Swedish National Chemicals Inspectorate produced a cooperation programme that has the overall goal of strengthening the handling and controls of chemicals by the development of frameworks and capacity development at authorities. The programme has now established contacts and started activities at global, regional and national level.

Infrastructure

In 2005 Sida evaluated Building Issues, a contribution that is intended to enhance knowledge of building technology. The evaluation shows that the goals of the contribution have been well fulfilled. However, it also provides a number of recommendations on ways in which the contribution should be reshaped in order to meet present day challenges in the field of housing construction in developing countries.

The appropriation for global programmes makes it possible for Sida to cooperate with and exert an influence on other donors and international stakeholders. One example is the programme of support to the Foreign Investment Advisory Service (FIAS), which has contributed to integrating informal and formal economies in developing countries—an important component in creating economic growth of the type that will benefit poor women and men.

Sida is supporting the Public Private Advisory Facility (PPIAF) to create synergy effects between the global and national level. PPIAF works with methods support to governments to attract private investment in infrastructure. For example PPIAF has made it possible for a private enterprise to take over the operation and maintenance of the railways in Kenya and Uganda. Sida contributes

[Picture removed]

In 2005 Sida financed the production of a film “Transit” through MTV’s HIV/Aids campaign “Staying Alive”. The film is directed towards young people all over the world.

a fee from the appropriation for global development programmes in order to exert an influence on PPIAF’s activities. This is supplemented with a substantial contribution from regional funds for Africa.

In 2005 Sida decided to increase its contribution from the global appropriation to the Global Road Safety Partnership (GRSP)—a global programme of cooperation between stakeholders in the public administration, private sector, NGOs and research institutes. The aim is to support global contributions for road safety in developing countries and middle-income countries. The Swedish National Road Administration participated in the board meeting of GRSP in 2005.

Trade

Sida is supporting the Integrated Framework for Trade-Related Technical Assistance to the Least Developed Countries (IF) for its work of integrating trade into the development strategies of these countries. IF coordinates the donors’ work and thus makes the trade-related

assistance more effective. In 2005 Sweden was responsible for coordinating the bilateral donors and contributed funding to the IF process.

Employment

In November 2005 Sida signed a partnership agreement on programme support with the International Labour Organisation (ILO). The agreement covers global and regional programmes that are intended to create job opportunities. The programmes include support for employment, rights issues and reinforcement of ILO’s analytical capacity. By using the programme support form, opportunities are created for a strategic dialogue, coordination and exchange of experience between Sida and the ILO.

ICT

The Swedish Programme for ICT in Developing Regions (SPIDER), which receives support from Sida, has collected the Swedish resource base in a network

that assists Sida in issues relating to information and communications technology (ICT) and development cooperation. SPIDER is the link to those Swedish universities that focus on ICT and development. In 2005 SPIDER participated in the preparations for the World Summit on Information Society (WSIS), which was held in Tunis in 2005. Sida arranged a well-visited panel debate on ICT and poverty reduction, which attracted decision-makers and representatives of international development cooperation and civil society.

International Training Programmes

During the year Sida held 50 international training programmes with, on average, 25 participants per programme: in total some 1250 participants. The emphasis was on infrastructure, trade, industry, democracy/human rights and natural resources.

In the annual report for 2005, 70 per cent of the participants in the programmes stated that cooperation with other participants was of great importance for the achievement of the goals of the programmes.

Sida has made four major reviews in the fields of democracy/human rights, environment/natural resources, energy and economic growth. The reviews provided the following results:

- Environment/natural resources: proposals for new subject areas such as climate change, chemicals and biological diversity as well as proposals to design the programme portfolio more strategically and with more specifically formulated goals.
- Energy: proposals for new programmes in the fields of energy sources, deregulation and price mechanisms and a proposal that existing programmes should be given a greater focus on management.
- Economic growth: proposals for new programmes in the fields of standardisation, effective customs, labour market issues, public finance market reform, debt management, programmes on innovation development with the Swedish Agency for Innovation Systems, VINNOVA, and the possibility to develop programmes in the ICT field.

The international training programmes have led to a demand for regional programmes amounting to more than SEK 52 million.

Other government agencies, universities, companies and NGOs have implemented the international training programmes, whose focus and design were developed during the year.

Resource base programmes

Sida gives young, well-educated Swedes the opportunity to work in the field of international development cooperation at international organisations or in development programmes that receive support from Sida through the

Junior Professional Officer (JPO) programme, the Bilateral Associate Experts (BBE) programme and the Young Consultants programme.

In 2005 there were 138 JPOs and 36 BBes in service.

Every year Sida collects fresh experience from returning JPOs and BBes through follow-up seminars. Sida has held a major JPO seminar in the field in order to acquire knowledge and experience about each UN organisation.

The Young Consultants programme is intended to give a group of young university graduates international project experience and to make it easier for them to participate in Sida's programmes of development cooperation. It is intended that the programme should contribute to the rejuvenation of the group of consultants that is currently engaged or will be engaged by Sida and other organisations working in the development cooperation field and make the participants more competitive. It is Sida's aspiration that the breakdown between Swedish companies, government agencies and institutions should reflect current and future needs of expertise.

In 2005 13 young consultants worked abroad on international assignments.

2. Sida shall submit a report on the measures it has taken to strengthen programmes against drugs as an obstacle to development. Special descriptions shall be given of the links between drugs and HIV/Aids, sexual and reproductive health and rights (SRHR), and crime-related issues such as trafficking for sexual purposes and other forms of exploitation.

The programme in this field led to an extensive study on ways in which Sida can work on the basis of a better-integrated perspective with work on drugs as the point of departure. The report, which surveys and analyses the links between drugs, HIV/Aids and trafficking, was presented at a seminar at Sida in November 2005. The study shows that there are strong relationships between these problems and draws attention to the importance of integrating the drugs issue in a broad development cooperation context. The conclusion drawn is that Sida should pay more attention to drugs as an obstacle to combating organised crime—including corruption, trafficking and the spread of HIV/Aids—but with a different focus in different regions.

In line with the above, an analysis was made in 2005 of all of Sida's contributions in respect of trafficking. The analysis produced recommendations for the future focus of this work. The report shows that at present Sida's contributions are not completely in line with

Sweden's strategy for combating trafficking in human beings, and that Sida should take action to ensure that its portfolio of contributions reflects more clearly the priorities defined in the strategy. One example is that Sida's contributions primarily focus on care and rehabilitation for the victims of trafficking, while the strategy emphasises that Sida should promote a balance between preventive and curative measures. The report

also recommends that Sida should seek a better balance in its regional focus and should extend its channels.

In 2005 Sida financed the production of a film, "Transit", through MTV's HIV/Aids campaign "Staying Alive". The film is directed towards young people globally and is intended to enhance knowledge of the intimate links between drug abuse and the spread of HIV/Aids. "Transit" was launched by Sida and Swedish embassies throughout the world in November 2005.

During the year Sida decided to give a new contribution to the International HIV/Aids Alliance to strengthen its global work of combating the spread of HIV/Aids related to drug abuse.

The UN's Drug Control Programme (UNDCP) has been extended to include organised crime, trafficking in human beings and corruption within the broader mandate of the UN Office for Drugs and Crime (UNODC). In 2005 Sida started an evaluation of the organisation's crime prevention branch to see whether its activities are in line with Swedish priorities and policy frameworks, for example in the field of trafficking and corruption.

Sida held a seminar, with broad participation by the Government Offices and partner organisations on a coherent approach to the problem of illicit drugs in the Andean region. The goal of the seminar was to improve Swedish coherence in international development cooperation in the field of drugs.

Within the framework of the appropriation a contribution was also approved to the Framework Convention Alliance (FCA) for the implementation of the WHO Framework Convention on Tobacco Control (FCTC) for the period 2005–2007.

ANALYSIS OF OUTCOME

The total outcome for the operational area Global Development Programmes can be seen in table 11.

For this appropriation the Government specifies in its annual directives and letter of appropriations a number of assignments that Sida should prepare and approve. These assignments, together with the special projects specified by the Government in its budget bill, govern the appropriation's budget and outcome.

SIDA'S ASSESSMENT

The global development programmes include a large number of subject areas and activities. As can be seen in this report, the support often supplements Sida's bilateral support, with the intention of creating synergy effects in different areas. This is the case with most of the subject areas included in the global development programmes, for example education, environment and trade. There is also cooperation in fields in which a contribution to a multilateral or international organisation is assessed to be the most effective channel for the

Table 11.

Global development programmes outcome in SEK '000

Forms of support	2004	2005
Project support	655 798	894 758
Sector programme support	109 803	92 260
Technical assistance incl. contract-financed technical cooperation	190 161	171 083
International training programmes	203 538	148 927
Credits	35 036	50 149
Guarantees	197	588
Economic reforms	3 500	3 000
Humanitarian assistance	5 236	0
Research	26 789	18 235
Grants to NGOs	93 288	84 442
Total costs	1 323 347	1 463 442
Channels		
Multilateral organisations	476 198	566 575
Swedish organisations	505 739	483 074
Organisations in partner countries	91 792	146 018
Organisations in other countries	49 637	55 454
International NGOs	199 980	212 321
Total costs	1 323 347	1 463 442
Overall goal of development cooperation		
Direct effect	75 440	226 506
Projects and programmes that include the poor	197 819	217 973
Indirect effects through policies and institutions	710 631	751 321
Indirect effects through national support	137 993	161 799
Other effects	201 463	105 842
Total costs	1 323 347	1 463 442
Number of valid contributions	905	817
whereof > SEK 15 m	11	15
Number of new contributions	280	278

transfer of resources to an activity given priority. This is the case, for example, with Sida's support to the normative work being done by UNESCO, WHO and ILO in their respective fields.

It is Sida's assessment that providing support for, and participating in, global programmes have become increasingly important, as well as the coordination of work between global, regional and national levels. This is partly related to that fact that the joint initiatives to achieve the Millennium Development Goals are growing in number, and partly that an increasing amount of

policy and methods development must be done jointly to enhance the impact and effectiveness of development cooperation (cf. Paris Declaration). By participating in multilateral and international organisations Sweden can exert an influence on issues of special interest and acquire more knowledge of international development cooperation.

As examples, mention can be made of the above-mentioned support for and work in Education for All (EFA–FTI), Sweden’s support for UNESCO’s normative work on the role of the media in conflict situations and in transition countries, and Sida’s work with sexual and reproductive health and rights (see further section 15.2).

Swedish civil society organisations are an important resource in development cooperation. The new policy for global development emphasises the need of increasing their participation and of supporting their human resource development work. Sida’s assessment is that

the resource base programmes work well and that they are of strategic importance for giving Swedish organisations more expertise to participate in development cooperation programmes.

The international training programmes make good use of Swedish experience, models and cutting-edge skills. In Sida’s assessment they play an important role in creating contacts, both vis-à-vis a broad circle of Swedish organisations and between the participants themselves, who are given an opportunity to create networks and exchange experience with key persons in their fields in other developing countries. In Sida’s assessment the programmes have a great development potential and more programmes should be initiated. However, the focus of the programmes must be continuously reviewed in order to ensure that they meet both Swedish priorities and those of our partners in cooperation.

Research

Sida shall contribute to strengthening the research capacity of developing countries and to promoting research that contributes to poverty reduction and equitable and sustainable global development. Furthermore, Sida shall contribute to strengthening research in Sweden that is relevant from the development perspective.

EVALUATIONS

Evaluations made in 2005 have shed light on the effectiveness of Sida's support to the partner countries to develop their research capacity. The evaluations have reviewed the effectiveness of postgraduate studies and research, scientific quality, relevance and, in some cases, the effects that research has on society. All evaluations have involved the institutions evaluated in the formulation of the terms of reference, in the evaluations of themselves, and in discussions on the observations made by the evaluators. The results of the evaluations have formed the basis of changes in the institutions, of the preparation of new agreements, and of Sida's strategies for research cooperation. In one case the evaluation was made in cooperation with the Norwegian Agency for Development Cooperation (NORAD).

The evaluations of the bilateral programmes of research cooperation show that

- Support to IT infrastructure strengthens the capacity for research. The implementation of IT programmes at universities provides superior knowledge and management skills that contribute to the country's IT development in general.
- Nationalisation of the Armauer Hansen Research Institute was a strategically important adjustment to the Ethiopian system, but developments show how vulnerable externally run institutes are in a process of transition to national conditions.
- Concrete modernisation actions for university administrations can provide greater possibilities for change than general demands for reforms.

Evaluations of regional research cooperation indicate varying degrees of administrative capacity. While Consejo Latinoamericano de Ciencias Sociales (CLASCO) is found to have an effective administration, the African Forest Research Network (AFORNET) has administrative shortcomings. However, both programmes are praised for their contributions to valuable knowledge development and their adaptation to the regions in which they are active. The council for research for sustainable develop-

ment of the countries around Lake Victoria (Vic Res) is also assessed to be a cost-effective programme that spreads research findings to the scientific community and in the region.

OTHER REPORTS REQUIRED

1. Sida shall provide a breakdown between support for the strengthening of research capacity and support for research that is relevant to development. The report shall also state the basis used to make considerations between these areas against the background of the goal of international development cooperation, and describe the ways in which activities in each area are relevant to the goal. Sida shall state how it has selected its partners in cooperation in its contributions for strengthen capacity. Where support to research relevant to development is concerned, priorities and a breakdown by subject area shall be given.

Contributions for research capacity and contributions for knowledge development overlap each other and cannot be strictly differentiated. Support for international knowledge development accounts for approximately 30 per cent of the appropriation. Support for regional research cooperation that focuses on both knowledge and capacity development accounts for 30 per cent, and the direct support to research in partner countries is 30 per cent. Sida gives priority to support for research development in partner countries which is primarily capacity oriented. This has had the effect that it has been possible to maintain the proportion of these labour-intensive contributions at the same level when the appropriation has increased. The greatest obstacle to more programmes is the lack of a research policy and research administration in the partner countries.

During the last five years Sida has started programmes of research cooperation with five new partner countries: Bolivia, Burkina Faso, Honduras, Laos and Rwanda. These are all countries with a very weak research base. In order to find suitable forms of support a study has first been made of prevailing conditions and the initial support has been adapted to different situations. In other partner countries research cooperation was started more than 20 years ago and support has been

[Picture removed]

Sida supports research into malaria for the production of new medicines.

developed from support for projects and individual postgraduate studies to overall support for research at universities.

The bilateral support to postgraduate studies is supplemented by support to international organisations for basic sciences: chemistry, physics, mathematics and biology. These organisations contribute different forms of scholarships and grants to researchers active in institutions in developing countries. In cooperation with the Royal Swedish Academy of Sciences and the Swedish Research Council, Sida arranged a conference in 2005 to discuss how these programmes could best be designed to strengthen research capacity at institutional level in the poorest countries.

Strengthening the local knowledge base lays the foundation for innovations that can create growth that is directed towards benefiting poor parts of the population. A better knowledge base at a university in a partner

country means that the level of education is enhanced and that the country is given better skills to deal with poverty. The links to the international scientific debate and global public goods mean that the countries have greater possibilities to make use of and adapt knowledge. Moreover, the countries' negotiating capacity in a globalisation perspective is strengthened.

The Government's decisions in respect of cooperation strategies govern the selection of partner countries and the focus of research cooperation. The work on formulating strategies includes making a review of new conditions for research cooperation. As an example, Tanzania's poverty reduction strategy includes the intention to enhance skills and strengthen competitiveness by focusing on education from compulsory school to university and stimulating research. Here it is possible for Sweden to support Tanzania's research and higher education reforms.

In the preparation of programmes of cooperation with countries that Sida finalised in 2005, an increase in political support can be noted for the development of higher education and research. In Honduras a three-year preparation process was finalised after the government decided to reform the national university. In Mozambique a reorganised ministry of research has changed conditions for support by formulating a research policy strategy and strengthening the management of the largest state university.

To support the aspiration of countries to develop research policies, Sida is providing support for the development of innovation systems and research into the importance of universities for society and industry. In addition innovation courses have been arranged in Tanzania and Uganda. A special programme (Bio-Earn) will provide knowledge and innovations for sensible use of biotechnology in agriculture and environmental technology.

Support for international and regional research cooperation focuses on problems that are important for poverty reduction and sustainable development. International research programmes contribute an overview of the research situation, undertake analyses that contribute to the UN's normative work, and identify gaps in knowledge. Regional cooperation networks contribute to the "South perspective" in the formulation of research problems and debates.

In Sida's support for international knowledge development, the predominant subjects are rural development and the environment, infectious diseases and reproductive health, and research associated with social development. Agricultural research, with a focus on the needs of the poorest countries, is given low priority in the research activities of the industrialised countries, both that in the public sector and the private sector. Sida's largest programme of support is allocated to the Consultative Group for International Agriculture Research (CGIAR), which focuses on compensating for this shortcoming. The organisation is now undergoing a process of change towards stimulating network models for research related to technologies that generate incomes and value for poor people in rural areas. In the dialogue with CGIAR Sida engages Swedish researchers in an advisory group.

Sida's support to international health research has provided important results. Some examples:

- A consortium of researchers has succeeded in identifying the parasite that causes Chagas' disease. This can make it possible to develop medicines against the deadly parasite.
- The WHO has evaluated research findings into the effects of hormonal contraceptives on women who are exposed to the risk of HIV infection. It recommends the use of condoms and involving men and people infected in the work on HIV prevention, as well as continued use of hormonal contraceptives.

- Studies of preschool children with dysentery in Bangladesh have led to a recommendation to include zinc supplement in the treatment of children suffering from diarrhoea.
- Researchers at the International Vaccine Institute (IVI) have shown that cholera vaccines that are swallowed not only protect the persons who have taken the vaccine but also their unvaccinated neighbours.
- A study in Mozambique has shown that the cholera vaccine rBS-wC provided effective protection against cholera even in a population with a high proportion of people infected with HIV (20–30 per cent).

Sida is an important financier of the United Nations Research Institute for Social Development (UNRISDs) whose research makes it possible for the UN system to fulfil a normative role. It has shown, for example, that equality between women and men has positive effects on economic growth, social security and democratisation. Other findings indicate that a deliberate combination of social policies and economic policies in developing countries protects vulnerable groups and reduces poverty.

Sida also supports a number of regional organisations that function as research councils for critical scientific analysis. They contribute to independent academic and social debate, which can be difficult to have at the national level. African researchers who have analysed conflicts reject, for example, interpretations made in external studies and advocate regional security councils that can better understand and deal with the wide diversity of causes of conflicts.

The African Archaeologists Network (AAN), which came into being with the aid of support from Sida, is of great importance for strengthening the region's history and cultural identity. Among other things it has shown that trade links between South Asia and Africa are some 1 000 years older than was originally believed.

2. Sida shall state the methods it has used to fulfil the goal of research in Sweden that is relevant to development, and the indicators that are appropriate to assess goal fulfilment in this respect. Sida shall specify the subject areas that have been given priority and that have received support in Sweden.

Sida invites Swedish researchers to participate in bilateral research cooperation, primarily as supervisors of postgraduate students, but also to work with the development of the institutional base for research. Swedish researchers also participate in international research networks and special programmes in which Swedish research is prominent, for example research associated with HIV/Aids. In order to increase contacts with international agriculture research, Sida has made special funds available in cooperation with the Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning (FORMAS).

Sida's research council supports research in Sweden

that is relevant to development, partly through public announcements of available funds and partly through special invitation areas. In recent years Sida has also granted support for cooperation with established researchers in South Africa, Asia, Middle East and North Africa through the programme Swedish Research Links.

All in all, more than a third of the appropriation for research cooperation was allocated to Swedish institutions in 2005. Sida thus plays a substantial role for research funding in Sweden. This impact is reflected, for example, in the large number of applications received by Sida's research council. In 2005, grants were approved for some 20 per cent of the 566 applications. Also the Links programme, which makes relatively small grants, attracted many applications. Here the researchers must show that they have basic funding from other sources, which strengthens the possibilities for further cooperation after receiving support from Links.

To increase contacts between researchers and between researchers and practitioners at the Ministry for Foreign Affairs and Sida, support has been initiated to Swedish research networks as a special budget. An evaluation of the Network for South Asia Studies (SASNET), which was a pilot case, shows very positive results. Among other things the network has developed an informative website that has increased accessibility and opportunities to establish contacts for practitioners. In 2005 support was granted to similar networks for development-oriented gender research and conflict research.

In addition to traditional indicators such as the number of project reports, the number of young researchers and dissertations can be interesting since the young researchers are a future research base for development cooperation and for teaching at the universities. The number of institutional support programmes for new developing country environments can be a measure of new research fields or the number of new institutions that are starting to acquire an interest in developing country issues. Other types of indicators are the researchers' international competitiveness, publishing frequency, and participation in international research programmes and networks, as well as the demand for knowledge from Sida and the Ministry for Foreign Affairs.

3. Sida shall submit a report on the agency's support to research into both vaccines and antimicrobial medicines in the struggle against HIV/Aids, tuberculosis and malaria.

Sida supports research into HIV/Aids, malaria and tuberculosis in bilateral cooperation programmes in Tanzania, Uganda, Mozambique, Ethiopia and Bolivia, and also provides support to regional networks and international programmes.

Swedish research cooperation has given priority to research into HIV/Aids since 1985. The aims of the research programmes have been to develop vaccines,

prevent the transfer of infection from mother to child, control of HIV/Aids-related sexually transmitted diseases, and protection of young people and future generations. During the year a study of the effects on HIV/Aids vaccine was started in the form of a programme of cooperation between a hospital in Stockholm and Tanzanian researchers. A study made in Tanzania shows that that it is possible to reduce transmission from mothers to children through retroviral treatment of mothers during pregnancy and of children during the breastfeeding period.

Sida is also supporting the Tropical Disease Programme at the World Health Organisation, which is pursuing bio medicinal studies of new vaccines and medicines for malaria and tuberculosis. Research into malaria is taking place in a large number of fields in cooperation between a number of research centres. It is leading to the production of combination therapies. A programme for "home management" of children with malaria has been developed and a new preparation for rectal treatment in cases of severe malaria is being registered. In cooperation with other organisations the Tropical Disease programme is pursuing promising research into new medicines and rapid diagnostic tests. Malaria researchers in Tanzania are studying how health care services can cooperate better with the citizens to ensure that treatment should not lead to resistance against increasingly expensive medicines.

Multi-centre studies have also shown that women and men with tuberculosis are treated differently. Women with tuberculosis are not given a correct diagnosis as often as men and have less access to treatment and follow-up.

ANALYSIS OF OUTCOME

The total outcome for the operational area can be seen in table 12. The total outcome for 2005 increased by more than SEK 73 million compared to 2004, and 97 per cent of available funds were used. The largest increase referred to disbursements to partner countries. This can be an effect of the efforts to strengthen the administrative capacity at the institutions Sida works together with. In most of the bilateral programmes of research cooperation it has been possible to make disbursements according to plan: the financial administration has been reinforced, and work on a planning cycle that is better linked to national budget work has been started. Taken together these measures have enhanced the possibility to make correct forecasts. The possibility of absorbing more funds in research projects and in postgraduate education is considerable if the management and administrative systems work properly. Most of the support is channelled to countries in Africa. As in 2004, Tanzania was the main recipient. The largest increases were in support to Ethiopia and Uganda.

Half of the outcome in respect of Swedish organisations consists of support for participation in bilateral

programmes of research cooperation. The remainder consists of grants from Sida to researchers in Sweden via Sida's research council, Swedish Research Links, and the special programme for research associated with HIV/Aids. The support for research mainly has an indirect effect on the overall goal.

The total number of contributions continued to decrease in 2005 and the number of major contributions is constant, which indicates a continuation of concentration.

SIDA'S ASSESSMENT

As the evaluations have shown, research projects and postgraduate education programmes usually function well and contribute to strengthening research environments in partner countries and partner organisations. Greater awareness of ways in which research and higher education can contribute have led to better conditions for research cooperation with national political acceptance in several countries. Through its experience Sweden has good possibilities of assuming a central role for promoting approaches of this type with strategic contributions. One general conclusion can be that support to individuals' capacity for research has been successful but that the institutional capacity for research needs to be strengthened in many places. One major challenge to Sida is to actively interest other donors that wish to assist in developing a base for research in poor countries.

There is also still a great need of development-oriented research in international cooperation. Controversial or expensive and difficult to fund research can be pursued, results can be given better dissemination through links to international normative bodies, and poor countries can be given the possibility to work together with international expertise.

Sida is well suited to support thematic research into important developing country problems and can use its experience of support to research in poor countries to exert an influence on international research programmes. Sida pursues issues relating to the "South perspective" in the formulation of the research agenda and works to ensure that researchers from the South participate in implementation activities.

Sida is also well placed to promote Swedish participation in international development-oriented research and in identifying areas in which Swedish research has comparative advantages. Cooperation with the Swedish Research Council provides contacts with established research in developing countries and thus broadens the internationalisation of Swedish research. Support for Swedish research is important both for cooperation with the poor countries and with international organisations, as well as for the acquisition of knowledge on development issues in Sweden. Support to networks of researchers has proved to be a promising model for facilitating contacts between researchers and practitioners.

Table 12.

Research, outcome in SEK '000

Five main partner countries 2005	2004	2005
Tanzania	37 651	49 795
Uganda	20 123	39 444
Ethiopia	13 333	34 772
Vietnam	25 166	28 052
Nicaragua	27 500	27 127
Other countries/regions	649 443	667 591
Total costs	773 216	846 780
Forms of support		
Project support	0	495
Sector programme support	0	0
Technical assistance incl. contract-financed technical cooperation	0	0
International training programmes	0	0
Credits	0	0
Guarantees	0	0
Economic reforms	0	0
Humanitarian assistance	0	0
Research	773 216	846 285
Grants to NGOs	0	0
Total costs	773 216	846 780
Channels		
Multilateral organisations	70 514	79 627
Swedish organisations	291 061	307 467
Organisations in partner countries	154 839	178 286
Organisations in other countries	94 328	113 814
International NGOs	162 474	167 586
Total costs	773 216	846 780
Overall goal of development cooperation		
Direct effect	8 541	8 059
Projects and programmes that include the poor	600	11 060
Indirect effects through policies and institutions	751 591	803 273
Indirect effects through national support	3 500	11 000
Other effects	8 985	13 389
Total costs	773 216	846 780
Number of valid contributions	224	212
whereof > SEK 15 m	12	12
Number of new contributions	31	43

Humanitarian contributions and conflict-related activities

Sida shall contribute to save lives, relieve suffering and maintain the human dignity of distressed people who have been subjected to, or are under threat of being subjected to, armed conflicts, natural disasters and situations similar to disasters. Sida's activities shall be governed by the Government's policy for humanitarian assistance and by the Government's guidelines for Sida's work with humanitarian assistance (UD 2004/60685/GS).

Humanitarian assistance is one of the most tangible and effective means that exist to relieve the consequences of armed conflicts, natural disasters and other situations similar to disasters. Sida continues to strengthen its humanitarian work by providing support for projects and coordination in the countries in question and for the process of transition between crisis and recovery.

Armed conflicts are a serious obstacle to development in many poor countries. Lasting peace is therefore essential to enable poor people to improve their living conditions. The aim of Sida's support to contributions for peace and security is to strengthen local forces that are working for peace. Organisations in the local, national and regional civil society have an important role to play in interaction with representatives of the state.

EVALUATIONS

During the year Sida evaluated its humanitarian assistance activities to make them more effective. Sida has published a report that collects the evaluations made by several donors of their support to internally displaced persons: "Support to Internally Displaced Populations—Learning from Evaluations". The aim of the report is to improve the support given by Sida and other donors to internally displaced persons and to take action to improve the security of these persons.

The evaluation of effects that the Life and Peace Institute made in 2004 was followed up by Sida adopting a standpoint and an action plan. The evaluation has been valuable for Sida's methods development and illustrates the importance of continuous conflict analysis and follow-up of programmes.

OTHER REPORTS REQUIRED

1. Sida shall submit a report on the use of funds broken down by contributions for disaster prevention and preparedness, for emergency assistance, for early reconstruction and for methods development and evaluation.

Table 13 shows the amount of humanitarian assistance that was allocated to disaster prevention and preparedness, emergency assistance, early reconstruction and methods development and evaluation.

Most of Sida's humanitarian assistance is assistance provided in emergencies. It consists of emergency supplies such as food, water, sanitation and shelter, as well as social functions that are essential in a disaster, for example in the fields of health, education and security. Support for early reconstruction is given to facilitate the process of transition from a disaster to permanent development and includes the reconstruction of infrastructure and water supplies. Most of the humanitarian assistance provided to prevent disasters is integrated in projects and programmes with other main goals. The humanitarian assistance provided for disaster preparedness is

Table 13. Disaster prevention and preparedness, emergency assistance, early reconstruction, and methods development and evaluation, outcome in SEK '000 and per cent of total

	2005	%
Disaster prevention and preparedness	19 028	1,2
Emergency assistance	1 495 637	91,4
whereof methods development and evaluation	3 058	–
Early reconstruction	122 203	7,5
Total	1 636 868	100,0

mainly channelled through the Swedish Red Cross to appeals made by the Red Cross and Red Crescent Federation, which contain systems for compiling information and providing support to national societies in connection with disasters.

2. Sida shall submit a report on the use of funds broken down by conflict-related activities and methods development. The report shall include purposes, main content, implementing organisations and country/region.

In 2005 Sida's conflict-related activities included support for contributions that promote peace and security, methods and policy development and information and education activities.

The use of funds for the main content of the contributions is shown in table 14 and implementing organisations in table 15.

Contributions for peace and security are financed and reported on under this operational area and under the regional operational areas. Many contributions that take

up the structural causes of violent conflicts are financed, for example, through support for the promotion of democracy and strengthening respect for human rights under other operational areas. Under the operational area Humanitarian Assistance and Conflict-related Activities structural contributions are supported, for example contributions that are intended to establish legislation which prevents illegal trade in small arms and light weapons.

In 2005 a new policy to promote contributions for peace and security in development cooperation was drawn up. This policy provides guidance for the practical implementation of contributions of this type. Two studies commissioned by Sida, on the prevention of recruitment of child soldiers and on the reintegration of former combatants, have contributed to Sida's methods development in these two fields.

Sida also supports methods and policy development through its support to organisations, for example International Alert and Collaborative for Development Action Learning.

Table 14. Conflict-related activities, purpose and main content, outcome in SEK '000

	2005
Support for civil peace-building, conflict prevention and conflict resolution	63 476
Mine clearance for development purposes	49 423
Prevention of the recruitment of child soldiers and support for demobilising, disarming, and rehabilitating child soldiers	18 368
Support for the UN's peace-building programmes in post-conflict situations	4 049
Rehabilitation of demobilised military personnel and reduction in the proliferation of small arms and light weapons	4 272
Reform of the security sector to improve democratic governance and civil control	478
Total	140 066

Diagram 1. Conflict management contributions by region, % of total

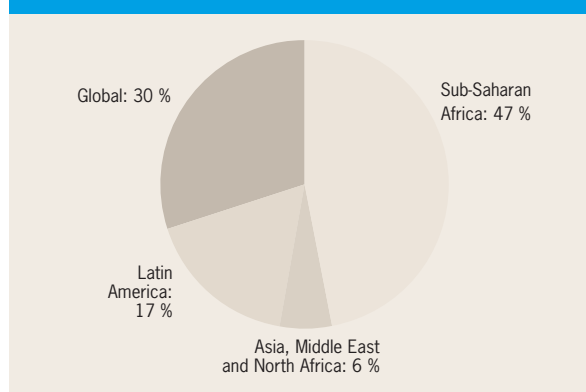


Table 15. Conflict-related activities, implementing organisations, outcome in SEK '000

Organisation	2005
American Friends Service	2 333
Arias Foundation Costa Rica	1 500
Civis	4 000
Collaborative for Development Action	2 150
Conciliation Resources	4 000
Danish De-mining Group (DDG)	11 175
Diakonia	27
Geneva International Center Humanitarian Demining	503
International Alert	8 620
Swedish Fellowship of Reconciliation	2 499
Life and Peace Institute	19 773
Mines Advisory Group	14 370
Swedish Save the Children Federation	5 900
Saferworld	3 200
Search for Common Ground	2 600
Stockholm International Peace Research Institute (SIPRI)	478
Swedish National Rescue Services Agency	14 375
UNICEF	18 000
UNDP	2 000
UN Mine Action Centre	5 000
UN	9 000
UNLIREC	4 000
Uppsala University	1 579
Swedish Ministry for Foreign Affairs	2 000
Other organisations	984
Total	140 066

Table 16. Humanitarian mine management, outcome in SEK '000

Global	9 503
Congo, Democratic Republik	9 370
Somalia	8 000
Sudan	7 315
Sri Lanka	5 000
Eritrea	4 060
Afghanistan	3 175
Senegal	3 000
Total	49 423

In 2005 Sida disbursed organisational support to the following partners for their work with peace and security: Collaborative for Development Action, International Alert, Life and Peace Institute and University for Peace.

The use of funds by country and region is shown in the table 16, diagram 1, and in tables in appendix 1.

3. Sida shall submit a report on the scope and focus of its support for mine management.

Under the appropriation for Humanitarian Assistance and Conflict-related Activities, mine clearance has continued in countries that have been affected by conflicts, for example Democratic Republic of Congo, Somalia, Sudan and Eritrea. The Swedish National Rescue Services Agency, the Danish Demining Group and the Mine Advisory Group are some of the organisations that worked with mine clearance and with capacity development contributions to national institutions with the aid of Swedish support.

Swedish support has also been given to international organisations, for example Unicef, which works to increase understanding and awareness of mines and unexploded ammunition in the countries affected. The Geneva International Center for Humanitarian Demining, which works with training and capacity development programmes for authorities and mine management organisations, has also received support.

ANALYSIS OF OUTCOME

The total outcome for the operational area can be seen in table 17. The year was characterised by many serious natural disasters: the tsunami, a tropical storm and volcano eruption in Central America, and an earthquake in South Asia. All in all, Sida approved support for SEK 496 million to those people affected by these natural disasters.

At the same time the violent conflicts in Africa continue to cause considerable suffering. As in 2004 Sudan was

Table 17.

Humanitarian contributions and conflict-related activities, outcome in SEK '000

Five main partner countries 2005	2004	2005
Sudan	174 692	205 362
Uganda	26 097	115 252
Congo, Democratic Republic	109 969	112 480
West Bank and Gaza	97 941	92 690
Pakistan	3 098	56 530
Other countries/regions	1 198 773	1 294 682
Total costs	1 610 570	1 876 997
Form of support		
Project support	12 401	179 824
Sector programme support	0	25 000
Technical assistance incl. contract-financed technical cooperation	0	0
International training programmes	0	0
Credits	0	0
Guarantees	0	0
Economic reforms	0	0
Humanitarian assistance	1 598 169	1 672 173
Research	0	0
Grants to NGOs	0	0
Total costs	1 610 570	1 876 997
Channels		
Multilateral organisations	659 352	858 183
Swedish organisations	412 664	322 363
Organisations in partner countries	26 237	-1 625
Organisations in other countries	6 436	13 162
International NGOs	505 881	684 914
Total costs	1 610 570	1 876 997
Overall goal of development cooperation		
Direct effect	812 141	784 303
Projects and programmes that include the poor	484 982	525 569
Indirect effects through policies and institutions	107 261	409 328
Indirect effects through national support	140 381	106 875
Other effects	65 804	50 922
Total costs	1 610 570	1 876 997
Number of valid contributions	438	416
whereof > SEK 15 m	19	24
Number of new contributions	177	155

[Picture removed]

Reconstruction after the tsunami in Sri Lanka.

the country that received most humanitarian support SEK 205 million. The assistance has mainly been used for acute humanitarian contributions in southern Sudan and for supporting the return of internally displaced persons.

Humanitarian contributions and contributions for promoting peace and security in Uganda increased from SEK 26 million in 2004 (plus a further SEK 30 million from the regional appropriation) to SEK 115 million in 2005. This conflict has received an increasing amount of attention in recent years and several organisations are now increasing their capacity to take action in the area, even if they often start from a low level. In 2005, the Church of Sweden started a programme of support in the area with funding from Sida for work on psychosocial issues.

The humanitarian situation in Democratic Republic

of Congo remains alarming. Although a peace agreement has been signed, armed groups continue to commit acts of cruelty against the people, particularly in the eastern parts of the country. The crisis has been described as one of the deadliest since the Second World War. DRC has been a pilot country for Good Humanitarian Donorship and in the autumn trials with basket funding were started. This means that Sida and others provide funds for the UN humanitarian appeal that are not earmarked. All in all, DRC received SEK 112 million in 2005, of which SEK 25 million was in the form of basket funding.

West Bank and Gaza, where the conflict continues, received SEK 93 million in humanitarian assistance in 2005, approximately the same amount as in 2004.

Multilateral organisations, particularly the UN, are the most important channels for this support, followed by international organisations. Support to several of the

major UN organisations, including UN's Office for the Coordination of Human Affairs (OCHA), increased. In many contexts Sweden has emphasised the importance of OCHA's mandate to coordinate and harmonise assistance in humanitarian crises. The UN's funds and programmes are important channels for contributions for peace and security, particularly when they include disarmament, demobilising and reintegrating former combatants. NGOs are important channels for contributions to promote dialogue at grassroots level. Where the Swedish organisations are concerned, it can be mentioned that the National Rescue Services Agency was allocated more than SEK 100 million, which is more than twice the amount it received in 2004. This is largely due to the fact that so many people were affected by natural disasters.

SIDA'S ASSESSMENT

In 2005, extensive humanitarian needs were caused by unforeseen natural disasters, for example the tsunami around the rim of the Indian Ocean and, later in the autumn, the earthquake disaster in South Asia, as well as unusually many, strong tropical storms, above all in Latin America. The enormous suffering that followed these disasters confirms once again the importance of making long-term investments in risk management and preparedness in those countries that are often affected by natural disasters. Climate change is expected to contribute to increasing extreme weather phenomena. Reducing the risks for people living in areas subjected to disasters requires perseverance and a long-term perspective and should most suitably be handled within the framework of long-term development cooperation.

In parallel with sudden disasters, there have been extensive humanitarian needs in complex and, in some cases, less publicised crises, for example in DRC, Sudan and Uganda. Thanks to an increase in the appropriation, internal reallocations of resources during the year, and an increase in funding from the regional appropriations for reconstruction and peace promotion contributions, Sida has been able to contribute to all humanitarian disasters where Swedish support was requested.

A large proportion of the support was channelled via the UN and the UN's consolidated appeals. In some cases this has made Sweden one of the largest humanitarian donors, for example in the Central African Republic and Pakistan. Sweden has also been among the first to react to other, less visible, disasters, for example after the invasion of locusts in the Sahel region and the hurricanes in Central America. Giving the UN a strong role as the representative of the world community with the responsibility for making overall needs analyses and coordination is an important component in the global humanitarian reform work supported by Sida. Pilot activities and preparations for joint financing in DRC

show that arduous but highly valuable changes are required on the part of all involved, for example in the form of harmonised demands for reports, transfers of funds, audits and financial follow-up.

Sida's experience of participating in the EU's humanitarian organisation (ECHO) through the Humanitarian Aid Committee (HAC) shows that many member states are passive, which leads to ECHO being independent in its relations with the member states and makes it difficult to exert an influence on ECHO's support.

Contributions that have the aim of promoting peace and security under the operational area mainly focus on support for civil peace building, conflict prevention and conflict resolution, and mine clearance for development purposes. This is assessed by Sida to be strategically correct since these contributions have the aim of conflict prevention, capacity development and dialogue at grassroots level, which are important components to promote lasting peace.

The fact that the outcome has decreased from SEK 198 million to SEK 140 million is partly explained by fluctuations in agreement periods and partly by the fact that financially expensive contributions for the disarmament, demobilising and reintegration of former combatants has been transferred to the regional appropriations.

Since the sector breakdown for purpose and main content is new this year, there is no previous outcome for comparison purposes.

Humanitarian mine management is supported in several operational areas, partly in humanitarian assistance and conflict-related activities and partly in the regional appropriations. The total outcome for mine management is approximately at the same level as in 2004 but has decreased in the operational area "humanitarian assistance and conflict-related activities" and increased in the regional operational areas.

Sida would also make the assessment that it is a strategically correct decision that a large proportion of the contributions for peace and security are channelled to peace building activities under the auspices of the UN. According to the Human Security Report these UN projects have contributed to a reduction in the number of armed conflicts by 40 per cent during the period 1992–2004. In a post conflict situation the UN's peace building projects are of decisive importance to prevent conflicts breaking out again.

One difficulty lies in measuring the effect of the dialogue projects that Sida supports at grassroots level. In order to ensure that lessons learned are put to good use and methods to measure effects are developed, Sida is supporting a project that is surveying how analyses of effectiveness can be improved in contributions for peace and security.

An important forum for issues relating to effectiveness and methods issues is OECD's Development Assistance Committee (DAC) in which Sida acts as a driving force

for the development of common evaluation instruments for the peace and security contributions of donors.

Another challenge lies in ensuring that contributions for the reintegration of ex-combatants have a lasting effect. Despite the fact that contributions of this type have been made for more than 15 years, the knowledge of the donor community remains limited.

Concessionary credits

Sida shall contribute to supporting the provision of financial solutions for investments in infrastructure in developing countries.

EVALUATIONS

In 2005 Sida commissioned an analysis of the amount of investments contained in grant financed contributions in order to study the extent to which they could be financed entirely or partly by soft credits. A study was made of 97 contributions that were taken up in Sida's Project Committee during the period 2000–2004. Of these contributions it was found that credit financing was possible in 37. One of the reasons why this did not take place is that the countries that were in question for the contributions were in debt write-off processes. Ideal credit contributions are investments in revenue-generating activities in which the body concerned has financial and legal autonomy for administering and repaying a credit. Furthermore, a credit often results in a more thorough review in the partner country. The potential thus exists for more credit financing in Sida's contributions. This potential is greatest in the fields of energy, transport, housing for the poor, and small infrastructure projects. It could also be possible to increase the degree of credit financing in the agricultural sector and in certain health care contributions. The result of the review will be communicated to the Ministry for Foreign Affairs prior to its review of credits.

Sida has also made an evaluation of the electricity transmission project in Namibia. The aim of the evaluation was to check that the goal of the project (guarantee supplies of electricity from South Africa to meet the ever increasing demand in Namibia) had been fulfilled, and that the bond issue guaranteed by Sida had been accepted by the market. The result of the evaluation shows that the implementation of the project was highly successful: a transmission line from South Africa to Auas near Windhoek is functioning well today and is providing the service in demand. Transmission losses in the network have decreased considerably as a result of the line. The component financed by Sida contributes to ensuring that the network has become much more stable. The secure electricity supply in Namibia contributes to increasing economic growth in the country.

However, the bond issue for raising finance on the local market did not take place. The reason for this was

that interest rates in the country were so high that another type of financing was selected.

The evaluation was made by an independent consultant who interviewed various persons involved in the project and visited Namibia to meet and discuss the project on site with various stakeholders. The report will be disseminated through Sida's channels to parties involved in the project.

Finally Sida has made an evaluation of the Swedish support provided for the construction of a hydropower station, Uri, in India. The aim of the evaluation was mainly to assess the extent to which Sida's support has been used efficiently and the degree to which the goals of the project had been achieved with the aid of Sida's support. These refer mainly to sustainability, consideration of the environment, and contributions to improve the supply of electricity in northern India and Kashmir. The evaluation also had the aim of assessing the operational efficiency of the power station as well as factors that can enhance understanding and knowledge of fundamental prerequisites for sustainable development in the implementation of forthcoming hydropower plants. The result of the evaluation is that the goals of Sida's support are considered to have been achieved in a positive way. However, hitherto the plant has generated less electricity than planned which is due to lower water flows as a result of a long period of low precipitation. The evaluators state that consideration of environmental impacts is given more weight today than was the case when support to the project was approved. Valuable information was collected from parties involved during the course of the evaluation. The report will be spread via Sida's channels as well as through other networks, for example environmental organisations.

OTHER REPORTS REQUIRED

Sida shall submit a report on the use of funds broken down by sectors and countries.

The outcome is shown in table 18.

During the year a credit was approved for Sri Lanka

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Concessionary credits can be used for example to finance energy projects.

for the financing of a wastewater purification system outside Colombo. The project is expected to contribute to better health and a better environment as well as better living conditions for people in the area. Some 330 industries and 63 500 inhabitants can be linked up to the system while a much larger number of people will benefit from the effects of the project in the form of a better environment.

A payment under an earlier agreement was made to the Emerging Africa Infrastructure Fund to promote the financing of strategic infrastructure projects in Africa.

The concessionary credits appropriation was also used to provide methods support to Sida partners in connection with project preparations in Bangladesh (support for tanneries), Sri Lanka (wastewater treatment plant and plantation schools), Thailand (wastewater treatment) and Mongolia (rehabilitation of transmission network).

In the dialogue with other donors Sida has continued the development of local financing instruments. The development of a concept for budget decisions has also continued. At present Sida is preparing environmental budget credits for Bangladesh and Vietnam and budget credits for energy and the environment in the Greater Mekong Subregion.

ANALYSIS OF OUTCOME

The total outcome for the operational area can be seen in table 19. The use of the appropriation for credit-financed projects remained low in 2005. The reasons why the outcome is lower than that stated in the Government's annual directives for 2004 are mainly structural and are associated with the requirements of the credit ordinance in respect of the degree of binding, which is higher in Sweden than in other countries. In addition

the preparation and assessment of credits is complex and infrastructure projects in Mozambique and Bangladesh have been delayed.

However, the demand for credit-financed contributions has increased once again, partly due to a general increase in investments in infrastructure in the partner countries. Several countries have also finalised their debt write-off processes and can therefore once again be offered credit financing for their important investments, for example Uganda and Tanzania. In order to increase the volume of credit-financed contributions there is also a need to make certain changes to the conditions and the forms for the administration of credits. These issues will be taken up in the forthcoming study of credits and guarantees in development cooperation under the auspices of the Ministry for Foreign Affairs.

The operational area also includes the assignment of acting as an adviser in financing matters to other parts of the organisation. The aim is to increase understanding of these issues and to increase the use of credits that can also be financed by other appropriations. An example of advisory services of this type can be found in the preparation of support for the development of small and medium-size enterprises in Bosnia and Herzegovina, which also includes a guarantee.

Sida classifies most of the contributions that are financed by the budget for concessionary credits as having indirect effects on poverty through national support. The financing of the wastewater treatment system outside Colombo was the largest individual contribution in 2005. In this contribution the support is given to a national agency and poor people in the area are

expected to have better health, a better environment and better living conditions.

SIDA'S ASSESSMENT

The low use of the appropriation is linked, among other things, to the relative high degree of binding of Sida's tied concessionary credits compared to the corresponding financing systems of other countries. They are considered to be less favourable by the partner countries, which therefore turn in the first place to other donors. Due to the internationalisation of Swedish industry it has more or less been impossible to fulfil the requirements of the credit ordinance, i.e. 70 per cent Swedish content in tied credit-financed contributions. In combination with requirements for open international procurements, in which a Swedish concessionary credit can only be granted if a Swedish enterprise wins the procurement, this has the effect that the system has problems in functioning properly. Apart from its effects on demand, a reduction in the degree of binding is also necessary to improve harmonisation with other donors (for example the Nordic donors) and institutions such as the Swedish Export Credits Guarantee Board.

The trend to reduce the degree of binding of credits will have the effect that Sida will be involved at an earlier stage and in a more active role than before. The long preparation times are reflected in the low level of disbursements in 2005 but are expected to result in contributions that will be charged against the appropriation in the future. For example contributions are currently being prepared for the energy sector in Uganda and Tanzania and for environmental projects in Bangladesh.

Table 18. Concessionary credits broken down by country and main sector, outcome in SEK '000

	Education	Infra-structure	Trade, industry, financial systems	Natural resources and the environment	Other sectors	Total
Mozambique	0	-919	-359	0	0	-1278
Namibia	0	0	112	0	0	112
Senegal	0	-842	0	0	0	-842
Regional Africa	0	20 072	0	0	0	20 072
Total: Sub-Saharan Africa	0	18 311	-247	0	0	18 064
Bangladesh	0	0	2 000	0	0	2 000
India	0	1 319	0	0	0	1 319
Mongolia	0	252	0	0	0	252
Sri Lanka	555	0	0	210 834	0	211 389
Thailand	0	0	0	1 532	0	1 532
Vietnam	0	13	0	0	0	13
Total: Asia, Middle East and North Africa	555	1 584	2 000	212 366	0	216 505
Global	0	3 000	8 380	0	1 291	12 670
Total	555	22 895	10 133	212 366	1 291	247 239

Table 19.

Concessionary credits,

outcome in SEK '000

Five main partner countries 2005	2004	2005
Sri Lanka	27 209	211 389
Bangladesh	217	2 000
Thailand	0	1 532
India	0	1 319
Mongolia	319	252
Other countries/regions	173 058	30 747
Total costs	200 803	247 239
Forms of support		
Project support	9 382	17 743
Sector programme support	0	0
Technical assistance incl. contract-financed technical cooperation	21	13
International training programmes	0	0
Credits	191 400	229 484
Guarantees	0	0
Economic reforms	0	0
Humanitarian assistance	0	0
Research	0	0
Grants to NGOs	0	0
Total costs	200 803	247 239
Channels		
Multilateral organisations	10 921	32 079
Swedish organisations	93 204	3 006
Organisations in partner countries	92 462	210 723
Organisations in other countries	4 217	1 431
International NGOs	0	0
Total costs	200 803	247 239
Overall goal of development cooperation		
Direct effect	239	567
Projects and programmes that include the poor	4 013	9 304
Indirect effects through policies and institutions	44 258	26 165
Indirect effects through national support	152 161	210 589
Other effects	133	613
Total costs	200 803	247 239
Number of valid contributions	39	46
whereof > SEK 15 m	4	2
Number of new contributions	9	7

Non-governmental organisations

In cooperation with Swedish non-governmental organisations, their partner organisations, international networks and organisations that promote democracy and development, Sida shall contribute to promote the development of a vibrant and democratic civil society in which human rights are respected. Sida's support to NGOs shall also contribute to enhancing interest and engagement in Sweden in issues relating to global development.

For Sida, the appropriation for NGOs, the so-called popular movement budget, has the aim of promoting a vibrant and democratic civil society in the partner countries through organisation development and capacity development. The condition attached to Sida's grants is that the funds are channelled to activities that are in line with Sweden's policy for global development.

EVALUATIONS

During the year Sida implemented so-called partnership evaluations of two of Sida's frame organisations: the Swedish NGO Centre for Development Cooperation (Forum Syd) and PMU Interlife. The aim of the evaluations was to assess the quality and results of partnership at the organisational level between the Swedish NGO and its local partners. The evaluations have provided Sida with more knowledge of the relationship between Swedish NGOs and their local partners in the field of development cooperation. It was also intended that the evaluations would provide support for the Swedish NGOs in understanding their role and developing their cooperation with their partner organisations. Sida is now awaiting a response and a specification of actions to be taken from the organisations that were evaluated.

Sida will make use of lessons learned from the evaluations in its work, recently started, of producing new guidelines for the appropriation. The guidelines will be completed in May 2006.

OTHER REPORTS REQUIRED

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

Report in tables 20 and 21.

2. Where support for the information activities of NGOs is concerned, Sida shall submit a report on the number of approved information grants per organisation. Sida shall submit an overall report on the ways in which the NGOs work to promote the social dialogue and increase knowledge of issues relating to global development, international development cooperation and the government's policy for global development.

The total amount for information activities was SEK 112.9 million, which was disbursed to 30 organisations. The NGOs which received the largest grants were the Swedish NGO Centre for Development Cooperation — Forum Syd (SEK 16 400 000), LO/TCO Council of International Trade Union Cooperation (SEK 12 000 000), Diakonia (SEK 5 600 000), Swedish Cooperative Centre (SEK 5 000 000), and Children's World (SEK 5 000 000). It is intended that Sida's support to the information activities of NGOs should enhance knowledge of and interest in the development debate among the Swedish general public, development cooperation, and the new policy for global development. The Swedish organisations run opinion-shaping activities as well as information activities that have the aim of creating interest and enhancing knowledge. A project, Fair Trade, in which many of the NGOs are participating, has the aim of changing Swedish consumption patterns for the benefit of the production activities of marginalised groups in developing countries. With the aid of training programmes, campaigns, information and shaping opinion, the NGOs want to enhance knowledge and stimulate an active interest in fair trade and global sustainable development among the general public. With its information grants from Sida, the Swedish Society for Nature Conservation runs the so-called "environment-friendly week" which has had a good nationwide impact ever since it started. It has contributed to increasing demand for, and imports of, eco-labelled bananas and putting the issue of gene-modified food on the debate agenda.

Sida also sees an ever-growing interest from the organisations in integrating communications in develop-

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Children's drawings for the "environment-friendly week" campaign organised by the Swedish Society for Nature Conservation which Sida contributes to.

ment cooperation. One organisation that has made considerable progress in this respect is the Swedish Mission Council, which gives prominence to the importance of communications as a tool for achieving development goals. Communication should therefore be included in the planning of programmes of development cooperation. Sida further notes that an increasing number of organisations use the Millennium Development Goals as the point of departure for their information work. One example of this is some of the member organisations of the LO/TGO Council of Trade Union Cooperation.

ANALYSIS OF OUTCOME

The total outcome for the operational area can be seen in table 22. The Swedish Parliament has gradually increased the total amount available for Swedish

international development cooperation in order to reach the goal of 1 per cent of GNI by 2006. This has also resulted in an increase in the budget for Swedish NGOs. The outcome for the budget increased from SEK 902 million in 2003, and SEK 1 000 million in 2004, to SEK 1 191 million in 2005.

There is a group of countries that traditionally have many contacts with Sweden. In these countries cooperation between NGOs is also common. Since there are so many Swedish organisations involved, the statistical outcome of NGO support varies over the years. The long-term trend shows that NGO cooperation is large with the entire group of these countries. Changes over the years tend to be temporary. In 2005 most support was channelled to South Africa, India, Kenya, West Bank and Gaza, and Uganda. Other countries that belong to this group are Tanzania, Bangladesh,

Nicaragua, Vietnam and Democratic Republic of Congo, but these countries had a somewhat lower outcome in 2005.

SIDA'S ASSESSMENT

The present guidelines were changed during the year and have been adapted on the basis of the new Swedish policy for global development. Prior to the production of the new guidelines for the NGO budget, which shall be completed in the spring of 2006, Sida has drawn up a proposal for the implications that the policy for global development may have on the budget. According to the proposal the organisations of civil society work with different strategies such as advocacy, adult education, capacity development, and creating channels through which those people living in poverty can make their voices heard.

The organisations of civil society face new challenges as a result of the Paris Agenda and the transition to an increasing proportion of budget support. The Swedish NGOs support partner organisations in partner countries that scrutinise the public institutions. Through their support to their partners, the Swedish NGOs have contributed to ensuring an increasing degree of participation by civil society in the production of national poverty reduction strategies.

The HIV/Aids situation, not least in Sub-Saharan Africa, is becoming increasingly acute. In the operational area the Swedish NGOs, in cooperation with their partners, have considerably increased the integration of HIV/Aids in their work. The increase applies both to direct contributions and, for example, to the development of new methods to reduce the spread of HIV/Aids.

Reporting the results of activities requires a well-developed follow-up system. During the year Sida

Table 20. Support via NGOs, ODA

Approved grants*	Approved grants to NGOs, disbursements in SEK '00			No. of foreign partners			No. of Swedish NGOs included in the frame organisation's activities		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Swedish NGO Centre for Development Cooperation (Forum Syd)	132 094	149 097	171 609	298	462	251	260	331	196
Swedish Mission Council	105 114	117 130	124 426	163	139	154	122	114	22
Swedish Save the Children Federation	108 430	113 650	120 000	290	280	256	0	0	0
PMU Interlife	110 000	90 000	95 000	63	62	130	84	88	34
Church of Sweden	68 313	73 777	75 097	78	78	66	0	0	0
Diakonia	66 000	72 600	95 600	274	247	239	0	4	0
Swedish Cooperative Centre	65 000	71 060	107 490	73	78	83	0	0	0
LO/TCO Council of International Trade Union Cooperation	66 228	82 254	100 030	335	357	245	171	179	22
Olof Palme International Center	37 000	44 730	64 000	8	11	90	67	78	52
Africa Groups of Sweden	28 500	30 000	35 000	55	57	53	0	0	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	29 000	32 329	37 219	100	83	65	25	21	13
Training for Development Assistance (UBV)	15 000	17 190	17 000	62	37	43	41	9	6
Swedish Society for Nature Conservation	0	0	22 015	0	0	61	0	0	3
Total	830 679	893 817	1 064 486	1 799	1 891	1 736	770	824	348
Non-requisitioned funds	-27 285	-34 113	-17 345						
Repayment of previous year' grants	-28 531	-28 322	-8 409						
Other programmes									
Information programmes via Swedish NGOs	97 009	105 483	112 850						
Support to international organisations, seminars, studies etc	9 666	11 499	5 406						
Activities at Sida Civil Society Center, SCSC	10 570	21 327	19 291						
Support to youth organisations	8 300	9 100	7 500						
Other programmes, audits etc	1 251	1 560	4 462						
Grant to the Swedish Red Cross	0	0	2 754						
Grant to the Swedish Society for Nature Conservation	0	20 000	0						
Total	901 659	1 000 351	1 190 995						

*Including separate decisions made during the year on methods support and HIV/Aids projects

Table 21. **NGOs broken down by main sector, ODA, outcome in SEK '000**

Breakdown by main sector	2005
Health	89 050
Education	152 284
Democratic governance and human rights	480 647
Conflicts, peace and security	19 730
Trade, industry and financial systems	49 570
Infrastructure	11 410
Natural resources and the environment	123 851
Other sectors	264 451
Total	1 190 995

worked on producing better forms for reports on results. One central challenge is to abandon reports on activities and to try and design a system that can detect comprehensive changes for those people living in poverty. Instruments must be further developed to make it possible to check the role played by the organisations: how they work with issues relating to participation, how they ensure that they are working in partnership, and how it is possible to subject programmes of development cooperation to quality assurance processes. There is reason to attach greater importance to developing instruments for evaluations of effects. The question of whether the budget has contributed to promote the development of a vibrant and democratic civil society can probably only be answered through an increase in the dialogue between donors, organisations and recipients and that cooperation is characterised by a joint learning process.

To further strengthen Swedish NGOs in their role of developing capacity in the fields of advocacy and adult education, Sida started working in 2005 on specifically integrating aspects of communication into its programmes of development cooperation. This integration has led to new methods for communication at the NGOs and at Sida.

Sida Civil Society Center in Härnösand arranged a number of seminars and an international conference. The aim was to stimulate consideration of the future and the preparedness of organisations to actively exert an influence on social development and to find their role with a view to 2015. Through this work Sida has learnt about forms of working that support the exchange of experience.

Table 22.

NGOs

outcome in SEK ,000

Five main partner countries 2005	2004	2005
South Africa	35 413	29 084
India	13 633	27 103
Kenya	21 738	22 656
West Bank and Gaza	15 134	22 060
Uganda	19 488	20 357
Other countries/regions	894 882	1 069 735
Total costs	1 000 288	1 190 995
Forms of support		
Project support	669	3 348
Sector programme support	0	0
Technical assistance incl. contract-financed technical cooperation	11	0
International training programmes	0	0
Credits	0	0
Guarantees	0	0
Economic reforms	0	0
Humanitarian assistance	0	0
Research	0	0
Grants to NGOs	999 608	1 187 647
Total costs	1 000 288	1 190 995
Channels		
Multilateral organisations	0	0
Swedish organisations	991 588	1 182 794
Organisations in partner countries	4 500	41
Organisations in other countries	0	0
International NGOs	4 200	8 160
Total costs	1 000 288	1 190 995
Overall goal of development cooperation		
Direct effect	589 873	849 436
Projects and programmes that include the poor	264 683	202 664
Indirect effects through policies and institutions	23 456	6 695
Indirect effects through national support	107 083	112 876
Other effects	15 194	19 324
Total costs	1 000 288	1 190 995
Number of valid contributions	165	154
whereof > SEK 15 m	14	14
Number of new contributions	55	55

Information

Sida shall contribute to increasing interest in, and knowledge of, Sweden's international development cooperation.

It shall also increase interest in the public debate and in shaping public opinion on the subject, as well in as the role of development cooperation in relation to Sweden's Policy for Global Development.

EVALUATIONS

With the aim of acquiring information for making improvements Sida commissioned an evaluation of three major subject areas for the period 1999–2005: Sida's theme programmes, Sida's cooperation with Swedish schools, and support to the information activities of NGOs.

The evaluation, which was completed in 2005, indicates among other things that the programmes aimed at the general public should have a long-term perspective (run over several years) and that it should be easier to adapt them to events in the world. Furthermore, the Global School "does a good job" and could be extended in volume and to different groups of pupils. Finally the new order of support to NGOs of the 1990s has enhanced strategic thinking but more dialogue and human resource development is required.

The evaluation also indicates that more collaboration between these fields could create positive effects.

The evaluators studied processes and effects with the aid of qualitative and quantitative methods. The target group is mainly Sida and the government. The results have been discussed at Sida and with the NGOs.

Sida has not adopted a final standpoint in respect of the evaluation.

OTHER REPORTS REQUIRED

Sida shall submit a report on the outcome of the public opinion surveys/ polls that have been made on interest in, awareness of, and attitudes towards international development cooperation and the Millennium Development Goals.

The surveys Sida commissioned during the year on Swedish attitudes towards development issues show that Swedish support for development cooperation has increased considerably. It is highly probable that this is due to the tsunami disaster in South East Asia. The change can be discerned most clearly in two fields: attitudes towards the size of the development cooperation budget and the proportion of people that state that they

have personally given money to the programmes of voluntary organisations. At the same time there are signs of a break in the trend in respect of the exaggeratedly pessimistic view of the situation and development in poor countries.

During the year two questionnaire surveys were made with the aid of Statistics Sweden—one in May and one in November—as opposed to one which is normally made at the end of the year. The reason for making two surveys was that Sida wished to see how the active interest, which seemed to have been aroused after the tsunami disaster, had affected public opinion. The May survey showed a considerable strengthening of the willingness to provide support, measured as the degree of support for the size of the development cooperation budget. Most of this increase could still be seen in the second measurement: 47 per cent were then of the opinion that the amount of government development cooperation was about right, compared with 34 per cent one year before. However, the proportion that wished to increase the size of the budget was more or less constant, 16 per cent, compared to 15 per cent one year before. At the same time the proportion that wished to do away with development cooperation entirely was at a record low level: just under 6 per cent. This should be compared with 7 per cent in the May 2004 survey. A further 19 per cent were of the opinion that the budget should be reduced, which was 7 percentage points lower than in 2004.

More than eight people in ten stated that they had contributed in one way or another to the development cooperation activities of voluntary organisations, which was an increase. In particular the proportion that stated that they had donated money increased considerably—from 39 to 63 per cent. There are clear differences between different groups—women, old people, highly educated and high income-earners are more generous than others.

Swedes had, as in earlier years, an exaggeratedly negative picture of living conditions in poor countries.

[Picture removed]

In 2005 the theme of Sida's information campaign was "Equality between Women and Men Makes the World a Richer Place".

Most Swedes believe, for example, that less than 30 per cent of the inhabitants in poor countries can read and write, while the UN's statistics show that the actual figure is over 70 per cent in those countries classified as poor. However, in the survey made in 2005 there are clear signs that a change is taking place—fewer people than before choose the most pessimistic alternatives. At the same time more and more Swedes are of the opinion that the living conditions in poor countries have actually improved during the last decade. The increase is 8 percentage points, but despite this only 26 per cent believe that a development of this type has taken place. Some 43 per cent are sceptical while 31 per cent are uncertain.

The work being done for peace and improving security is given highest priority by the Swedes when asked what is required to reduce poverty in the world. High priority is also given to contributions to enable poor countries to have fair trade conditions and debt relief.

Where different areas of development cooperation

are concerned, priority is given to social contributions such as health and education: these two sectors receive 72 per cent and 76 per cent in responses. Humanitarian contributions in cases of disasters, wars and conflicts receive 52 per cent. There are no clear effects of the tsunami disaster in responses to this question. Just as many people gave priority to disaster relief one year before.

The tsunami appears to have influenced the general public's priorities where the areas that should receive support from Sweden are concerned. The proportion that wish to give priority to Asia has increased, from 28 per cent to 37 per cent. At the same time the respondents continue to give lower priority to Central and Eastern Europe—from 30 per cent to 23 per cent.

Where the Millennium Development Goals for poverty reduction are concerned a number of changes have occurred. Almost six people in ten have heard about the MDGs. This is a considerable improvement on

2004 and 2003 when only four people in ten claimed to have heard about the goals. Approximately one in five believes it is possible to halve poverty by 2015, which is a small increase. Nine in ten think it is important that Sweden provides contributions to help ensure that the goals are achieved. This is also a small increase.

ANALYSIS OF OUTCOME

The total outcome for the operational area can be seen in table 23. The outcome was approximately SEK 60 million, which is somewhat lower than the funds available. Support was channelled via Swedish organisations and the contributions have an indirect effect through national support on the overall goal of development cooperation.

SIDA'S ASSESSMENT

Parliament allocated SEK 62 million to the operational area. What effects have these funds had?

The amount is far from sufficient for achieving a broad increase in interest and knowledge in Swedish society. Sida has therefore chosen to use the funds strategically and put them in a context where there is a wide range of interested parties: organisations, government agencies, companies, Government Offices, the education system etc.

For some years Sida, in cooperation with others, has given prominence to the theme relating to the MDGs in broad information activities directed towards the general public and in the annual development conference. In 2005 the theme was "Equality between Women and Men Makes the World a Richer Place".

Sida uses a large part of the budget to stimulate globalisation of the Swedish school—since 2003 in cooperation with the National Agency for School Improvement. This is a long-term project in which politicians in the educational field, school management and teachers are the main target group. At the same time Sida works directly with young people through Zenit—a meeting place for global issues. Zenit is run in cooperation with Malmö and the municipalities in Stockholm.

An important part of Sida's work is to provide knowledge on development cooperation. Sida does this via its website, www.sida.se, which is one of the major sites in Sweden with both broad and deep information and which is visited by 1.2 million visitors each year, as well as through Sida's experts who are in great demand in the media, above all in connection with crises and disasters in poor countries.

Is this mix—long-term and short-term inputs, broad and narrow information, activities organised by Sida and in cooperation with others—a wise strategy? In the light of surveys and evaluations the answer is positive.

Table 23.

Information, outcome in SEK '000

Forms of support	2004	2005
Project support	60 554	59 553
Sector programme support	0	0
Technical assistance incl. contract-financed technical cooperation	0	0
International training programmes	0	0
Credits	0	0
Guarantees	0	0
Economic reforms	0	0
Humanitarian assistance	0	0
Research	0	0
Grants to NGOs	0	0
Total costs	60 554	59 553
Channels		
Multilateral organisations	0	0
Swedish organisations	60 554	59 553
Organisations in partner countries	0	0
Organisations in other countries	0	0
International NGOs	0	0
Total costs	60 554	59 553
Overall goal of development cooperation		
Direct effect	0	0
Projects and programmes that include the poor	0	0
Indirect effects through policies and institutions	0	0
Indirect effects through national support	60 554	59 553
Other effects	0	0
Total costs	60 554	59 553
Number of valid contributions	35	22
whereof > SEK 15 m	0	0
Number of new contributions	26	14

However the various components can be further developed and interaction between them can be improved.

In a communication to the Government dated April 15, Sida presented its views on its information assignment. Sida's standpoint is that its information assignment is well formulated but that it is necessary for the Government to give better information to the general public on the policy for global development to enable Sida's information activities to be put in context, to focus specifically on development cooperation, and thus become more effective.

Other reporting requirements

2005



Hiv/aids

Sida shall present a report on the ways in which measures related to HIV/Aids have been consolidated and integrated into Sida's work. Sida shall present initiatives that have contributed to aspects relating to sexuality and gender equality being taken into consideration in its work with HIV/Aids. Sida shall report on the ways it has participated in relevant fora. Sida shall report on the ways in which it has participated in the coordination of international resources for combating HIV/Aids.

HIV/Aids is a strategic priority for development cooperation during the period 2005–2006 and there has been a considerable increase in contributions directed towards the HIV/Aids epidemic. The total expenditure on support for work to counteract HIV/Aids amounted to more than SEK 550 million in 2005, which is an increase of 37 per cent on 2004. In Africa the support amounted to SEK 372 million.

Sida supports prevention, care and treatment, as well as contributions that relieve the effects of HIV/Aids. In Africa there was an increase in Sida's support for sexual and reproductive rights, for enhancing gender equality, and for counteracting HIV/Aids. One example of Sida's work with gender equality and HIV/Aids is the support channelled via the Swedish Agency for Sexuality Education, RFSU, directed towards young men in southern Africa in the form of advisory services relating to relationships, sexuality and HIV/Aids. The strong links between HIV/Aids and sexual and reproductive health and rights (SRHR) plays an important role in Sida's programme of cooperation with the Pan American Health Organization, PAHO, in Latin America.

Several contributions are directed towards children who have become orphans as a result of the epidemic. In Ethiopia Sida is cooperating with Unicef to support orphans and young people. In Tanzania Sida is supporting the national plan for care and treatment.

The media play an important role in HIV/Aids work and Sida is supporting a number of initiatives of this type. To enable media in southern Africa to have policies and ethical guidelines for their work with HIV/Aids and gender equality, Sida is supporting a broad regional programme through Gender Links. Panos Southern Africa has intensified communication with poor people on HIV/Aids with the aid of radio listener clubs. In

connection with World Aids Day on December 1, 2005, the film "Transit" was screened on national television in 33 countries, including Sweden. The film is a co-production between Sida and MTV. It is directed towards young people to stimulate debate and openness on HIV/Aids. The film also has a user manual.

Sida's work of mainstreaming HIV/Aids in all sectors continues. The mainstreaming of HIV/Aids has also been given priority among partners in cooperation. One example is the regional support provided to the Asian Development Bank (ADB), which is intended to support and consolidate ADB's member states in their struggle against HIV/Aids. Efforts in the Southern African Development Community (SADC) to implement its extensive plan to combat HIV/Aids receive support from Sida and other donors.

To further strengthen Sida's work with HIV/Aids, an external function has been established. Sida's programme officers can turn to this function for advice. At head office all programme officers attended a half-day training programme on HIV/Aids in the spring of 2005. Seminars for staff at embassies on ways in which the work to counteract HIV/Aids should be integrated in other sectors and programmes were arranged in Africa. Examples of some of the areas that the seminars took up were the links between HIV/Aids and human rights and between HIV/Aids and education.

Sida has participated in the international dialogue on HIV/Aids in several ways, for example by being involved in the development of the new prevention strategy which was adopted by UNAIDS in June 2005, and by participating in the board meetings of the WHO and UNAIDS. To strengthen the international coordination of resources Sida arranged a seminar on HIV/Aids and the new aid infrastructure together with the Norwegian development cooperation agency, NORAD, UNAIDS and UNDP. Furthermore Sida has given support to UNAIDS for its publication "Aids in Africa: Three Scenarios to 2025".

In 2005 Sida provided support for the regional Aids conferences in Asia and Africa. At the Asian conference Sida arranged a satellite seminar on challenges to prevention. At seminars in Africa presentations were made of Sida-supported studies on HIV/Aids in national budgets and scientific studies of the effects of HIV/Aids.

Sexual and reproductive health and rights

1. Sida shall present a report on its support for sexual and reproductive health and rights (SRHR). The focus should be placed on the implementation of the action plan produced at the Cairo conference, with a special emphasis on the goal of universal access to reproductive health; how the support contributes to the fulfilment of the Millennium Development Goals (MDGs); the impact of SRHR in multilateral cooperation; and support to countries, multilateral organisations and Swedish and international NGOs.

Implementation of the action programme and fulfilment of the MDGs

During the year Sida acted in various ways in support of the Cairo agenda and participated in and arranged meetings and seminars with multinational organisations. In connection with the high level meeting “Stockholm Call to Action”, Sida arranged a seminar with UNFPA on the work that had taken place on the MDG relating to greater investments in reproductive health. Together with other countries, Sida has pursued the SRHR issue in order to get the WHO to act more strongly for SRHR, particularly in the matter of abortion and the right of young people to sexual and reproductive health. During the year Sida made a contribution to a Swedish policy in support of work on sexual and reproductive health and rights, which was submitted to the Government.

Impact for SRHR in multilateral cooperation

To strengthen the midwife function for safe maternity care with the aim of reducing maternal mortality, Sida financed an adviser at the WHO for the Making Pregnancy Safer initiative, a Junior Programme Officer (JPO) for Unicef in Ethiopia, and three JPO midwives at UNFPA.

With the aid of Swedish support, WHO has made a study in ten countries on violence in the home and the health of women. In connection with the presentation of the report a meeting was arranged at Sida for interested parties and the press.

Swedish and international NGOs

Sida is supporting the International Planned Parenthood Federation (IPPF), which is one of the world's largest NGOs working in support of SRHR in general and with young people in particular. In addition to providing information on sexual and reproductive health, contraceptives and HIV/Aids, it also provides support for safe abortions. During the year a system-based audit was made which drew the conclusion that progress during the last five years was impressive. The study showed that

IPPF has made its organisation efficient by introducing a new management and control system, and it has a well-established strategic framework.

In October 17 Indian midwives visited Sweden as part of a partnership project to learn about the broad working field of midwives in Sweden. Sida continued to provide support to breastfeeding networks through the International Baby Food Action Programme (IBFAN) in Africa, Asia and globally. Sida recruited a Swedish advisor to be stationed at the head office in Malaysia of the World Alliance for Breastfeeding Actions (WABA). An assessment is currently being made of Sida's support to the international federation for gynaecology and obstetrics which will start projects to strengthen maternity care in six countries together with the international midwives association.

Sida continues to provide support to the Research, Action and Information Network for the Bodily Integrity of Women (RAINBO), a regional network which focuses on scholarships for local NGOs, and support to AMANTIRE, a network which links together activists, researchers and politicians. Support has also been given to the Inter African Committee (IAC) in support of one seminar for religious leaders and three seminars for young people and women related to genital mutilation.

2. The report shall take up in particular the ways in which Sida has worked to improve the possibilities available to women and girls to obtain free, safe and accessible abortions, and to strengthen the HBT (homosexual, bisexual and transsexual persons) perspective, for example through capacity development support to strengthen the rights of women, young people and HBT persons in the partner countries.

Contributions for safe abortions have continued to be a strategic issue that has been pursued in different ways. Sida has provided further support to IPAS for regional work in Africa to reduce the number of unsafe abortions. Among other things 1 098 courses have been held in Africa. Sida also continues to provide support to the International Consortium for Medical Abortion (ICMA). Three new contributions to promote access to safe abortion were prepared during the year: IPAS' global work, Gynuity for research into medical abortions; and the International Women's Health Coalition (IWHC) which works with advocacy in the HBT field. Support was given for a regional conference on abortions held in Moscow, which attracted 600 participants from all parts of Russia.

Furthermore, a study of Sweden's work on sexual orientation and HBT issues in Swedish development policies and Swedish development cooperation was undertaken on behalf of the government. In connection with the study a meeting was arranged with the Ministry for Foreign Affairs and other stakeholders to present and discuss the report.

Disaster prevention and disaster preparedness, reconstruction and long, drawn-out refugee situations

1. Sida shall submit a report on its contributions for disaster preparedness and other contributions for the prevention of natural disasters and damage caused by events similar to disasters.

Most of Sida's support to prevent disasters is integrated in long-term projects and programmes with other main goals. Sida's contributions to prevent natural disasters are mentioned in country and regional strategies, for example in the regional strategy for the Lake Victoria region, 2004–2006.

Sida contributes to projects that strengthen levels of preparedness to provide emergency assistance and to save lives in disaster-stricken countries. Sida gives priority to contributions that promote and develop local knowledge and use local safety nets and mechanisms for preparedness. One example of Sida's support for local capacity development is the contribution to the International Red Cross and Red Crescent Federation to develop national associations and establish early warning systems, to arrange protection against cyclones, and to act rapidly when disasters occur.

As a consequence of the tsunami, Sida initiated a programme of cooperation with the Stockholm Environment Institute (SEI) to strengthen the capacity of regional and local partners to take measures to prevent disasters, to develop early warning systems, to make vulnerability analyses, to create sustainable societies, and to improve the capacity for recovery after disasters.

Sida contributes in different ways to the development of knowledge of ways in which natural disasters can be prevented. During the year Sida published a report on reducing the risk of disasters and held a series of seminars on the prevention of natural disasters. As a follow-up of the World Conference on Disaster Prevention held in Kobe, Japan, in 2005, Sida held a seminar with the Swedish Environment Secretariat for Asia (SENSA) in Bangkok, which focused on the linkages between the environment, development planning and prevention of natural disasters. Sida also participated in a study on research capacity in Central America for the prevention of natural disasters.

2. Sida shall submit a report on its support for reconstruction and recovery projects in connection with humanitarian contributions in order to facilitate the process of transition from a disaster or crisis to permanent development.

Support for reconstruction and recovery projects in connection with a process of transition from a humanitarian crisis to permanent development can include disarming, demobilising and rehabilitating ex-combatants, peace building and reconciliation,

return and reintegration of refugees and internally displaced persons, rehabilitation and reconstruction of social and economic infrastructure, and institutional support to strengthen democratic governance, legal systems and general elections. The implementing organisation is usually the UN, World Bank or international NGOs. Financing is normally provided via the UN's Trust Funds together with other donors.

In Africa Sida has contributed to cross-sector reconstruction projects through various donor funds in countries such as Sudan, Sierra Leone and Angola. Support for reconstruction in Liberia has focused on making it possible for internally displaced persons and refugees to return home. Support has been channelled to build up schools and health stations and to facilitate the creation of job opportunities.

Support for reconstruction in Afghanistan mainly includes the sectors of democracy, infrastructure and education. Through support to a fund for reconstruction, the Afghanistan Reconstruction Trust Fund (ARTF), contributions have been channelled to the Afghanistan government's running costs and investment expenditure, including support to a micro-credit institution, MISFA. MISFA has been transformed into an independent institution. It has succeeded in attracting many customers and repayment levels have been very high. Support channelled via UNDP has contributed to the implementation of parliamentary and regional elections in 2005. The Swedish National Rescue Services Agency has constructed three temporary bridges at strategic river crossings and eight pre-fabricated bridges, which has improved accessibility and facilitated transports of relief supplies and people, and has improved security at times of high water levels. UNDP and UNOPS have renovated and repaired rural roads and irrigation systems with the aid of labour intensive methods. The Swedish-Afghanistan Committee is active in 18 provinces and has provided education programmes in 413 schools for a quarter of a million children.

In Iraq support for reconstruction mainly includes cooperation with Qandil which works with the renovation of water and sanitation facilities in northern Iraq.

As a consequence of the tsunami disaster Sida prepared proposals for reconstruction projects amounting to SEK 440 million. For example, cooperation has been established with UNDP which, together with the ministry for the environment and natural resources in Sri Lanka, has published a report that describes environment and sustainability aspects of reconstruction work in the country. Support has been channelled to a Swedish temperance organisation, IOGT/NTO, in Sri Lanka for the reconstruction of houses and social services. Sida is also participating in the major international evaluation programme of the tsunami contributions and is responsible for the theme that covers the linkages between disaster contributions, reconstruction and development assistance.

Institutional support for the modernisation of the national housing fund in El Salvador has been provided in order to give poor families access to subsidised housing loans. The support is a continuation of Sida's support for the reconstruction of houses after the earthquake in El Salvador in 2001.

3. Sida shall submit a report on its contributions to projects that have the aim of finding sustainable solutions to the problems relating to long-term refugees, under the leadership of the UNHCR and other organisations.

Sustainable solutions to problems relating to long-term refugee situations are, according to UNHCR, voluntary return and sustainable reintegration or local integration. Sida provides support for voluntary return and sustainable reintegration as well as for self-support which can, in the long term, facilitate both local integration and return. By taking part in meetings Sida has participated in a dialogue with UNHCR on sustainable solutions to long, drawn-out refugee situations.

The country strategy for Somalia states that support for the voluntary return of refugees should represent a significant part of the support. Support has been channelled through the Danish Refugee Council and UNDP. Qualified Expatriate Somali Technical Support (QUEST) is also being financed via UNDP. This organisa-

tion plans to make good use of the Somali Diaspora with the provision of expert support to NGOs and the local administration for a period of three to six months.

To facilitate large-scale and secure return of refugees and internally displaced persons to Democratic Republic of Congo, support for mine clearance has been channelled through Mines Advisory Group.

Sida gives support to the International Organization for Migration (IOM) in Angola to assist returning refugees from Zambia and Democratic Republic of Congo and to contribute to sustainable reintegration. IOM also works with preventing the spread of HIV/Aids among Angolan refugees in Zambia prior to their return and with establishing local structures for HIV/Aids preventive measures in Angola.

Part of the support to people living in long-term refugee situations often includes activities that have the aim of promoting self-sufficiency, for example via support for Diakonia's projects in Thailand for refugees from Burma, and support for Palestinian refugees under the mandate of the United Nations Relief and Work Agency for Palestine Refugees in the Near East (UNWRA). Forum Syd's personnel assistance to UNHCR through the United Nations Volunteers (UNV) and Swedish Save the Children's emergency force contribute to promoting self-sufficiency among refugees.

General budget support

Sida shall submit a report on Sida's methods work related to budget support and on experience gained and results of this form of support.

In April 2005 the Government approved new guidelines for cooperation strategies, including guidelines for general budget support for poverty reduction. The new guidelines confirm the gradual change in support for economic reforms from relatively short-term support for macro-economic stabilisation to long-term support for poverty reduction. The guidelines also lay down a new decision-making procedure for general budget support. This has the effect that, in the cooperation strategy for a certain country, the Government decides whether budget support is a suitable form of cooperation. If it is assessed that appropriate conditions for budget support exist, Sida then makes a formal decision after making a further assessment.

The new guidelines for budget support necessitate the need of further policy and methods work at Sida. Initially focus has been placed on assessments of quality to be made by Sida's Project Committee. The Committee has undergone training in budget support and public financial management, and in quality reviews of the underlying

documentation for budget support. Examinations made by the Project Committee have mainly focused on whether the preparation of the contribution corresponds with the guidelines, the quality of analyses and assessments, conditions and matters relating to the dialogue, and the follow-up of results.

In the revision of Sida's guidelines for principles and working methods and the manual for contribution management, "Sida at Work", which was made in 2005, guidelines were produced for the preparation and assessment of contributions prior to the approval of general budget support.

In the preparation of budget support, the quality of the systems for public financial management and contributions to strengthen it are an important basis for the assessment. Sida's ongoing policy and methods work and capacity development in the field of public financial management are therefore of particular importance for Sida's administration of budget support.

Sida participates in international policy and methods work on budget support. During the year a decision was made in OECD/DAC on principles for budget support. One important principle is that the donors should make budget support as predictable and long-term as possible. The new decision-making process for budget support

enables Sida to enter into long-term commitments and to adjust the points in time for commitments and disbursements to the budget cycle in the partner country concerned, in accordance with the DAC principles. During the year, two-year agreements on budget support were concluded with Burkina Faso, Mali, Mozambique, Nicaragua, Rwanda and Zambia. As new cooperation strategies are produced, it is Sida's intention to enter into longer agreements.

Sida also participated in a donor forum, Strategic Partnership with Africa (SPA) in its methods development of budget support. In 2005 SPA produced a proposal containing principles for sector budget support.

Since it is not possible to follow the use of Swedish funds in the partner country's government budget, it is not possible to distinguish the results of Swedish budget support. What is possible to estimate in practice, and what is also relevant to assess, is the overall effect of the donors' budget support. An evaluation of general budget support is being made under the auspices of OECD/DAC. Its results will be presented in the spring of 2006. The aim of the evaluation is to analyse the conditions under which general budget support is an effective instrument for poverty reduction. Sida has participated in the work of the steering group and was part of the evaluation's management group in 2005. In 2005 an evaluation was also made of budget support to Tanzania on behalf of the government of Tanzania and 14 donors.

If designed correctly, budget support can contribute to improve donor harmonisation and alignment, and reduce the transaction costs of development assistance for the partner countries. In this respect, the way in which donor cooperation for budget support is designed is of great importance. Considerable progress has been achieved in recent years in the work of harmonisation and alignment. Sida has been an active partner in this work. Common frameworks with principles, conditions and forms for budget support cooperation are now to be found in most of the countries to which Sida gives budget support. Sida's experience is that it is often the case that extensive and time-demanding work is required to produce frameworks of this type, but that considerable gains can be made from the enhanced harmonisation achieved.

In Burkina Faso there is effective donor coordination for budget support and in January 2005 a new framework for budget support was signed. In the new framework Sida's initiative for combating corruption has been given prominence and a paragraph has been included in which the government of Burkina Faso undertakes to vigorously combat corruption. During the year the donors of budget support developed a matrix containing quantitative results indicators for following up budget support.

In Mali, on the other hand, there has not been any organised cooperation for budget support. However, in 2005 donor harmonisation made headway and, under

the leadership of the government of Mali, a draft version of a common framework for budget support cooperation was produced. The discussions on budget support have resulted in a greater focus on capacity development and an action plan to strengthen public financial management has been adopted.

Considerable progress was made during the year in budget support cooperation in Nicaragua. In May, Nicaragua and nine donors, including Sweden, signed an agreement on principles and procedures for budget support including indicators for follow-up. Sida makes the assessment that the follow-up matrix needs to be further developed and the number of indicators needs to be limited. At the same time the matrix has led to better coordination of different stakeholders on the Nicaraguan side. The stakeholders now need to work together to provide information on trends shown by the indicators.

The evaluation of budget support to Tanzania, which was finalised in 2005, found that the direct effects of budget support were positive. The support has promoted stronger national ownership of the development policy, contributed to focus the dialogue on strategic issues relating to the design of the economic policy and financial management, and has been an important cause of enhanced aid effectiveness. In 2005, under Sweden's chairmanship, work has taken place to adapt the dialogue on budget support and the follow-up of budget support to the country's new poverty reduction strategy. Efforts have been made to make budget support cooperation more effective in order to enhance the predictability of the support and to make the dialogue and follow-up of budget support less unwieldy and time-consuming, particularly for the government of Tanzania. A draft version of a new framework and a new follow-up matrix for budget support have been developed. The number of indicators has been reduced and the emphasis has been shifted from actions and processes to results based on goals in the PRS.

In Mozambique there is a well-developed programme of cooperation for budget support linked to the implementation of the country's PRS. Moreover, from 2005 the follow-up matrix for budget support is an integral part of the government's annual plans and the relationship between plans, budget support indicators and the government budget has thus been strengthened. At the annual review of budget support cooperation, the overall assessment of progress made was positive, even if it was established that insufficient progress had been made in respect of important structural reforms. In accordance with the framework for the follow-up of budget support, the actions of the donors were also followed up. Progress with donor harmonisation could be established but there are still shortcomings in the transparency and predictability of undertakings. A revised matrix for following up donor behaviour based on undertakings contained in the Paris Declaration has been produced.

Progress has also been made in Rwanda where donor cooperation for budget support is concerned. Half-yearly follow-ups of budget support and reforms in the field of public financial management have been introduced. The first half-yearly follow-up was made in

March 2005. The reviews have contributed to creating a dialogue on ways in which previously agreed principles for budget support cooperation have been implemented as well as ways in which cooperation can be made more effective.

Programme support and public financial management

Sida shall present a report on the measures it has taken in the field of public financial management, with a focus on those countries that receive budget support and/or where there are ongoing or planned programmes of sector support. Furthermore, Sida shall report on the ways in which it has worked to strengthen cooperation with other donors and the Bretton Woods institutions in the field of public financial management.

Sida has created a support function to implement its special three-year programme to enhance the agency's capacity and level of activities in respect of public financial management (PFM).

Sida's policy for PFM was launched at the beginning of 2005. It contains guidelines for the assessment and discussion of partner countries' systems and capacity for public financial management and for Sida's support for reforms and capacity development in this field. The production of a supplementary handbook on PFM was started in 2005.

A four-day training programme in PFM has been held for more than 60 persons stationed in the field and 25 persons based at head office. The participants included representatives of other donors such as Great Britain, Canada, Norway, Denmark, Australia, Finland and the European Commission. In addition, Sida has also provided a brief orientation in PFM to a number of departments and divisions at the agency and to staff leaving for assignments abroad. Some 175 members of staff have been involved in these activities. The internal network for PFM, in which all departments and

embassies are represented and whose aim is to promote the exchange of experience and human resource management, is working satisfactorily.

An external function has been established for PFM.

It consists of some ten firms of consultants and government agencies. One of the purposes of this function is to provide support and advice to Sida's field organisation, particularly in countries where Sida has programmes of sector support, in matters that concern PFM and programme support.

Sida has continued to consolidate its dialogue and its analytical work on PFM in the partner countries. There has been an increase in support for reforms and capacity development. Partner countries that are affected include Bolivia, Guatemala, Honduras, Nicaragua, Albania, Cambodia, Kenya, Kyrgyzstan, Laos, Malawi, Mali, Burkina Faso, Moldova, Mozambique and Zambia. In most cases Sida has conducted a dialogue, made analyses, and supported reforms and capacity building together with other donors and the Bretton Woods institutions. Sida is supporting the Civil Society Budget Initiative, a global initiative to strengthen the role of civil society in budget processes and financial management in poor countries.

Together with the Netherlands, Sida has taken the initiative to establish a joint donor education programme at country level. Cooperation and the exchange of experience, in particular with Great Britain and the World Bank's programme for public expenditure and accountability, have continued. The exchange of experience has contributed to creating a common approach to PFM and issues relating to programme support.

Organisations associated with political parties

Where support channelled through organisations associated with Swedish political parties for the development of democracy in developing countries and countries in Eastern Europe is concerned, Sida shall present a report on the breakdown of the support by organisation, region, including joint projects, and the extent to which the support is official development assistance according to OECD/DAC's definition.

The report is given in table 24 Support by region via organisations associated with political parties. The proportion of the grants given to the organisations that are directed towards DAC's ODA countries is 70.2 per cent.

Table 24. Support via organisations associated with political parties by region, outcome in SEK '000

	Africa	Asia	Latin America	Central and Eastern Europe	Global	Sweden	Total
Center Party International Foundation	805	295	0	935	0	70	2 105
Green Forum	182	0	182	920	236	12	1 530
Jarl Hjalmarsson's Foundation	500	300	500	3 000	450	200	4 950
Christian Democrat's Council for Democracy and Development	1 154	0	593	935	0	269	2 950
Olof Palme International Center	1 600	2 083	1 137	6 004	685	870	12 378
Swedish International Liberal Centre	334	95	842	2 051	788	210	4 320
Left International Forum	325	545	1 013	415	243	159	2 700
Joint projects	0	0	4 832	0	0	0	4 832
Total	4 899	3 318	9 099	14 259	2 402	1 790	35 765
Share	13,7 %	9,3 %	25,4 %	39,9 %	6,7 %	5,0 %	100,0 %
Whereof ODA	4 899	3 318	9 099	5 394	2 402	0	25 112
Proportion ODA in %	100,0 %	100,0 %	100,0 %	37,8 %	100,0 %	0,0 %	70,2 %

Child rights perspective

Sida shall submit a report on the effects the application of a child rights perspective has had on activities on the basis of the Government's communication: "A child rights perspective in international development cooperation", and a report on the measures it has taken as a result of UN Security Council resolution 1460 (2003) on children in armed conflicts.

The Government's communication contained a ten-point programme on the rights of the child in development cooperation, and four strategic areas: social reforms, health and medical care, education, and contributions for particularly vulnerable children. The communication is the basis and directive for Sida's contributions in the child rights field.

Sida's objective is to mainstream an intensified child rights perspective in its bilateral and multilateral contributions. In addition to this, it works internally to raise awareness of the staff of child rights and to promote the integration of a child rights perspective in various directives. Sida has analysed all 32 cooperation strategies that have been approved by the Government

since January 1, 2003 and the responses to a questionnaire that was distributed to embassies and field offices that are responsible for following up the strategies. A comprehensive report was submitted to the Ministry for Foreign Affairs at the end of 2005.

The responses to the questionnaire received from embassies concerned—20 responses from 32 embassies—provide an overall picture of the ways in which a child rights perspective has been integrated into Sida's development cooperation at national and regional level. The majority of the staff at the embassies that responded to the questionnaire are acquainted with the Government's communication. The responses show that most of the embassies work with child rights issues. The work with child rights mainly takes place in cooperation with civil society, the public administration, multilateral organisations (including Unicef) and international organisations working in the fields of human rights and democracy, education, health, and HIV/Aids.

To make an assessment of the 32 cooperation strategies, Sida chose to break them down into five different categories:

1. Children/young people/girls/boys are not mentioned in the cooperation strategy
2. Children/young people/girls/boys and children's problems are described in the cooperation strategy
3. Contributions/projects are implemented with children/young people/girls/boys only as a target group
4. One or more sectors/subject areas has a child rights perspective.
5. The entire cooperation strategy has a child rights perspective.

The review of the country strategies shows that all of them contain a reference to or a description of the situation of children, young people, girls and boys. Two strategies have a small number of references to the situation of children and young people but this is not followed up in the form of contributions (category 2). In eight countries support is given to projects in which children are a target group (category 3), in ten countries a definition is given of a child rights perspective in one or more sectors (category 4) and in a further nine countries both is given and to a varying degree, i.e. children are defined as a target group and a certain child rights perspective is applied in different subject areas. Only in three strategies is it specified that a child rights perspective permeates all cooperation.

The strategies contain a limited child rights perspective according to the responses to the questionnaire and the cooperation strategies studied. Most of Sida's staff in the field that responded to the questionnaire are aware of the Government's child rights communication, but in fewer than half of the cooperation strategies are there specific formulations on a child rights perspective. In

the light of this and on the basis of the priorities given in the child rights communication it is highly important for Sida to give priority to training programmes aimed at staff in the field and at head office, to propose that the child rights perspective is given specific priority in the strategies that will be adopted in the future, and to concrete programmes.

Where the Security Council resolution 1460 on children in armed conflicts is concerned, a large proportion of Sida's contributions for peace and security are provided to improve the situation of children. Sida is supporting Unicef's work in Colombia that partly has the aim of preventing children being recruited as soldiers, and partly ensuring that those children who are recruited are given the possibility for demobilisation and reintegration in society.

Sida is also supporting Save the Children's programme for demobilising, rehabilitating and reintegrating child soldiers in southern Sudan. This activity is included in a broad protection and development programme for children in southern Sudan. Furthermore an organisation, Search for Common Ground, is given support for its work in Liberia, Sierra Leone and Guinea on the integration of non-violent methods to facilitate a dialogue, for example by producing radio programmes by children for children ("Golden Kids News").

During the year, the Department of Peace and Conflict Research at Uppsala University finalised a study commissioned by Sida on the prevention of recruitment of children in armed conflicts. The study presents specific recommendations on ways in which programmes of development cooperation can be used strategically to prevent the recruitment of children, for example by identifying risk factors at an early stage.

The rights of the disabled

Sida shall present a report on the ways in which its work to integrate the rights of the disabled into its activities have progressed and developed. The report shall also include any special contributions.

During the year Sida produced a document on the ways in which its work on the rights of the disabled should be pursued in order to achieve the greatest possible impact.

The position paper "Children and adults with disabilities—Sida's development cooperation for children and adults with disabilities" gives prominence to strategic areas, and Sida's roles and procedures for promoting, in the best possible way, the conditions and needs of people with disabilities in Sida's operational areas.

Sida has worked in several different ways to give prominence to the rights of the disabled. Among other

things, people with experience in the field, principally the World Bank's advisor in matters concerning the disabled and the UN's rapporteur for standard rules, have been invited to meet Sida's staff in Stockholm. Exchanges of information of this type on what is being done and can be done to promote the rights of people with disabilities are an important part of Sida's work.

The Swedish Organisation of Handicapped International Aid Foundation (SHHIA) held a Sida-financed course (Advanced International Training Programme) during the year on the theme "Human Rights and Disability". The course had 18 participants, mainly from African organisations for the disabled and government agencies. This was the first of three planned courses directed towards people with disabilities and representatives of government agencies working in this field. The course was highly appreciated and an active

network was formed consisting of representatives of the disabled in Africa.

Sida commissioned a minor survey of the special contributions it supported in 2005 involving people with disabilities. The following emerged from the survey:

The rights perspective is applied without exception in Sida's work with the rights of the disabled, for example the right to care (projects on the West Bank, health sector support in Honduras), the right to participation in society (projects in Serbia and Montenegro and Albania), and the right to work (projects in Vietnam directed towards people with visual impairments). Furthermore mention can be made of support to an organisation in Zimbabwe for children with special needs, and support to projects in Russia to prevent children with disabilities being placed in institutions.

The gender perspective and special contributions for girls and women with disabilities vary strongly between the regions. In Africa the mainstreaming of gender equality in contributions concerning the rights of the disabled has been successful, and contributions have been provided to support the work being done on the decade of the disabled in Africa. In Africa contributions

are provided for women and girls with disabilities who are infected with HIV or have Aids.

Rehabilitation is still a major component in contributions for the disabled. Such contributions are often implemented with support to local interest organisations.

It is important that children with disabilities are permitted to attend normal schools and in Sida's support to education in South Africa there is a special programme of cooperation with the Stockholm Institute of Education.

Contributions to promote the rights of the disabled are also channelled via Swedish NGOs. In this respect, the support channelled via SHIA should be emphasised.

Where the global contributions made by Sida are concerned, it can be mentioned that grants are provided to the International Disability Alliance (IDA), and to a network linked to the UN's work to produce a convention for the disabled, Disability Rights Monitor. This is a research project in which mechanisms are sought that counteract discrimination against people with disabilities. Support is also given to Inclusion International. Here attempts are being made in four countries to find and analyse successful examples of projects to improve the living conditions of retarded children and their families.

Migration and development cooperation

Sida shall present a report on the measures it has taken in respect of migration and development cooperation.

Examples of contributions that refer to migration and development cooperation are principally from Europe.

Sida is supporting the development of transparent systems for migration, for example legal capacity and reception of refugees in individual countries. Support of this type has been channelled via the so-called Söderköping process, a EU programme of cooperation to reduce transit migration in Ukraine, Belarus and Moldova. The contribution is a programme of cooperation between the Swedish Migration Board, UNHCR, IOM and the governments of Ukraine, Belarus and Moldova.

The integrated area programmes in the Western Balkans have been in place for ten years, mainly with a focus on support to returning refugees and internally displaced persons. These programmes include the reconstruction of private houses and infrastructure, for example schools, water, electricity supplies and roads, and support for agriculture.

In 2005 Sida approved a programme of support for returnees in Bosnia and Herzegovina, Croatia and Kosovo amounting to SEK 127.6 million. The projects

include the reconstruction of 1 222 houses and agricultural support for 945 families. The integrated area programmes were evaluated in 2005. The evaluation emphasises that the self-help principle and the participation of the village committees in decision-making processes have contributed to the high degree of sustainability in the programmes.

In Bosnia and Herzegovina Sida is providing support to central and local authorities to strengthen their administration of the return of refugees and internally displaced persons.

In Macedonia Sida is providing support to a minority group, the Roma, to counteract involuntary migration with the aid of greater integration into society.

In Serbia and Montenegro Sida is contributing to an advisory and information centre in Belgrade for the reception of asylum seekers who have been expelled from northern Europe.

In southern Africa IOM is providing preventive and care services to migrant workers in cooperation with the Southern Africa Development Community (SADC) and UNAIDS. The project includes making surveys of the HIV/Aids situation and the needs of migrant workers in the mining industry and in the transport, service, agriculture and formal sectors. A regional working group on these issues has been established in southern Africa.

In Central Asia 1 591 migrant workers from

Kyrgyzstan, Uzbekistan and Tajikistan seeking work in Kazakhstan have been given assistance in seeking residence permits in Kazakhstan. The project has the aim of strengthening the human rights of the migrants through information to the authorities. A study of corruption and migration has been made in Kazakhstan and a regional meeting on these issues has been arranged.

In Colombia support has been channelled via the IOM to prevent internal displacement by allowing

vulnerable groups to have access to rights to land.

Sida has approved support to establish a research network, Forced Migration Studies, at the University of Witwatersrand in South Africa.

During the year Sida also participated in a Swedish discussion on migration from a development perspective. As an example it can be mentioned that Sida's Director General participated in a conference in Tylösand and made an address on labour migration and its consequences for development.

Promotion of gender equality and improvement of the situation of women

Sida shall submit a report on its contributions to support the participation of the partner countries and NGOs in the UN Women's Commission's ten-year follow-up of the Women's conference in Beijing; for Sida's "Gender Equality Year" in 2005; and for arrangements linked to the fifth anniversary of UN Security Council resolution 1325.

During the year Sida worked with gender equality and women's rights in several different fields. Two major working fields have predominated:

1. Revision of Sida's gender equality policy
2. Preparation and organisation of Sida's theme programme and campaign for the equality between women and men, 2005–2006.

In addition to these overall working processes regular work has been taking place at Sida in Stockholm and at the offices in the field.

Sida has held training programmes in gender equality that are compulsory for all members of staff. The programmes were held on three occasions in 2005 and some 30 members of staff participated on these occasions. In addition, seminars were held at different times during the year, mainly on gender equality and women's rights. These seminars were principally held in connection with the launching of Sida's revised gender equality policy and the theme programme on gender equality. In some cases training programmes were given to departments within the framework of their specific work.

Material and publications were produced, mainly in connection with the revised policy.

Sida provides demand-steered advisory services in gender equality for departments, offices and programme officers, based on their day-to-day needs. This work has included everything from concrete inputs for activities to making suggestions and providing contacts.

In connection with the revision of Sida's gender equality policy, and in line with the conclusions drawn in Sida's evaluation: "Mainstreaming Gender Equality 2002", Sida produced a manual containing guidelines for its work with gender equality.

Cooperation with Sida's help desk for gender equality in Africa, Femnet, provides a practical form of support for Sida's field offices in the region.

The updating of most of Sida's Country Gender Profiles was started in the year and new profiles were produced.

There was a great deal of cooperation during the year with Sida's Department for Policy and Methodology (POM) on methods work in which gender equality was a central component.

A revision process took place throughout the year. This included most reference and working groups. Above all it involved active cooperation between both networks.

Sida's revised gender equality policy was launched. This process will continue throughout 2006 with the goal of reaching all members of staff with training programmes and information on the policy and on Sida's work with gender equality.

The policy and other material was launched to all Sida staff during Sida's internal gender equality week. Seminars on various themes and subjects took place during the year.

Participation in Sida's annual campaign (this year on the theme of gender equality), through participation in steering groups and working groups, has led to the production of material and basic documentation for the campaign.

Linked to the follow-up of the UN's Women's Conference in Beijing, Sida contributed to a research report that studied how the situation of women had changed during the last ten years. The conclusions drawn in the report were that even if progress had been made in certain fields, for example political representation, things have not improved much in other fields.

During the year Sida worked with Security Council

Resolution 1325, mainly through support to civil society in our partner countries. Swedish organisations also received support for their work related to the resolution. With the aid of support from Sida, Kvinna till Kvinna implemented an important project in the Western

Balkans relating to the resolution and associated fields. Other organisations that Sida support and cooperate with on resolution 1325 are Women's International League for Peace and Freedom (WILPF), International Alert, and the Life and Peace Institute (LPI).

Climate

In line with EU's action plan for working with climate issues with developing countries, Sida shall submit a report on the support it provides in priority areas for climate work, including research cooperation, particularly of the type that concerns adaptation to the effects of climate change.

In 2005 Sida initiated a process for the coordination of Sida's work on climate with that done by developing countries, in line with EU's action plan for climate and development. Sida participated in the first meeting of EU's working group for the implementation of the action plan, which was held in October 2005. In Sida's analysis of its climate work with developing countries, Sida has also taken into consideration its own action plan for climate and development for the years 2004–2006. The analysis included making an inventory of and identifying the ongoing and strategic forward-looking

activities that coincide with priority areas in EU's action plan for climate and development.

The conclusion drawn in the report was that Sida's work on the climate with developing countries largely corresponds with the areas given priority on the EU's action plan for climate and development. It is evident from the report that the need to adapt to effects of climate change needs to be analysed and discussed in detail in Sida's development cooperation in sectors that are vulnerable to climate change. The report also proposes that more support should be given to research programmes in Sida's partner countries in respect of adaptation to effects of forthcoming climate changes.

The EU working group for the implementation of the action plan for climate and development has drawn up a time schedule and activity plan that extends to 2009 for the follow-up and reporting on the action plan.

Trade-related support

Sida shall submit a report on its support in accordance with the Government's guidelines for Swedish trade-related support for capacity development in the trade-related field, particularly in respect of the participation of poor countries in international negotiations.

Sida's trade-related support

Sida's trade-related support has the objective of strengthening the trade policy capacity of the developing countries and to develop trade. Sida also works with donor harmonisation under the Integrated Framework for Trade-Related Technical Assistance to the Least-Developed Countries (IF). In 2005 Sweden was responsible for coordination of the bilateral donors in the overall IF process, and also had the role of donor coordinator at national level in Tanzania.

Support to increase the participation of poor countries in international negotiations

To permit internationally agreed trade rules to benefit developing countries it is essential that these countries

participate actively in the formulation of the rules.

Participation of this type requires capacity to analyse the situation in the countries and the effects of proposed rules. Sida contributes to the development of capacity of this type at several different levels. One example is Sida's contribution to the annual programmes for technical assistance of the World Trade Organisation (WTO). These include a number of activities to enhance the capacity of developing countries to negotiate and implement undertakings in the fields included in the WTO's mandate. Another example is Sida's work to support the establishment of an African trade policy training centre. The aim of the centre is to train representatives of the least-developed countries in Sub-Saharan Africa in international trade policy regulations. The centre will be based on cooperation between Eastern and Southern Africa Management Institute in Arusha, Tanzania, and the Department of Economics at Lund University in Sweden.

Sida also supports other organisations that work with developing the capacity of developing countries to formulate and present negotiating positions in different trade fields, for example by producing analyses. Two

examples are the Trade Law Centre for Southern Africa (TRALAC), which supports countries in southern and eastern Africa; and the International Institute for Sustainable Development (IISD), which focuses on subsidies that have a distorting effect on trade and the environment.

Rules for trade in foodstuffs are particularly important for many developing countries. Sida therefore contributes to a fund that is run by WHO and FAO, whose goal is to support the participation of developing countries in Codex Alimentarius Commission (CAC). CAC produces standards for foodstuffs that are used as a basis for national legislation in WTO's member states.

It is also important that support to improve the negotiating capacity of poor countries is linked to the supply side of the economy. Sida therefore supports the International Trade Center (ITC), an organisation that is run jointly by WTO and UNCTAD. Part of ITC's work has the objective of enhancing the knowledge of small and medium-size enterprises of international trade rules and to increase the participation of these enterprises in the formulation of these rules. Another contribution of this type is Sida's contribution to the Joint Integrated Technical Assistance Programme (JITAP), a programme that has the goal of strengthening the capacity of enterprises in a number of African countries to take advantage of the export opportunities offered by the multilateral trade system. In Tanzania Sida is supporting the Business Environment Strengthening Programme (BEST), which has the aim of improving the regulations referring to entrepreneurship, including import and export procedures. In Vietnam Sida is supporting the Ministry of Trade in its efforts to develop a national strategy for the promotion of exports and trade.

Trade procedures

The import and export of goods and services entails procedures such as customs clearance, transit formalities and various types of administrative requirements that can create substantial transaction costs for exporters and importers. In many developing countries complicated and inefficient trade procedures are an obstacle to trade, particularly for small and medium-size enterprises. Sida

has therefore increased its capacity to make contributions that have the aim of simplifying trade procedures by allocating staff resources to the subject area, and closely monitoring developments, not least within the framework of the negotiations in the WTO. In addition, Sida is supporting UNDP's project for modernising the customs in East Timor and had a dialogue in 2005 with several different organisations on further projects in this field.

Services

Trade in services is of great importance for many developing countries. An efficient services sector is essential for a dynamic industry, and trade in services can also give developing countries the possibility of diversifying their economies. Sida is supporting several initiatives in this field. South Center, a Geneva-based intergovernmental organisation for developing countries, is implementing, with Sida's support, a project to develop the capacity of developing countries to take care of their interests in the current negotiations on trade in services in the WTO. Sida also supports International Lawyers and Economists against Poverty (ILEAP), which has produced analytical background material for negotiations on services. Sida has also entered into a dialogue with several organisations on other initiatives in respect of services.

Other work to strengthen trade-related development cooperation

In 2005 Sida adopted a policy that will govern its trade-related development cooperation. The policy lays down that Sida is to increase its trade contributions, particularly those that have the aim of strengthening the capacity of developing countries to formulate an effective trade policy that rests on effective institutions and a legal framework. During the year Sida also increased the number of its advisers in trade matters and implemented a number of contributions to enhance knowledge on the linkages between trade, economic growth and poverty at Sida. For example, seminars on various trade matters were arranged, as well as a regional conference in Asia.

Cooperation with Swedish stakeholders

Sida shall submit a report on the measures it has taken to stimulate cooperation with Swedish industry, government agencies, local authorities and other relevant stakeholders.

Sida cooperates extensively with stakeholders in Swedish society: a large proportion of Sweden's development cooperation is channelled via Swedish government agencies, Swedish industry and Swedish NGOs. During the year Sida implemented several measures to further develop its cooperation with Swedish stakeholders.

Sida has reviewed its role as a contributor to the human resource development activities of Swedish organisations working in programmes of development cooperation. As a consequence of this review Sida will continue to develop courses, primarily an overall course on the fundamental values of development cooperation, a course on the Logical Framework Approach (LFA), and a course in capacity development. In 2005, 280 participants from government agencies, NGOs and industry participated in the courses on LFA and the fundamental values of development cooperation.

A review of Sida's approach to communication was also made and Sida is continuing to work to improve its communication with organisations in Swedish society. The conclusions of the review have also been included in the development of a meeting place for stakeholders in Swedish society at Sida's new offices.

Work has commenced on producing a position paper that specifies Sida's overall approach to cooperation with stakeholders in Swedish society. In addition, Sida has implemented a project designed to clarify the content of broader cooperation with Swedish stakeholders in South Africa, Namibia and Angola, where development cooperation is being phased out.

To further develop collaboration with government agencies, a seminar was held in January with over 90 participants from government agencies, universities and ministries. A brochure was produced for this occasion that describes the focus and forms of Sida's cooperation with government agencies. One conclusion drawn at the seminar was that Sida, in order to simplify cooperation, should aspire to conclude framework agreements with all government agencies that work with several departments at Sida. Contact persons have been appointed for all public sector organisations that work with more than one department at Sida.

For agencies with extensive experience of development cooperation, high capacity, willingness to participate in development cooperation, and in demand from Sida's partner countries, Sida has established special agreements. These agreements have the effect that the agency is given additional responsibilities for the implementation of programmes of development cooperation. In 2005

such agreements were concluded with the Swedish Financial Management Authority and Swedesurvey.

Sida has also drawn attention in a communication to the Government to the need of reviewing the ordinance for the export of services and the government's annual directives and letters of appropriations to facilitate the participation of government agencies in international export of services.

To further develop cooperation with local authorities, Sida has reviewed earlier experience of municipal cooperation and tried to create new conditions and opportunities. The review established that the interest shown by local authorities in Sweden to establish more twinning arrangements is limited but there is a great deal of openness and interest in other, more flexible, forms of international cooperation. Sida's cooperation with Swedish local authorities will therefore focus on new forms of cooperation. The local authorities would also like to see a closer relationship with Sida.

In connection with the study on relocation of government agencies, the government notified its intention that Sida shall establish a twinning centre with ten full-time posts on the island of Gotland. This will mean a considerable increase in ambitions and opportunities for cooperation with local authorities. Sida has therefore delayed the further development of its local authority cooperation pending a formal decision of the government on relocation to Gotland. An interim agreement has thus been concluded with Sweden's municipalities and county councils on municipal cooperation in South Africa.

Cooperation with Swedish trade and industry has been developed and stimulated through a number of meetings with representatives of Swedish trade and industry in Swedish Project Export (SPE), with the group Swedish Consultants, and with individual consultants, but those parts of Swedish trade and industry that work with investments in and exports to developing countries request closer cooperation with Sida. An innovative project that was started in 2004 under the joint leadership of the Swedish trade unions and the Confederation of Swedish Enterprise suffered a setback in 2005 when the Confederation of Swedish Enterprise, under new management, decided to terminate its participation in the project. It was intended that the project, Labour Market Dialogue, would pass on experience of the Swedish tripartite model for cooperation between the parties on the labour market to organisations in the partner countries.

Two studies were initiated by the Ministry for Foreign Affairs in the autumn of 2005 to find ways in which cooperation between Swedish industry and development cooperation can be further developed. Sida is participating in these studies and looks forward to their results, which can contribute to the future work of further developing cooperation with trade and industry.

Social and environmental responsibilities of enterprises

Sida shall submit a report on the measures it has taken to stimulate the social and environmental responsibilities of enterprises and how guidelines for this work are reflected in the agency's procurement regulations.

In 2005 Sida worked with the social and environmental responsibilities of enterprises in several fields and Sida published guidelines on its engagement in the issue. These guidelines describe the ways in which Sida can work to ensure that companies assume their responsibilities. Sida has also established a support function with an adviser who has the responsibility for issues relating to the social and environmental responsibility of companies.

A number of activities have focused specifically on the social and environmental responsibility of companies. For example, Sida has supported the participation of developing countries in the work of producing an international standard for the social responsibility of companies. In addition, Sida has supported several organisations that monitor and report on ways in which Swedish, multinational and local companies behave in developing countries in matters such as effects on the environment, human rights and working conditions. Examples of organisations of this type are Swedwatch, Transparency International and International Alert. Furthermore, in 2005 Sida organised seminars that had the aim of increasing the awareness and knowledge of Sida's staff and external parties concerned.

Aspects of the social and environmental responsibility of companies can also be said to permeate Sida's activities since they are integrated in projects and programmes with other main aims. Among other things Sida has contributed to Foreign Investment Advisory Services,

an organisation that supports the work done by companies on their social and environmental responsibilities with the aid of advisory services. Another example is the support given to Global Corporate Governance Forum where, for example, reforms directed towards corruption in trade and industry are given support. Furthermore, Sida has contributed to funding the World Conservation Union, which also stimulates dialogue and debate on the social and environmental responsibility of companies in its work with long-term sustainable development.

Further examples of activities in the field of the social and environmental responsibility of companies, but with other main objectives, are the support given to Labour Market Dialogue, the Catalyst project and the labour market training programmes run by the ILO. These programmes have the aim of improving working conditions and strengthening human rights through cooperation between and training for different groups in working life, such as employers' associations, trade unions and company management. Sida has also supported a project together with the Swedish Metalworkers' Union and the International Council of the Confederation of Swedish Enterprise which has the aim of strengthening Swedish companies in southern Africa that are working with the prevention of HIV and treatment of Aids at workplaces.

The social and environmental responsibility of companies is given attention in Sida's procurement regulations. Sida requires that procurements that are financed by Sida, or to which Sida contributes, meet demands for environmentally sustainable development. In addition, Sida is to observe whether fundamental human rights are met. These rights are defined on the basis of ILO conventions. Requirements in respect of the social and environmental responsibilities of companies apply to both Sida and to partners in cooperation and tenderers.

Guarantees

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 outcome.

Import guarantees

Sida's guarantee commitments are being phased out. The commitments amounted to SEK 0.7 million on December 31, 2004.

Independent guarantees

The Government has authorised Sida to work with independent guarantees on a trial basis. The trial period runs from March 11, 1999 to December 31, 2006. The

budget authorised by the Government amounts to SEK 1 billion. The aim of this guarantee instrument is to mobilise commercial resources, with relatively small government funds and risk-taking, which would not have otherwise been available for projects given priority from the development policy perspective.

Sida's commitments in respect of independent guarantees amounted to SEK 165.8 million as at December 31, 2005. The commitments consist of three guarantees: a guarantee of SEK 70 million to Swedfund for borrowing in Swedish Export Credit AB in respect of Sida's participation in AIG-African Infrastructure Fund; a guarantee of SEK 95.8 million (USD 12 million) in respect of rehabilitation of the port in Maputo; and a currency risk guarantee to Swedish Export Credit in respect of a transmission investment in Namibia. A

guarantee of SEK 80 million for a share issue made by a telecommunications company, MTN-Uganda, expired in 2005, without being utilised. A risk valuation of the commitments shows a loss risk of SEK 68 million, which corresponds to Sida's reserve. In 2004 the corresponding figure was SEK 49 million. The increase in the loss risk mainly reflects an increase in the risk in respect of the port in Maputo. In view of the pilot nature of the activity, the Government has permitted the establishment of a reserve of SEK 500 million for guarantees, by allocating funds that have been accumulated in the concessionary credit scheme.

Concessionary credits

At the end of the year Sida had outstanding commitments and guarantees in 26 countries. The largest engagements were in China and Vietnam, SEK 557 million and SEK 313 million respectively, followed by Sri Lanka and Thailand.

Sida's total engagement in respect of commitments and guarantees has shown a declining trend for several years. Between 2002 and 2004 the engagement was more than halved. The reduction was partly due to changes in exchange rates and partly to a considerable reduction in commitments. However, in 2005 the declining trend has levelled out. The engagement for 2005 amounted to SEK 2.2 billion, which can be compared with SEK 2.3 billion in 2004. The reason for this is partly that the dollar has not declined in value as much as in previous years and partly that the volume of new commitments has increased. Four new commitments were made in 2005, amounting to SEK 174 million.

In 2005 Sida disbursed approximately SEK 67 million in compensation for damages to Swedish exporters and creditors, which is a considerable reduction compared to 2004 (SEK 264 million). The reduction is due to the fact that payments for damages within the framework of the within the framework of the HIPC initiative decrease

as more countries reach the so-called final point and are then offered debt write-off of up to 100 per cent. (The final point is the point in time when a country receives final debt write-off of up to 100 per cent.)

The compensation for damages in 2005 mainly refers to the continuation of the negative developments in Zimbabwe and large payments in respect of Pakistan in accordance with the Paris Club agreement.

As in previous years Algeria dominated in respect of recoveries. They amounted to more than SEK 31 million. Algeria is repaying its foreign loans in accordance with the Paris Club agreement, which remains in force until 2011.

Sida's concessionary credits showed a continuation of the positive outcome for 2004 of SEK 67.3 million. In 2005 the outcome amounted to SEK 104.0 million.

On December 31, 2005 Sida's outstanding claims amounted to more than SEK 1.0 billion, which is approximately the same level as in 2004. When consideration is taken of expected losses, caused for example by debt write-off, the claims are valued at SEK 396 million, or 38 per cent. The concentration of Sida's claims in a small number of countries is reflected in a special provision. This risk concentration is estimated at SEK 88 million and therefore the total value of the claims is estimated to amount to SEK 298 million, or 29 per cent.

The contingency reserve in respect of the risk of expected losses was estimated at SEK 187 million and the reserve for risk concentration at 100 per cent. All in all, this led to a contingency reserve for the risk in Sida's guarantee commitments amounting to SEK 287 million or 13.7 per cent.

Agency capital, i.e. assets minus liabilities and risk provisions, increased from SEK 590.3 million to SEK 694.3 million. Sida's conclusion is that the present level of the contingency reserve well covers the estimated risk level.

Table 25. Concessionary credit guarantees, SEK million

Issued during the year	2003	2004	2005
Guarantee commitments	109	71	174
Guarantees	235	68	68
Outstanding at the end of the year			
Commitments	535	492	566
Guarantees	3 287	1 842	1 617

Policy area: Foreign policy and security policy

2005



Peace, promotion of security and conflict prevention activities

Sida shall recruit, train and equip the personnel that the Government decides should be made available for international peace-keeping, promotion of security, and conflict prevention activities and implement the contributions approved by the Government. Sida shall be able to make suitable personnel available at short notice. Furthermore, Sida shall administer Swedish participation in missions, in secretariats and institutions.

During the year Sida nominated and seconded personnel to peace promotion missions, including the Organisation for Security and Cooperation in Europe (OSCE). In 2005 Sida offered to extend the appointments of personnel recruited in 2004. This has had the result that the number of new nominations was smaller than in 2004.

Recruitments to OSCE are made a short notice which has the effect that the period of time during which positions are announced is short.

Personnel assistance in the form of short assignments has been given to the United Nations Office for the Coordination of Human Affairs (UN-OCHA) since 2003 and has increased as an effect of the tsunami and the earthquake in Pakistan. Sida recruited a total of 16 persons of whom seven were directly linked to the effects of the tsunami. Other short-term assignments have been located in Sudan, Russia and Liberia.

On the instructions of the Government Sida also recruited personnel to the EU's field office (EUSR) in Georgia.

On August 14 a peace agreements was signed by the Indonesian government and the GAM movement. This formed the basis of the EU's observer programme in Aceh.

Table 26. Promotion of peace and security and conflict prevention activities, outcome in SEK '000

Organisations 2005	2004	2005
OSCE/ODIHR	2237	3090
OSCE	733	761
Total costs	2 970	3 851

Within the framework of the EU's foreign and security policy, the Aceh Monitoring Mission (AMM) was formed in September 2005. Sida was given the assignment of contributing personnel. After a one-day preparatory training course, 13 observers including one human rights adviser, travelled to Aceh for the assignment, which ends on March 15, 2007.

In 2005 Sweden contributed 14 observers to the Sri Lanka Monitoring Mission (SLMM) of which eight have management positions.

Sweden contributed 12 persons to the Temporary International Presence in the City of Hebron (TIPH).

Cooperation in the Baltic Sea region

Sida's activities shall focus on developing Sweden's relations with the Baltic Sea region and strengthening the development of the region in the operational areas concerned.

Countries given priority shall be the new EU member states in the Baltic Sea region (Estonia, Latvia, Lithuania and Poland). Activities shall be based on active participation by Swedish society, in particular government agencies, local authorities, regions and NGOs).

Sida shall submit a report on the ways in which activities have contributed to develop contributions with Swedish society, in particular government agencies, local authorities, regions and NGOs. In its annual report for 2005 Sida shall report on the progress of the assignment to develop and establish activities in Visby. Sida shall also report on the forms in which the new unit cooperates with the Baltic Sea centre.

In the Government's directives and letter of appropriations for 2005, Sida was given the assignment of developing and starting up activities at Sida's Baltic Sea Unit. On the basis of consultations that Sida held with different Swedish stakeholders in January–February 2005 to survey and analyse needs and demand, Sida submitted in February, in accordance with the Government's assignment, proposals to the Ministry for Foreign Affairs for the focus of the Unit's activities. Sida's proposals were taken into consideration in essentials in the Government's budget bill. Sida continued its preparations in the spring—obtaining an office, recruiting a manager and other members of staff, making a formal decision on the establishment of the Unit, and laying down standing orders and guidelines for the Unit's work. The Baltic Sea Unit was officially opened by Sida's Director General at a ceremony in Visby on June 22, 2005. The head of the Unit took up his post in August and in the autumn a further five posts at the Unit were filled.

Apart from purely practical matters such as equipping and furnishing the office, activities in the autumn of 2005 focused on visiting and informing potential partners in cooperation in both Sweden and the neighbouring countries in the Baltic Sea region. The aim was to make the Baltic Sea Unit known, and to identify needs as well as the demand for the Unit's services.

Table 27.

Cooperation in the Baltic Sea region, outcome in SEK '000

Main partner countries in 2005	2005
Russia	205
Estonia	25
Other regional outcome	592
Total costs	822

In addition the Unit has produced brochures, published a website etc to provide information about its work.

In 2005 the Unit implemented ten projects in the form of conferences and training programmes with the aid of grants from the Baltic Sea appropriation.

The demand for the Unit's services has started to become clear. On the basis of this demand the Unit has drawn up a proposal for specific forms of work and instruments. These will be confirmed at the beginning of 2006.

Reporting requirements on the Baltic Sea Unit's cooperation with the Baltic Sea centre is not relevant since the Baltic Sea Centre was not established in 2005.

Notes on the performance report

2005



Notes on the performance report

GENERAL

The reporting requirements laid down in the Government's annual directives and letter of appropriations for the Swedish Agency for International Development Cooperation (Sida) for the budget year 2005 are included in this report on outcome. An overview of all Sida's reporting requirements and assignments is included in appendix 7. The financial and statistical information has been taken from Sida's financial planning system, A+ (PLUS).

Operational areas are determined on the basis of budget items. There were 12 operational areas in 2005.

The classification into operational areas has been changed somewhat compared to previous years and a new operational area "Cooperation in the Baltic Sea Region" has been added. Another change is that contributions for economic reforms are included under the regional operational areas. In 2004 these contributions were part of the operational area "Economic Reforms". Since the classification and definitions of all operational areas was changed between 2003 and 2004, it is very difficult for Sida to meet the requirement that it should produce comparable information on outcome over a period of three years, as laid down in the ordinance. Comparisons are mainly made between the last two years since the operational areas are more comparable for this period.

In 2005 information was collected from Sida's divisions in respect of the number of full-time posts. The information was collected in order to make estimates for distributing the time worked by employees to regions and operational areas. The information refers to employees working with development cooperation activities (and thus excludes purely administrative posts).

Appendix 4 contains tables showing the number of full-time posts and the relationship between these posts and the outcome.

In this report on outcome Sida has made a standard breakdown of administrative expenses by operational areas (see table 28). The breakdown has been based on

the information collected in the time study of the ways in which Sida's staff have allocated their working time to the operational areas.

REVENUE AND COSTS

Negative amounts in the report on outcome are due to repayments. According to the ordinance on appropriations and the ordinance on annual reports and budget requests, appropriations are to be reduced on the basis of expenditure incurred while the information in the performance report shall refer to costs. This explains why the outcome for the operational areas in the report on outcome is different from the outcome for appropriation items. The difference consists of conditional loans disbursed during the year which are not reported as costs but which have been deducted from the appropriation at the point of time of disbursement, and unrealised exchange rate differences for conditional loans which are reported in the opposite way, i.e. as revenues and costs but not accounted for against the appropriation.

A reconciliation between the report on outcome and the statement of financial performance is presented in table 28. The difference, SEK 176 million, consists of payments that are reported in the statement of financial performance but are not reported as revenues or costs in the report on outcome. Nor have these payments been settled against appropriations.

Table 29 shows costs broken down by operational area. This table includes administration expenses broken down in accordance with what is stated under General above. In the other tables in the report on outcome the costs are broken down by operational area and exclude administration expenses.

According to the ordinance on annual reports and budget requests, the total costs and revenues of operations shall be broken down in accordance with the classification given by the government in its annual directives. Table 29 therefore shows all items from the statement of financial position broken down by operational area.

POLICY AREA: INTERNATIONAL DEVELOPMENT COOPERATION

Operational areas

There are ten operational areas in the policy area. Together they comprise the budgets for international development cooperation, bilateral development cooperation (8:1). As last year, countries that the OECD has classified as non-ODA countries and do not therefore receive ODA are also included. Previously these countries were part of another policy area (Cooperation with Central and Eastern Europe). Countries that are classified as non-ODA countries and which Sida cooperates with are: Estonia, Latvia, Lithuania, Poland, Bulgaria, Romania, Slovenia, Slovakia, Czech Republic, Hungary, Belarus, Ukraine and Russia.

In December 2005, OECD/DAC decided that Ukraine, Belarus (and Libya) should be included in the list of countries that can receive ODA. This means that the flows to these countries, which meet other criteria for development assistance, shall be reported to DAC as ODA for 2005. However, in Sida's annual report for 2005 these countries are regarded as non-ODA countries in accordance with current government directives.

Regions

Appendix 1, Costs per operational area, region/country and continent, shows the countries that are part of each region.

A contribution can refer to one or more regions in those cases where a distribution template has been used. The outcome is distributed proportionally on the basis of the template used.

Forms of support

The report on forms of support follows Sida's statistical concept Form of Support. A regrouping has been made of the codes of the forms of support in the humanitarian field. The codes that programme officers can use to classify their contributions are natural disasters, conflicts and other disaster-like conditions.

Channels

As in previous years, the report on channels is based on the statistical concept Implementing Channel. The channel, Multilateral organisations, contains UN agencies and the World Bank, among others. Swedish NGOs contains implementing organisations in Sweden, for example government agencies, organisations and universities and schools. Partner country organisations contains implementing organisations in the partner countries, for example Tanzania, and Other countries' organisations contains implementing organisations from other parts of the world, for example Norway. International NGOs include, for example, International Committee of the Red Cross (ICRC).

Table 28. Reconciliation between the Report on Outcome and the Statement of Financial Performance (SEK '000)

Statement of Financial Performance, excl revenue from appropriations	
Revenue from fees and other payments	55 772
Revenue from grants	289
Financial revenue	4 110
Operating costs including depreciation	-966 389
Collections—revenue	28 014
Collections—funds transferred to the government budget	-24 868
Funds from other agencies to finance support	19 651
Other funds received to finance support	47 445
Support provided	-13 440 736
Total as shown in Statement of Financial Performance, excl appropriation revenue	-14 276 713
Broken down by operational area, including administration costs:	
Africa	3 997 906
Asia, Middle East and North Africa	1 951 311
Latin America	978 842
Eastern Europe and Central Asia	1 642 950
Global development programmes	1 509 201
Research	886 524
Humanitarian assistance and conflict-related activities	1 903 179
Economic support	251 603
NGOs	1 201 727
Information	78 069
Promotion of peace and security and conflict prevention activities	5 030
Cooperation in the Baltic Sea region	6 583
Total broken down by operational areas	14 412 925
Other policy areas, excluding administration costs	39 410
Total including administration	14 452 335
Remaining items	175 622
According to the Statement of Financial Performance, the remaining items consist of:	
Funds received from agencies to finance support	19 651
Finance provided by funds etc to finance support	133 164
Cost of concessionary credits	-197 850
Cost of conditional loans	25 357
Damages etc contingency reserve	-67 796
Changes in doubtful debts, conditional loans	-17 103
Collections, net	3 146
Interest revenue, concessionary credits	42 002
Interest revenue, separate guarantees	1 417
Interest revenue, contingency reserve	13 218
Exchange rate differences, contingency reserve	28 039
Book value and profit/loss on sales of fixed assets	-55
Cost of soft loans	193 201
Other items	-769
Total other items that affect outcome	175 622

Sector classification

In 2005 Sida decided to use OECD/DAC's internationally accepted sector codes in order to harmonise sector classifications with other donors. These codes have been grouped in main sectors that are close to those that have been used by Sida. The main sectors are health; education; research; democratic governance and human rights; conflicts, peace and security; humanitarian assistance; infrastructure; trade, industry and financial systems; natural resources and the environment; budget support for poverty reduction and other sectors. In appendix 2 the outcome is broken down by region/country and main sector. The sector classification of each project shall be made on the basis of the field/sector the project aims to develop.

Report on the number of contributions

The definition of the number of contributions has not been changed in comparison with previous years. The number of valid contributions in one year is defined as all contributions that, according to the period stated in the agreements, have taken place at some time during the year and where the status of the agreement is agreed or completed.

The number of new contributions is the number of contributions that started during each year.

POLICY AREA: FOREIGN POLICY AND SECURITY POLICY

The operational area Peace, Promotion of Security and Conflict Prevention Activities is defined as appropriation 5 5:2 and the operational area Cooperation in the Baltic Sea Region as appropriation 5 5:11.

Table 29. Items in the Statement of Financial Performance, broken down by operational area

	Total	Africa	Asia, Middle East and North Africa	Latin America	Eastern Europe and Central Asia	Global development programmes	Research
Operating revenue and costs							
Other revenue	60 171	16 699	8 152	4 089	6 836	6 303	3 703
Costs	-966 389	-268 193	-130 921	-65 674	-109 786	-101 227	-59 472
Fees etc collected							
Revenue	28 014	7 774	3 795	1 904	3 183	2 934	1 724
Transferred to the government budget	-24 868	-6 901	-3 369	-1 690	-2 825	-2 605	-1 530
Transfers							
Other revenue	67 096	18 621	9 090	4 560	7 622	7 028	4 129
Costs	-13 440 736	-3 730 086	-1 820 874	-913 407	-1 526 924	-1 407 888	-827 149
Total	-14 276 713	-3 962 087	-1 934 127	-970 218	-1 621 895	-1 495 455	-878 596

Table 29. Items in the Statement of Financial Performance, broken down by operational area

	Humanitarian contributions and conflict-related activities	Concessionary credits	NGOs	Information	Promotion of peace and security and conflict prevention activities	Cooperation in the Baltic Sea region
Operating revenue and costs						
Other revenue	7 947	1 051	5 017	327	21	28
Costs	-127 629	-16 873	-80 584	-5 249	-338	-443
Fees etc collected						
Revenue	3 700	489	2 336	152	10	13
Transferred to the government budget	-3 284	-434	-2 074	-135	-9	-11
Transfers						
Other revenue	8 861	1 172	5 595	364	23	31
Costs	-1 775 084	-234 677	-1 120 782	-73 000	-4 704	-6 160
Total	-1 885 489	-249 274	-1 190 492	-77 540	-4 996	-6 544

Financial documents

2005



Comments

CEILING ON EXPENDITURE

In its annual directives and letter of appropriations, Sida was instructed to limit its expenditure on budget items 7 8:1 and 7 9:1. Of the funds available, Sida was permitted to disburse a maximum amount of SEK 13 911 500 000, of which SEK 546 500 000 referred to funds on sub-item 7 8:1.26.2, Eastern Europe and Central Asia, non-ODA countries, and budget item 7 9:1, Cooperation with Central and Eastern Europe.

OUTCOME IN 2005 IN RELATION TO CEILINGS ON EXPENDITURE

The outcome for Sida's main appropriations at December 31, 2005 amounted to (SEK '000):

7 8:1 + 7 9:1, outcome	13 865 492
Ceiling on expenditure	13 911 500
Outcome in relation to ceiling on expenditure	99,7 %
<i>whereof</i>	
7 9:1 + 7 8:1.26.2, outcome	525 270
Ceiling on expenditure	546 500
Outcome in relation to ceiling on expenditure	96 %
7 8:2 Administration appropriation, outcome	582 895
Total amount available	614 731
Outcome in relation to total amount available	95 %

OUTCOME OF APPROPRIATIONS

In 2005, taking the ceiling on expenditure into consideration, Sida used 99 per cent of all its appropriations. Active work on forecasts and regular reallocations between and within budget items made this high degree of utilisation possible.

The year 2005 was a year with many severe natural disasters and the need for humanitarian funds was considerable. Therefore a reallocation was made of the uncommitted unspent balance on the appropriation for concessionary credits to the humanitarian appropriation. This permitted a higher degree of utilisation of this budget item.

1. ODA = Official development assistance. Non-ODA countries are countries in Central and Eastern Europe i.e. support to these countries is not classified as development cooperation.

Summary of major expenditures (SEK '000)

Loan facility at the National Debt Office

	2005	2004	2003	2002	2001
Approved loan facility	104 000	110 000	92 000	67 000	62 000
Loan facility used at the end of the budget year	79 767	94 178	63 355	62 240	53 042

Credit account at the National Debt Office

	2005	2004	2003	2002	2001
Credit granted	20 000	20 000	19 700	20 000	20 000
Credit utilised	0	3 447	0	126	15 953

Interest revenue and costs on interest-bearing account

	2005	2004	2003	2002	2001
Interest costs on interest-bearing account	0	2	0	731	5
Interest revenue on interest-bearing account	1 025	696	1 092	1 483	1 489

Revenue from fees

	2005	2004	2003	2002	2001
Revenue from fees that Sida may use:	16 526	18 268	19 365	18 628	22 309
<i>Estimated amount in Government directives</i>	50 000	–*	–*	20 000	20 000
* No amount in directives					
Revenue from fees that Sida may not use:	24 868	30 526	30 166	45 830	40 675
<i>Estimated amount in Government directives</i>	50 000	50 000	50 000	39 000	39 000

Appropriation credit granted and utilised

	2005	2004	2003	2002	2001
Appropriation credit granted	0	397 899	7 400	12 600	12 600
Appropriation credit utilised	0	0	0	0	0

Closing balances (incl. future commitments up to 2003) and outstanding commitments

	2005	2004	2003	2002	2001
Closing balances	1 851 444	2 031 338	1 706 699	1 172 398	1 534 701
whereof committed	845 376	1 105 282	1 104 883	842 583	1 397 410

Outstanding commitments

	2005	2004	2003	2002	2001
Funds authorised	22 987 000	20 472 000	16 110 000	17 090 000	20 650 000
Outstanding commitments	17 534 199	13 543 713	13 142 701	10 569 619	9 022 496

Full-time posts and average number of employees

	2005	2004	2003	2002	2001
Number of full-time posts	749	733	727	724	711
Average number of employees	768	767	764	756	749

Operating cost per full-time employees

	2005	2004	2003	2002	2001
Operating cost	927 219	884 874	858 930	827 999	781 787
Operating cost per full-time employee	1 238	1 207	1 181	1 144	1 100

Change in capital for the year and change in capital carried forward

	2005	2004	2003	2002	2001
Change in capital for the year	-62 146	-182 289	-252 208	-311 953	-563 010
Change in capital carried forward	485 361	458 738	502 817	452 711	439 109

Statement of Financial Performance (SEK '000)

	Note	050101 -051231	040101 -041231
OPERATING REVENUES			
Revenue from appropriations	1	910 209	852 707
Revenue from fees and other charges	2	55 772	52 990
Revenue from grants		289	299
Financial revenue	3	4 110	3 273
Total		970 380	909 269
OPERATING COSTS			
Cost of staff	4	-569 235	-547 728
Cost of premises	5	-122 403	-113 992
Other operating costs		-235 580	-223 154
Financial costs	6	-3 334	-3 922
Depreciation and write-downs	10,11	-35 836	-24 560
Total		-966 389	-913 356
OUTCOME OPERATIONS		3 990	-4 086
FEES ETC COLLECTED			
Revenue from fees etc and other revenue that may not be used by Sida		28 014	25 534
Revenue from fees etc transferred to the government budget		-24 868	-30 526
Balance	33	3 146	-4 993
TRANSFERS			
Government budget contributions for development cooperation	1	13 304 357	11 868 293
Government agency contributions for development cooperation		19 651	19 906
Other funds received for development cooperation		47 445	41 036
Financial revenue	7	106 708	80 255
Financial costs	8	-21 750	-63 824
Development cooperation provided		-13 525 694	-12 118 875
Balance		-69 282	-173 210
CHANGE IN CAPITAL FOR THE YEAR	9	-62 146	-182 289

Statement of Financial Position (SEK '000)

	Note	2005-12-31	2004-12-31
ASSETS			
Intangible fixed assets			
Capitalised expenditure on research and development		10 828	12 152
Rights and other intangible assets		16 230	18 129
Total intangible fixed assets	10	27 058	30 281
Tangible fixed assets			
Improvements to non-Sida property		16 882	20 993
Machinery, plants, equipment etc		42 705	44 413
Advance in respect of tangible fixed assets		1 286	8
Total tangible fixed assets	11	60 873	65 414
Financial assets			
Long-term claims	12	711 452	595 924
Total financial assets		711 452	595 924
Lending	13	421 225	411 167
Stocks etc			
Advances to suppliers	14	0	3 000
Total stock		0	3 000
Receivables			
Accounts receivable		1 997	239
Claims on other agencies		70 505	59 427
Other claims		14 955	11 167
Total receivables	15	87 458	70 833
Cut-off items			
Pre-paid costs		27 182	19 591
Accrued revenue from grants		33	79
Other accrued revenue		8 891	4 544
Total cut-off items	16	36 107	24 215
Settlement with the government	17	82 811	173 224
Cash and bank			
Balance on interest-bearing account at the National Debt Office		61 233	50 632
Other balances at the National Debt Office		1 999 124	1 946 864
Cash, postal giro and bank balances		25 401	71 364
Total cash and bank	18	2 085 758	2 068 860
TOTAL ASSETS		3 512 742	3 442 919

	Note	2005-12-31	2004-12-31
CAPITAL AND LIABILITIES			
Agency capital			
Government capital	19	2 682 115	2 647 493
Change in capital brought forward	20	485 361	458 738
Change in capital from statement of financial performance	9	-62 146	-182 289
Total agency capital		3 105 330	2 923 943
Provisions			
Provisions for pensions etc	21	4 777	4 177
Total provisions		4 777	4 177
Liabilities			
Loans at the National Debt Office	22	79 767	94 178
Debts to other agencies		89 834	101 598
Accounts payable		160 264	256 802
Other liabilities		21 156	14 819
Deposits		3	5
Total liabilities etc		351 024	467 401
Cut-off items			
Accrued costs		44 247	43 569
Unused grants		7 329	3 830
Other deferred revenue		36	0
Total cut-off items	23	51 611	47 399
TOTAL CAPITAL AND LIABILITIES		3 512 742	3 442 919
CONTINGENT LIABILITIES			
Government guarantees for loans and credits			
Loans to personnel in the field		706	950
Swedish school association in Nairobi	24	0	2 000
School in Nicaragua	24	0	400
Other contingent liabilities			
Import guarantees		702	1 943
Conditional loans		40 001	10 637
Write-off loans		2 968	6 620
Separate guarantees		165 850	229 650
Guarantee commitments, concessionary credits		2 183 000	2 334 000
Contingencies		4 498	9 098
TOTAL CONTINGENT LIABILITIES		2 397 724	2 595 297

Appropriation report (SEK '000)

ACCOUNTING AGAINST APPROPRIATIONS

Appropriation	Name of item	Note	Opening transferred balance	Allocation for the year	Re-allocations	Total amount available	Outcome	Closing balance	Whereof committed
			Note 25, 26	Note 27	Note 28				Note 36
7 8:1	DEVELOPMENT COOPERATION (Framework appropriation, all items)								
7 8:1.1	Humanitarian assistance and conflict-related activities		120	1 530 000	412 000	1 942 120	1 876 997	65 122	64 319
7 8:1.2	Information		89	62 000		62 089	59 553	2 536	118
7 8:1.3	Global development programmes		36 216	1 550 000	123 000	1 709 216	1 463 543	245 673	152 927
7 8:1.5	Non-governmental organisations		111 000	1 200 000		1 311 000	1 190 995	120 005	21 910
7 8:1.6	Asia, Middle East and North Africa		151 851	1 935 000		2 086 851	1 840 785	246 066	102 012
7 8:1.7	Latin America		40 640	1 095 000		1 135 640	930 702	204 938	80 893
7 8:1.9	Africa		509 120	4 055 000	-587 000	3 977 120	3 825 257	151 863	141 687
7 8:1.26	Eastern Europe and Central Asia								
7 8:1.26.1	Eastern Europe and Central Asia, (ODA)		58 787	940 000	70 000	1 068 787	1 037 856	30 931	30 431
7 8:1.26.2	Eastern Europe and Central Asia, (non-ODA)		250 172	402 000	-5 500	646 672	484 528	162 144	161 488
7 8:1.26	Total Eastern Europe and Central Asia		308 958	1 342 000	64 500	1 715 458	1 522 383	193 075	191 919
7 8:1.32	Research		144 727	875 000		1 019 727	846 780	172 947	66 586
7 8:1.33	Concessionary credits		607 568	400 000	-370 000	637 568	267 754	369 813	20 630
7 8:1	TOTAL DEVELOPMENT COOPERATION		1 910 290	14 044 000	-357 500	15 596 790	13 824 750	1 772 040	843 001
7 8:2	DEVELOPMENT COOPERATION ADMINISTRATION (Framework appropriation)								
7 8:2.1	Sida's development coop. administration		25 791	588 940		614 731	582 895	31 836	
7 9:1	COOPERATION WITH CENTRAL AND EASTERN EUROPE (Framework appropriation, all sub-items)								
7 9:1.1	Candidate countries		40 862			40 862	40 672	190	
7 9:1.2	Russia, Ukraine and Belarus		119			119	70	49	
7 9:1	TOTAL COOPERATION WITH CENTRAL AND EASTERN EUROPE		40 981			40 981	40 742	239	
5 5:2	PEACE AND PROMOTION OF SECURITY ACTIVITIES (Framework appropriation)								
5 5:2.3	Sida's operations abroad	29	2 030	5 000	-2 030	5 000	3 851	1 149	39
5 5:11	COOPERATION IN THE BALTIC SEA REGION (Framework appropriation)								
5 5:11.1	Cooperation in the Baltic Sea Region	30		15 904	-1 390	14 514	822	13 692	
24 39:6	PRIVATE SECTOR DEVELOPMENT IN THE BALTIC SEA REGION (Framework appropriation)								
24 39:6.6	At the disposal of Sida	31	52 247			52 247	19 759	32 488	2 336
GRAND TOTAL		32	2 031 338	14 653 844	-360 920	16 324 262	14 472 818	1 851 444	845 376

ACCOUNTING AGAINST REVENUE HEADINGS

Revenue heading	Designation	Note	Estimated amount	Revenues
2394	Other interest revenue			1 865
2511	Office fees			7 422
2535	Fees for government guarantees			20
2811	Other revenue from government operations			15 562
4526	Repayment of other loans			14 719
TOTAL		33	50 000	39 587

AUTHORISATIONS

Appropriation	Name of item	Authorised amount	Commitments b/f	Outstanding commitment 051231	Outstanding commitments by year				Total
		Not 34	Not 35	Not 36	2006	2007	2008	2009–	Not 36
7 8:1	DEVELOPMENT COOPERATION (Framework appropriation)								
7 8:1.1	Humanitarian assistance and conflict-related activities	800 000	211 530	517 603	467 283	33 198	2 000	0	502 482
7 8:1.2	Information	60 000	3 205	25 534	11 745	13 789	0	0	25 534
7 8:1.3	Global development programmes	1 850 000	903 056	1 246 999	699 978	324 589	153 330	21 242	1 199 139
7 8:1.5	Non-governmental organisations	2 500 000	1 496 485	1 850 266	986 677	522 850	340 000	0	1 849 527
7 8:1.6	Asia, Middle East and North Africa	4 100 000	2 535 530	3 650 450	1 585 858	1 025 870	558 484	470 782	3 640 995
7 8:1.7	Latin America	2 100 000	1 169 370	1 648 917	926 855	401 459	192 488	105 443	1 626 246
7 8:1.9	Africa	7 777 000	4 404 859	5 363 956	3 290 974	1 376 786	528 906	109 031	5 305 696
7 8:1.26.1	Eastern Europe and Central Asia, ODA countries	1 700 000	959 683	1 512 012	951 718	407 536	109 486	16 245	1 484 985
7 8:1.26.2	Eastern Europe and Central Asia, non-ODA countries	600 000	547 029	560 897	385 578	125 385	42 575	1 870	555 409
7 8:1.32	Research	1 300 000	1 045 452	979 765	575 381	280 640	102 198	21 000	979 218
7 8:1.33	Concessionary credits	200 000	17 515	177 800	51 438	126 000	0	0	177 438
7 8:1	TOTAL	22 987 000	13 293 713	17 534 199	9 933 485	4 638 103	2 029 467	745 613	17 346 669

FINANCIAL CONDITIONS (SEK '000)

Appropriation	Designation	Conditions	Type	Financial conditions	Outcome 2005
	CEILING ON EXPENDITURE				
7 8:1	Development cooperation and cooperation				
and 7 9:1	with Central and Eastern Europe	Ceiling on expenditure 2005	Govt. directive	13 911 500	13 865 492
7 8:1.26.2	Non-ODA countries and cooperation				
and 7 9:1	with Central and Eastern Europe	Ceiling on expenditure 2005	Govt. directive	546 500	525 270
7 8:1	DEVELOPMENT COOPERATION (Framework appropriation)				
7 8:1	Development Cooperation	Field posts	Govt. directive	250 000	247 603
		Sida may use SEK 12 000m for its guarantee activities	Govt. directive	12 000 000	2 349 552
		of which a maximum of SEK 1000m refers to independent guarantees		1 000 000	165 850
		and SEK 30m to capital market and import guarantees		30 000	702
7 8:1.1	Humanitarian assistance and conflict-related activities				
		Humanitarian assistance, Russia re armed conflict in Chechnya	Govt. directive	40 000	23 950
		Max SEK 200m for conflict-related activities	Govt. directive	200 000	140 066
		Support to ICRC' field projects	Govt. directive	280 000	280 000
		Financial contribution to UN appeal for humanitarian assistance for natural disaster around Indian Ocean (UD2005/572/GS)	Govt. decision	150 000	143 409
		Humanitarian assistance to Burmese refugees in Thailand (UD2005/451/GS)	Govt. decision	29 700	29 700
		Humanitarian assistance for the internally displaced and returnees via Norwegian refugee aid (UD2005/38467/GS)	Govt. decision	32 000	32 000
7 8:1.3	Global development programmes				
		Support for multilateral and bilateral work on drugs	Govt. directive	15 000	14 278
		Support via political party organisations for democratic development in developing countries	Govt. directive	24 100	22 909
		Support to World Maritime University (WMU) in Malmö	Govt. directive	27 000	23 224
		Support for the Fast Track Initiative of Education for All (EFA)	Govt. directive	100 000	0
		At least 50m for contributions in the field of trade policies and regulations	Govt. directive	50 000	53 233
		One-off payment to Global Crop Diversity Trust	Govt. directive	50 000	50 000
		Grant to International Planned Parenthood Federation (IPPF): minimum SEK 85m	Govt. directive	85 000	85 000
		Grants to GAVI, including annual Fees: minimum SEK 100m	Govt. directive	100 000	104 350
		Multilateral enviromental contributions	Govt. directive	16 500	13 637
		Consolidation of Sida's participation in and follow-up of multilateral enviromental work	Govt. directive	1 000	802
		Authority for Sida to approve support for the World Conservation Union, IUCN (UD2004/60302/GU)	Govt. decision	30 000	30 000
7 8:1.5	Non-governmental organisations	Information on developing countries	Govt. directive	120 000	113 314

Appropriation	Designation	Conditions	Type	Financial conditions	Outcome 2005
7 8:1.6	Asia, Middle East and North Africa	Cooperation agreement with Asian Development Bank—for the establishment of a special fund for HIV/Aids and a Swedish contribution to the fund (UD2005/8589/GS)	Govt. decision	40 000	40 000
		Swedish election observers for the parliamentary and provincial election in Afghanistan (UD2005/32671/ASO)	Govt. decision	600	310
		Support for EU observer project in Aceh, Indonesia (UD2005/44744/EP)	Govt. decision	40 000	25 000
		Swedish contribution of one development adviser in Afghanistan (UD2005/55718/EP)	Govt. decision	1 600	0
7 8:1.7	Latin America	Replenishment: Swedish-Chilean development fund (UD2005/12753/AME)	Govt. decision	15 000	15 000
7 8:1.9	Africa	Agreement with Govt of Tanzania on 3-year support for Tanzania's HIV/AIDS Care and Treatment Plan, 2004–2006 (UD2004/32455/AF)	Govt. decision	150 000	47 614
		Bilateral development cooperation with Govt of Tanzania	Govt. decision	750 000	609 196
		Swedish election observers—parliamentary elections in Ethiopia (UD2005/17632/AF)	Govt. decision	700	682
7 8:1.26.1	Eastern Europe and Central Asia ODA countries	Contributions in Turkey	Govt. directive	20 000	16 405
		Swedish personnel support for OSCE's activities—Western Balkan and CIS states	Govt. directive	13 200	12 835
		– <i>whereof administrative costs</i>		500	497
7 8:1.26.2	Eastern Europe and Central Asia Non-ODA countries	Support to Swedish party political organisations for democratic development	Govt. directive	13 500	12 819
		Support to NGO's information activities in Sweden	Govt. directive	5 000	3 683
		Support to OSCE's election project for the repeated election in Ukraine (UD2004/65685/EP)	Govt. decision	715	427
7 8:1.32	Research	Support for development research into developing countries in Sweden	Govt. directive	100 000	98 877
7 8:2	Sida's ADMINISTRATION (Framework appropriation)				
7 8:2.1	Sida's administration	Credit guarantees for loans to staff	Govt. directive	15 000	706
		Indicative amount for non-ODA countries of SEK 46m, —of which max SEK 15m for Sida's unit on Gotland and to establish the unit	Govt. directive	15 000	5 761

Cash flow statment (SEK '000)

	Note	050101 -051231	040101 -041231
OPERATIONS			
Costs	37	-929 926	-890 356
Financing of operations			
Revenue from appropriations		910 209	852 707
Revenue from fees and other payments	38	54 907	51 995
Revenue from grants		289	299
Other revenue		4 110	3 273
Total funds provided for financing of operations		969 515	908 274
Reduction in stocks		3 000	-1 931
Increase in short-term claims		-25 370	27 591
Increase in short-term liabilities		26 031	-1 146
CASH FLOW FROM OPERATIONS		43 251	42 432
INVESTMENTS			
Investments in tangible fixed assets		-24 767	-23 159
Investments in intangible fixed assets		-3 361	-2 469
Total investment expenditure		-28 128	-25 628
Financing of investments			
Loans from National Debt Office		21 333	54 348
– repayment		-35 744	-23 525
Sales of fixed assets		892	1 135
Total funds available for financing of investments		-13 518	31 957
Change in short-term receivables and liabilities		615	-400
CASH FLOW TO INVESTMENT ACTIVITIES		-41 031	5 929
LENDING ACTIVITIES			
New loans and write-downs		-24 776	-10 329
Repayments		14 719	5 384
Total lending expenditure		-10 058	-4 946
Financing of lending activities			
Increase in government capital with funds received from government budget		269 375	45 266
Total funds provided for financing of lending activities		269 375	45 266
CASH FLOW FROM LENDING ACTIVITIES		259 317	40 321
FEES ETC COLLECTED			
Revenue from fees etc which may not be used by Sida		28 014	25 534
Change in short-term receivables and liabilities		-3 146	4 993
Payments to government budget		24 868	30 526
Revenue from fees etc transferred to the government budget		-24 868	-30 526
CASH FLOW TO COLLECTION ACTIVITIES		0	0

	Note	050101 -051231	040101 -041231
TRANSFERS			
Development cooperation provided	-13 525 694		-12 118 875
Financial revenue	106 708		80 255
Financial costs	-21 750		-63 824
Change in short-term receivables and liabilities	-124 399		23 825
Change in long-term claims	-115 528		-72 906
Disbursements in transfer activities		-13 680 664	-12 151 525
Financing of transfer activities			
Funds from government budget for financing of development cooperation	13 304 357		11 868 293
Funds from other agencies for financing of development cooperation	19 651		19 906
Other funds received for financing of development cooperation	47 445		41 036
Reduction in government capital with funds from government budget	-25 842		166 927
Total funds available for financing of transfer activities		13 345 612	12 096 161
CASH FLOW TO TRANSFER ACTIVITIES		-335 052	-55 364
CHANGE IN LIQUID FUNDS		-73 515	33 318

	050101 -051231	040101 -041231
SPECIFICATION OF CHANGE IN LIQUID FUNDS		
Liquid funds at the beginning of the year	2 242 084	2 208 766
Reduction in cash and postal giro balances	-45 963	51 315
Increase in balances in National Debt Office	62 861	-10 070
Reduction in settlement with Government	-90 413	-7 927
Total change in liquid funds	-73 515	33 318
Liquid funds at the end of the year	2 168 569	2 242 084

GENERAL

Sida is obliged to maintain accounts as laid down in the bookkeeping ordinance. This annual report has been drawn up in accordance with the ordinance on the annual reports and budget requests 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 prevailing rate at the year-end. Claims have been valued at the buying rate at the year-end, liabilities at the selling rate at the year-end.

Fixed assets are assets for permanent use that have 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.

Sida has a limit of SEK 100 000 for accrual accounting purposes.

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.

Expenditure classified as transfers is settled against the appropriation according to the cash principle in those cases where payments are based on official decisions on grants or requisitions received. Invoices received in respect of goods and services that are classified as transfers are settled against the appropriations according to the expenditure principle.

The value of the contingency reserve is calculated by the Swedish Export Credits Guarantee Board (EKN). When calculating the value, 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 risk since commitments are dominated by a few countries and the result is therefore greatly dependent on assessments of these countries.

Exemption from financial management rules

Under the Government's annual directives, Sida has been granted exemptions from the ordinance (1994:14) on government agencies' payments and funds administration in respect of the following bank accounts:

- Account in a commercial bank for emergency cash payments, for payments of letters of credit and for transfers of funds to embassies.

STATEMENT OF FINANCIAL PERFORMANCE

Note 1. Relationship between revenue from appropriations according the appropriation accounts and the Statement of Financial Performance

	050101 -051231	040101 -041231
Appropriation outcome as shown in the appropriation accounts	14 472 818	12 938 576
Appropriation revenue as shown in the statement of financial performance	-910 209	-852 707
Funds received from the government budget for the financing of developing cooperation.	-13 304 357	-11 868 293
Accounted against state capital (loans)	-258 252	-217 577
	0	0

Note 2. Revenue from fees and other payments

	050101 -051231	040101 -041231
Revenue in accordance with Fees Ordinance	16 437	17 166
Revenue from fee-financed operations	89	107
Other operational revenue	39 245	35 717
Total revenue	55 772	52 990

Note 3. Financial revenue from operations

	050101 -051231	040101 -041231
Interest revenue on interest-bearing a/c at National Debt Office	1 025	696
Other interest revenue	47	57
Exchange rate gains	2 262	1 986
Other financial revenue	776	534
Total financial revenue from operations	4 110	3 273

Note 4. Payroll costs

	050101 -051231	040101 -041231
Total costs for personnel	-569 235	-547 728
Of which salaries and wages	-323 579	-304 435

Payments to members of the board and information on other assignments of board members

Taxable payments (in accordance with the ordinance relating to fees payable to members of government boards, committees and councils etc.) and other benefits received by members of the board, and a report on their assignments as board or council members in other government agencies and assignments in limited companies, in accordance with the ordinance on annual reports and budget requests.

Member	Taxable payment	Membership of other boards
Norrfalk, Maria (Director General)	1 061	Folke Bernadotte Academy Sveaskog AB
Björling, Ewa	10	National Social Insurance Board
Ekholm, Berndt	14	Environment Protection Agency
Gustafsson, Holger	14	—
Håkansson, Leif	12	National Board of Agriculture Agency for Innovation Systems National Energy Board
Kokko, Ari	12	—
Lind, Hilda	10	—
Ohlsson, Birgitta	12	—
Palme, Joakim	12	Tamburkaptenen AB
Risinggård, Börje	14	Swedish Customs Swedish Research Institute of Trade Silf Competence AB Swedish-Russian Chamber of Commerce AB Swedish-Polish Trade Services AB Nordiska Unipol AB
Ytterberg, Mariann	12	—
Total payments	1 183	

Report of absence due to sickness at Sida

In accordance with paragraph 3 of the Ordinance on annual reports and budget requests, information shall be provided on absence due to sickness at the agency. Absence due to sickness in the table is expressed as a percentage of the employees' total working time for each group.

Absence due to sickness	050101 –051231	040101 –041231
Total	2,46 %	2,72 %
whereof long-term absence due to sickness >60 days *	58,44 %	57,25 %
Men	1,84 %	1,90 %
Women	2,86 %	3,26 %
Employees – 29 years	1,27 %	1,32 %
Employees 30–49 years	1,93 %	2,16 %
Employees 50 years –	3,12 %	3,31 %

* The figure given in the annual report for 2004 was incorrect and has now been corrected.

Note 5. Costs of premises

The increase in the cost of premises is mainly due to the fact that the main contract for Sida's head office in Stockholm expired on September 30. The new contract increases the cost of premises by SEK 15 million per year.

Note 6. Financial costs, operations

	050101 -051231	040101 -041231
Interest costs, loans, National Debt Office	-1 592	-1 401
Exchange rate losses	-837	-1 753
Other financial costs	-906	-768
Total financial costs, operations	-3 334	-3 922

Note 7. Financial revenue, transfers

	050101 -051231	040101 -041231
Interest revenue, concessionary credits	43 419	44 830
Interest revenue, Contingency Reserve	13 090	18 860
Exchange rate gains	50 199	16 564
Total financial revenue, transfers	106 708	80 255

Note 8. Financial costs, transfers

	050101 -051231	040101 -041231
Interest costs, Contingency Reserve	128	-184
Exchange rate losses	-21 773	-63 478
Other financial costs	-105	-162
Total financial costs transfers	-21 750	-63 824

Note 9. Change in capital for the year

	050101 -051231	040101 -041231
<i>Accrued differences in appropriation- financed activities</i>		
Repayments	35 744	23 525
Personnel costs	1 762	-1 966
Depreciation	-35 836	-24 560
Collections	3 146	-4 992
Other	2 835	-1 097
<i>Surpluses/deficits in appropriation-financed activities</i>		
Outcome, conditional loans	-4 486	12 887
Concecssionary credits – grant elements	-172 850	-274 692
Outcome: soft loans	-16 799	2 755
Outcome: contingency reserve	103 966	67 321
Other transfers	20 372	18 531
Change in capital for the year	-62 146	-182 289

STATEMENT OF FINANCIAL POSITION

Note 10. Intangible fixed assets

	051231	041231
Capitalised expenditure on development		
Opening balance acquisition value	12 776	10 903
Acquisitions during the year	1 250	1 873
Closing balance acquisition value	14 026	12 776
Opening balance accumulated depreciation	-624	0
Depreciation 2005*	-2 574	-624
Closing balance accumulated depreciation	-3 198	-624
Book value	10 828	12 152
Rights and other intangible fixed assets		
Opening balance acquisition value	19 083	18 487
Acquisition during the year	2 111	597
Closing balance acquisition value	21 195	19 083
Opening balance accumulated depreciation	-954	0
Depreciation 2005*	-4 010	-954
Closing balance accumulated depreciation	-4 964	-954
Book value	16 230	18 129
Closing balance intangible fixed assets	27 058	30 281

* Depreciation has increased since Sida's new electronic document handling system "E-doc" was taken into operation in the autumn of 2004.

Note 11. Tangible fixed assets

	051231	041231
Improvements to non-Sida property		
Opening balance acquisition value	54 241	53 094
Acquisition during the year	5 662	1 148
Closing balance acquisition value	59 903	54 241
Opening balance accumulated depreciation	-33 248	-27 382
Depreciation 2005*	-9 772	-5 866
Closing balance accumulated depreciation	-43 021	-33 248
Book value	16 882	20 993
Machines, equipment, installations etc.		
Opening balance acquisition value	172 432	161 493
Acquisitions during the year	17 827	22 265
Reverses – acquisition value sales/scrapped items	-31 570	-11 327
Closing balance acquisition value	158 689	172 432
Opening balance accumulated depreciation	-128 019	-122 091
Depreciation 2005	-19 480	-17 116
Reversed depreciation sales/scrapped items	31 515	11 187
Closing balance accumulated depreciation	-115 985	-128 019
Book value	42 705	44 413
Advances in respect of tangible fixed assets		
Book value**	1 286	8
Closing balance tangible fixed assets	60 873	65 414

* Sida will move into new premises in the autumn of 2006. The remaining period of depreciation for expenditure on improvements referring to Sida's existing premises has been adjusted in consideration of this.

** Advance in respect of tangible fixed assets refers to purchases of vehicles incl. a bullet-proof vehicle for Afghanistan.

Note 12. Long-term claims

This item mostly consists of the contingency reserve (SEK 694 305 000), which is administered by the Export Credits 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. The remainder of this item is a claim on Swedfund in respect of a conditional loan (SEK 17 147 000). The claim consists of repayments of capital and interest received which have not yet been accounted for by Swedfund to Sida.

Note 13. Lending

	051231	041231
Soft loans		
Opening balance	233 840	225 761
Reclassification as conditional loans	0	-12 963
New loans in the year	17 510	24 432
Repayments during the year	-3 389	-3 389
Closing balance	247 961	233 840
Conditional loans		
Opening balance	177 327	180 461
Reclassification from soft loans	0	12 963
New loans in the year	49 093	15 537
Repayments during the year	-11 329	-1 994
Loans written off	-4 844	0
Change for the year: exchange rate differences	-8 318	-15 384
Change for the year: expected losses	-17 103	-8 670
Change in funds not yet accounted for*	-11 562	-5 585
Closing balance	173 264	177 327
Total closing balance	421 225	411 167

*Refers to capital payments and interest received that have not yet been accounted for by Swedfund to Sida. See also note 12.

Note 14. Advances to suppliers

The figure for 2004 has been adjusted by SEK 2 947 000 since the item has been partly reclassified under Other Claims and Claims on Other Agencies.

In 2004 the item consisted of an advance to Ramboll Natura AB for the implementation of a project in Zambia.

Note 15. Receivable

Claims on other government agencies increased in 2005 by SEK 11 078 000. This is partly due to an increase in VAT claims resulting from the increase in the outcome on appropriations. The figure for 2004 has been adjusted by SEK 1 432 000 due to a reclassification from Advances to Suppliers, see Note 14.

Other Claims increased in 2005 by SEK 3 788 000 which is partly due to claims in respect of co-financed contributions.

The figure for 2004 has been adjusted by SEK 1 515 000 due to a reclassification from Advances to Suppliers, see Note 14.

Note 16. Cut-off items

	051231	041231
Prepaid rent	24 472	19 592
Other prepaid costs	2 710	0
Accrued grant revenue	33	79
Accrued interest revenue*	8 130	4 054
Other accrued revenue	761	490
Closing balance	36 107	24 215

* Accrued interest revenue consists partly of claims in respect of UNDP (SEK 3 913 000) and FAO (SEK 2 382 000).

Note 17. Settlement with the government

	051231	041231
Opening balance	173 224	181 151
<i>Settled against government budget</i>		
– Appropriations	14 472 818	12 938 576
– Revenue headings	–39 587	–35 910
<i>Settled against government budget, total</i>	<i>14 433 232</i>	<i>12 902 666</i>
<i>Settled against government current account</i>		
– Appropriation funds deposited on interest-bearing account	–588 940	–557 189
– Collections etc.	1 157 342	1 092 348
– Transfers etc.	–15 092 047	–13 445 752
<i>Settled against government current account, total</i>	<i>–14 523 645</i>	<i>–12 910 593</i>
Settlement with the government for 2005	–90 413	–7 926
Closing balance	82 811	173 224

Note 18. Cash and bank*Holding on interest-bearing account at the National Debt Office*

Sida has an interest account credit of SEK 20 million on its interest-bearing account at the National Debt Office. The holding on the account consists in essentials of appropriated funds. The balance has increased by approximately SEK 11 million largely due to the increase in the unspent balance on the administrative appropriation.

	051231	041231
The interest bearing account consists of		
Appropriations	61 233	50 612
Total holding	61 233	50 632
of which short-term liquidity needs	29 673	23 249

Other balances at the National Debt Office

The item consists of allocations to cover any possible losses in Sida's activities with concessionary credits and separate guarantees.

Cash, postal giro and bank

The balance has decreased by SEK 45 963 000, mainly due to the fact that an embassy placed an order for SEK 50 000 000 in December 2004 but the payment could not be made before 2005.

Note 19. Government capital

Sida's government capital consists of funds that refer to soft loans, conditional loans and concessionary credits. Sida has no yield requirements in respect of 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 revenue heading on the government budget and reduce government capital.

Soft loans are reported in the same way, but with the difference that accounting of the claim and repayments to government capital and revenue 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. The interest subsidies during the year are shown as costs in the Statement of Financial Performance and result in a change in capital, which is a charge on government capital next year.

	051231	041231
Soft loans		
Opening balance	216 631	179 954
Reclassification as conditional loans	0	-5 601
Allocations made during the year	210 000	30 000
Repayment made during the year	-3 389	-3 389
Change in capital for the year	2 755	15 668
Closing balance	425 996	216 631
Conditional loans		
Opening balance	257 062	233 571
Reclassification from soft loans	0	5 601
New loans for the year	74 093	10 650
Repayments made during the year	-11 329	-1 994
Change in capital for the year	12 887	-766
Correction from government capital, concessionary credits	0	10 000
Closing balance	332 713	257 062
Concessionary credits		
Opening balance	2 173 800	2 229 905
Allocation for the year	-25 842	176 927
Correction to government capital, conditional loans	0	-10 000
Change in capital for the year	-224 554	-223 031
Closing balance	1 923 405	2 173 800
Total closing balance	2 682 115	2 647 493

Note 20. Change in capital brought forward

	051231	041231
Opening balance	458 738	502 817
Change in capital previous year	-182 289	-252 208
+Allocated against government capital for soft loans	-2 755	-15 668
+Allocated against government capital for conditional loans	-12 887	766
+Allocated against government capital for concessionary credits	224 554	223 031
Closing balance	485 361	458 738

Note 21. Provisions

	051231	041231
Opening provision	4 177	5 737
Pension costs for the year	2 865	815
Pension payments for the year	-2 265	-2 376
Closing provision	4 777	4 177

Note 22. Loans at the National Debt Office

In accordance with the Government's annual directives, Sida has a loan facility of SEK 104 million.

The loan at the National Debt Office refers to fixed assets and should correspond with the book value of intangible and tangible fixed assets (see notes 10 and 11). The difference of SEK 8 164 000 is due to the fact that loans for purchases made in December will be taken in June 2006. Loans have not been taken for work in progress or advances.

	051231	041231
Opening balance	94 178	63 355
Loans taken in the year	21 333	54 348
Repayments made during the year	-35 744	-23 525
Closing balance	79 767	94 178

Note 23. Cut-off items

	051231	041231
Accrued salaries and vacation pay	36 522	34 099
Other accrued costs, not governmental	5 312	5 219
Other accrued costs, governmental	2 413	4 252
Unused grants, governmental	7 329	3 829
Deferred revenue	36	0
Closing balance	51 611	47 399

CONTINGENT LIABILITIES**Note 24. Contingent liabilities**

Guarantees in respect of the Swedish school association in Nairobi and the school in Nicaragua have been taken away since the guarantees have never been issued.

APPROPRIATION ACCOUNTS**Note 25. Opening transferred balance**

The Government has decided that Sida may use all unspent balances on appropriations that refer to 7 8:1 and 7 9:1. Of these Sida can only use SEK 225 000 000 since there is a ceiling on Sida's expenditure of SEK 13 911 500 000.

All in all Sida may use SEK 150 000 000 of the unspent balance on appropriation 7 8:26.2 and appropriation 7 9:1.

Note 26. Closed appropriations

At the end of 2004 Sida had unspent funds on appropriation 7 8:1.33.1 Concessionary Credits (SEK 607 568 000) and 7 8:1.33.2 Economic Reforms (SEK 205 000 000). Since Sida was not authorised to use these appropriation items in 2005, the funds have been transferred, in accordance with the Government's directives, to appropriations 7 8:1.33 Concessionary Credits (SEK 607 568 000), 7 8:1.6 Asia, Middle East and North Africa (SEK 24 000 000), and 7 8:1.9 Africa (SEK 181 000 000). Sida has chosen to report this in the column Opening Transferred Balances, while in the government accounting system (Hermes) these transactions are reported as Reallocated Appropriation Items

Note 27. Allocation for the year

The difference between the allocation in the Government's directives and letter of appropriations and the allocation in the appropriation report is due to the fact that Sida has followed the reporting routine in Hermes. The Government Offices have registered the reallocations between appropriation items made during the year as reallocations.

Note 28. Reallocated appropriation items

The Government has decided to reallocate the unspent balances as at 31 December 2004, see table below.

On October 27, 2005 the Government decided to transfer SEK 28 000 000 from appropriation 7 8:1.29.1 Organisation and Theme Support to appropriation 7 8:1.3 Global Development Programmes. In the same decision the Government decided to transfer SEK 5 500 000 from appropriation 7 8:1.26.2 Eastern Europe and Central Asia, Non-ODA Countries to appropriation 7 8:1.31.2 Non Proliferation Projects.

On December 15, 2005 the Government decided to transfer SEK 207 000 000 from appropriation 7 8:1.9 Africa to appropriation 7 8:1.3 Global Development Programmes (+ SEK 95 000 000) and to appropriation 7 8:1.1 Humanitarian Contributions and Conflict-related Activities (+ SEK 112 000 000).

In the same decision the Government decided to transfer SEK 380 000 000 from appropriation 7 8:1.9 Africa to appropriation 7 8:1.16.2 Other Support for UN-related activities.

Appropriation	Designation	Reallocation uncommitted unspent balances	Reallocation between appropriations 051027	Reallocation between appropriations 051215	Net
7 8:1.1	Humanitarian contributions and conflict-related activities	300 000		112 000	412 000
7 8:1.3	Global development programmes	–	28 000	95 000	123 000
7 8:1.9	Africa	–		–587 000	–587 000
7 8:1.26.1	ODA countries	70 000			70 000
7 8:1.26.2	Non-ODA countries	–	–5 500		–5 500
7 8:1.33	Concessionary credits	–370 000			–370 000
7 8:1	Total	0	22 500	–380 000	–357 500

Note 29. Re-allocated funds from unspent balances on extended appropriations

At the end of 2004 Sida had outstanding funds on appropriation item 5 5:2 Peace-Promotion Activities sub-item 3 Sida's operations abroad, amounting to SEK 2 030 000. In accordance with the Government's annual directives this amount shall be transferred to 5 5:2 Peace-Promotion Activities appropriation item 7 At the disposal of the Government.

Note 30. Reallocated appropriation

The Government has decided to transfer SEK 1 390 000 from appropriation 5 5:11.1 Cooperation in the Baltic Sea Region to the Government Offices' appropriation 5:11.3 Cooperation in the Baltic Sea Region.

Note 31. Right to use unspent framework appropriations

At the end of 2004 Sida had an unspent balance of SEK 52 247 000 on appropriation 24 39:6 Private Sector Development in the Baltic Sea Region. According to the Government's directives, Sida may continue to be entitled to use the entire unspent balance.

Note 32. Appropriation credit

According to the Government's annual directives and letter of appropriations, Sida was not permitted to use appropriation credit in 2005.

Note 33. Accounting against revenue headings

The years' estimated revenue that may not be used by Sida is given as SEK 50 000 000 in accordance with the Government's annual directives and letter of appropriations. The outcome of SEK 39 587 000 corresponds to 79 per cent of the estimated amount.

The low outcome is due to the fact that payments received in respect of interest from Swedish and foreign organisations have not been as high as estimated. At the time the estimate was made, it was difficult for Sida to assess the amount and the point in time for reports on interest due. Other factors that exert an influence are the banks' rates of interest and exchange rates.

In the section on Fees etc. collected in the Statement of Financial Performance, only SEK 24 868 000 is reported as having been transferred to the Government budget. This amount does not correspond to the amount under Accounting against revenue heading (SEK 39 587 000). The reason for this is that repayment of conditional loans and soft loans (SEK 14 719 000) are reported against Government capital and therefore affect the change in capital for the year.

The balance on Fees etc. collected in the Statement of Financial Performance consists of accrued, i.e. not yet paid, revenues (SEK 3 146 000).

AUTHORISATIONS**Note 34. Definition of authorisation**

The concept of authorisation refers to the right given to Sida in the letter of appropriations to enter into financial obligations involving future expenditure which shall be covered by appropriations that have not yet been allocated to Sida.

Note 35. Commitments brought forward

Outstanding commitments consist of binding commitments, i.e. signed and valid agreements/contracts or formal decisions on contributions (where there is no agreement) reduced by accumulated recorded expenditure as at December 31, 2005. The outstanding commitments do not include that part which is reported as committed unspent balances. The difference between outstanding commitments in the annual report for 2004 and the opening balance for 2005 is due to the fact that in 2004 Sida reported a commitment of SEK 250 000 000 under appropriation 7 8:1.33.2 Economic Reforms. Sida did not have this appropriation at its disposal in 2005.

Note 36. Total outstanding commitments

Commitments covered by appropriations that have already been allocated are reported in the column "Whereof committed" in the appropriation accounts. These are not included in the report on authorisations.

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 2005 and disbursements that were made before 2005. These amounts are formally agreed and still valid and therefore they are shown as outstanding commitments and included in the total sum. However, Sida makes the assessment that this difference will, in all probability, not be disbursed and therefore they are not part of the amount broken down for the future. These funds have therefore not been shown as committed appropriations.

CASH FLOW STATEMENT**Note 37. Cost of operations**

	050101 -051231	040101 -041231
Cost of operations according to the Statement of Financial Performance	-966 389	-913 356
Cost of operations according to the Cash Flow Statement	-929 926	-890 356
Difference	-36 463	-23 000

The difference consists of the following items in the Statement of Financial Performance that do not affect the Cash Flow Statement:

	050101 -051231	040101 -041231
Capital losses from sales of fixed assets	-27	0
Provisions for future pension commitments	-600	1 560
Depreciation of fixed assets	-35 836	-24 560
Total	-36 463	-23 000

Note 38. Revenue from fees and other payments

	050101 -051231	040101 -041231
Revenue from fees etc. according to the Statement of Financial Performance	55 772	52 990
Revenue from fees etc. according to the Cash Flow Statement	54 907	51 995
Difference	865	995

The difference consists of the following item in the Statement of Financial Performance that does not affect the Cash Flow Statement:

	050101 -051231	040101 -041231
Capital gains from sales of fixed assets	865	995
Total	865	995

DISPUTES

In this context disputes refer either to a situation in which Sida has demanded payment from another party or in which another party has demanded payment from Sida, and that the party that has received the demand is not willing to pay. Below a report is provided on the disputes included under the headings Contingent Liabilities and Doubtful Receivables.

Contingent liabilities

Scandiaconsult AB SEK 4.2 million

Scandiaconsult carried out assignments for Sida in West Bank/Gaza in a project relating to the reconstruction of surface water and wastewater systems. In the district court Scandiaconsult has claimed an additional payment over and above that paid by Sida under the contract between the parties, partly for loss of profit and partly for additional costs, in total an amount of approximately SEK 4 200 000. Sida has contested the claim (and has presented a counter claim as described below). The dispute is being prepared for hearing in the district court in January 2006.

Business Navigator BV: SEK 237 600

A Dutch company, Business Navigator BV, claims damages for a lost software processor amounting to SEK 237 600, including interest. The claim is based on a standard assessment of loss of income and the risk of unlawful use and copying. Sida has contested the claim but has offered compensation of SEK 10 000 for the technical value of the processor. The company has not yet responded to Sida's offer.

Thomas Moberg: SEK 60 000

Thomas Moberg, who received grants in 1996 for arranging two art exhibitions, has claimed damages amounting to SEK 60 000 on copyright grounds in respect of the catalogue he wrote for the exhibitions. Sida has refused to make a payment to Moberg.

Doubtful receivables

Scandiaconsult AB: SEK 691 000

In the above-mentioned dispute in court, Sida claims compensation for financial losses totalling more than SEK 691 000 due to the breach of contract by the counter party.

Hifab AB and others and NCC AB: SEK 97 million

Hifab International SEK and KM International AB (now WSP) have performed assignments, through a consortium, as consultants for a road construction project that was undertaken by NCC in Nicaragua. Since faults have occurred in the road surface, which are estimated to result in an additional cost of at least SEK 97 million, negotiations have been held on the responsibility of the consortium and NCC for payment of this amount. Sida has made several studies with the purpose of determining liability in this matter. Sida is preparing a study of the possibilities of proving that the counter parties are liable to pay compensation.

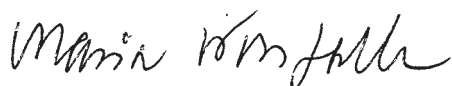
Approval of the annual report by the Board of Sida

2005



Approval of the annual report by the Board of Sida

Sida's board approved Sida's annual report for 2005 at its board meeting on February 10, 2006.



Maria Norrfalk, Director General



Ewa Björling



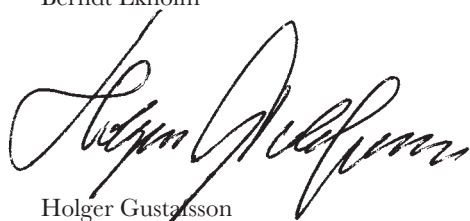
Hilda Lind



Berndt Ekholm



Birgitta Ohlsson



Holger Gustafsson



Joakim Palme



Leif Håkansson



Börje Risinggård



Ari Kokko



Mariann Ytterberg

Appendices

2005



Appendix 1. Outcome broken down by operational area, region/country and continent

Appendix 1:1. Overview of policy areas, outcome in SEK '000

Policy area	2003	2004	2005
International development cooperation	10 228 184	12 364 355	13 829 917
Foreign policy and security policy	12 694	2 970	4 673
Other policy areas	556 140*	63 604	39 410
Total	10 797 019	12 430 929	13 874 000
Administration costs	497 113	545 562	578 335
Grand total	11 294 132	12 976 491	14 452 335

* From 2004 the policy area "Cooperation with Central and Eastern Europe" has been included in the policy area "International development cooperation"

Appendix 1:2 International development cooperation by operational area and region, outcome in SEK '000

Region	OPERATIONAL AREA					Research
	Africa	Asia, Middle East and North Africa	Latin America	Eastern Europe and Central Asia	Global development programmes	
Sub-Saharan Africa	3 824 306	0	0	0	6 759	288 132
Asia, Middle East and North Africa	0	1 840 098	0	0	18 996	80 167
Latin America	0	0	923 413	0	2 306	74 874
Europe	0	0	0	1 551 760	4 974	0
whereof Europe ODA countries	0	0	0	1 032 537	4 974	0
whereof Europe non-ODA countries	0	0	0	519 223	0	0
Global	0	0	0	5 333	1 430 408	403 608
Total	3 824 306	1 840 098	923 413	1 557 093	1 463 442	846 780

Appendix 1:2. Continued.

Region	OPERATIONAL AREA				Information	Total
	Humanitarian contributions and conflict management	whereof conflict management	Concessionary credits	NGOs		
Sub-Saharan Africa	933 981	65 872	18 064	320 223	0	5 391 465
Asia, Middle East and North Africa	622 776	8 175	216 505	197 010	0	2 975 551
Latin America	84 576	23 500	0	180 954	0	1 266 123
Europe	40 327	0	0	42 512	0	1 639 572
whereof Europe ODA countries	16 377	0	0	42 512	0	1 096 399
whereof Europe non-ODA countries	23 950	0	0	0	0	543 173
Global	195 339	42 519	12 670	450 296	59 553	2 557 207
Total	1 876 997	140 066	247 239	1 190 995	59 553	13 829 917

Appendix 1:3 International development cooperation broken down by operational area for countries in Africa, outcome in SEK '000

Country/region	Africa	Global development programmes	Research	Humanitarian contributions and conflict management	whereof conflict management	Concessionary credits	NGOs	Total
SUB-SAHARAN AFRICA								
Angola	42 277	0	0	33 477	0	0	7 576	83 330
Benin	0	0	0	8 025	0	0	2 462	10 487
Botswana	2 261	0	0	0	0	0	0	2 261
Burkina Faso	97 213	0	14 344	5	0	0	2 113	113 675
Burundi	4 315	0	0	32 708	0	0	2 392	39 415
Central African Republic	0	0	0	10 018	0	0	0	10 018
Ivory Coast	10 000	0	0	16 692	2 000	0	0	26 692
Eritrea	0	0	621	20 682	4 060	0	2 179	23 481
Ethiopia	301 360	0	34 772	34 287	0	0	9 660	380 078
Gambia	0	0	0	-3	0	0	4 972	4 969
Ghana	1 293	0	0	284	0	0	77	1 654
Guinea	0	0	0	9 267	0	0	154	9 421
Guinea-Bissau	-92	0	0	0	0	0	0	-92
Cameroon	0	0	0	0	0	0	295	295
Cape Verde	1 478	0	0	0	0	0	0	1 478
Kenya	274 858	0	0	17 187	0	0	22 656	314 701
Congo	0	0	0	15 412	4 000	0	1 170	16 582
Congo, Democratic Republic	47 585	0	0	112 480	11 370	0	7 417	167 483
Lesotho	0	0	0	-90	0	0	368	278
Liberia	50 237	0	0	46 530	0	0	3 821	100 588
Madagascar	0	0	0	0	0	0	64	64
Malawi	130 125	0	0	7 531	0	0	4 502	142 158
Mali	158 729	0	0	1 288	0	0	2 103	162 120
Mauritania	0	0	0	1 002	0	0	3 396	4 398
Mauritius	0	0	0	0	0	0	179	179
Mozambique	552 054	0	6 592	153	0	-1 278	13 161	570 682
Namibia	32 143	0	0	1 338	0	112	6 265	39 858
Niger	0	0	0	10 559	0	0	1 206	11 765
Nigeria	2 375	0	0	995	0	0	889	4 259
Rwanda	141 063	0	22 089	3 920	0	0	7 059	174 131
Sao Tomé & Príncipe	0	0	0	0	0	0	163	163
Senegal	156	0	0	4 120	3 000	-842	758	4 192
Sierra Leone	10 000	0	0	3 073	0	0	88	13 162
Somalia	35 369	0	0	45 490	10 049	0	12 591	93 450
Sudan	100 202	0	0	205 362	13 215	0	11 804	317 368
Swaziland	0	0	0	-69	0	0	94	25
South Africa	133 393	0	7 336	1 120	0	0	29 084	170 933
Tanzania	610 494	0	49 795	785	0	0	19 425	680 499
Chad	0	0	0	16 728	0	0	1 709	18 437
Togo	0	0	0	0	0	0	2 665	2 665
Uganda	183 234	0	39 444	115 252	0	0	20 357	358 287
Zambia	194 373	0	0	47 697	0	0	8 816	250 886
Zimbabwe	86 946	0	0	15 959	0	0	9 828	112 733
Regional Africa	620 863	6 759	113 140	94 716	18 178	20 072	96 706	952 255
TOTAL SUB-SAHARAN AFRICA	3 824 306	6 759	288 132	933 981	65 872	18 064	320 223	5 391 465

Appendix 1:4 International development cooperation broken down by operational area for countries in Asia and the Middle East and North Africa, outcome in SEK '000

Country/region	Asia, Middle East and North Africa	Global development programmes	Research	Humanitarian contributions and conflict management	whereof conflict management	Concessionary credits	NGOs	Total
ASIA, MIDDLE EAST AND NORTH AFRICA								
Asia								
Afghanistan	262 669	775	0	47 828	3 175	0	17 710	328 981
Bangladesh	161 269	0	0	2 852	0	2 000	12 109	178 230
Bhutan	1 862	0	0	0	0	0	0	1 862
Philippines	4 198	0	0	1 647	0	0	12 213	18 057
India	84 051	0	0	10 054	0	1 319	27 103	122 527
Indonesia	120 512	0	0	31 891	0	0	3 312	155 715
Cambodia	99 975	0	0	248	0	0	7 235	107 458
China	66 117	382	0	2 210	0	0	4 749	73 457
Korea, North	2 916	0	0	37 406	0	0	-20	40 301
Korea, South	0	0	0	0	0	0	704	704
Laos	101 898	0	7 504	0	0	0	2 453	111 854
Malaysia	0	0	0	0	0	0	5 337	5 337
Mongolia	17 254	0	0	0	0	252	722	18 229
Myanmar/Burma	27 180	0	0	5 473	0	0	863	33 516
Nepal	0	0	0	3 214	0	0	3 322	6 536
Pakistan	0	0	0	56 530	0	0	11 503	68 033
Papua New Guinea	0	0	0	0	0	0	1 039	1 039
Sri Lanka	138 534	0	13 827	17 587	5 000	211 389	5 126	386 463
Thailand	3 831	-170	0	34 680	0	1 532	8 312	48 184
Vietnam	270 469	0	28 052	0	0	13	13 679	312 212
East Timor	17 961	0	0	-366	0	0	859	18 454
Total Asia	1 380 694	986	49 382	251 252	8 175	216 505	138 329	2 037 148
Middle East and North Africa								
Algeria	0	0	0	16 745	0	0	0	16 745
Egypt	5 253	0	0	0	0	0	6 557	11 810
Iraq	47 093	0	0	22 010	0	0	3 284	72 387
Iran	0	0	0	0	0	0	444	444
Yemen	0	0	0	1 200	0	0	2 890	4 090
Jordan	4 232	0	0	0	0	0	470	4 703
Lebanon	287	0	0	1 299	0	0	1 550	3 137
Morocco	2 801	0	0	126	0	0	1 042	3 969
Syria	602	0	0	0	0	0	462	1 064
Tunisia	2 176	115	0	1 120	0	0	163	3 574
West Bank and Gaza	145 868	0	0	92 690	0	0	22 060	260 619
Total Middle East and North Africa	208 313	115	0	135 190	0	0	38 922	382 541
Regional Asia, Middle East and North Africa	251 091	17 894	30 785	236 333	0	0	19 759	555 862
TOTAL ASIA, MIDDLE EAST AND NORTH AFRICA	1 840 098	18 996	80 167	622 776	8 175	216 505	197 010	2 975 551

Appendix 1:5 International development cooperation broken down by operational area for countries in Latin America, outcome in SEK '000

Country/region	Latin America	Global development programmes	Forskning	Humanitarian contributions and conflict management	whereof conflict management	NGOs	Total
LATIN AMERICA							
Argentina	0	0	0	0	0	2 708	2 708
Bolivia	126 075	0	15 965	145	0	10 602	152 787
Brazil	55	0	0	-1	0	17 113	17 168
Chile	15 565	0	0	0	0	2 474	18 040
Colombia	66 593	0	0	37 500	18 000	4 784	108 876
Costa Rica	2 036	0	0	0	0	5 369	7 406
Dominican Republic	0	0	0	0	0	1 323	1 323
Ecuador	5 721	0	0	0	0	2 190	7 911
El Salvador	17 716	0	0	15 803	0	11 166	44 686
Guatemala	94 973	0	0	9 404	0	9 247	113 623
Guyana	0	0	0	0	0	-4	-4
Haiti	4 307	0	0	7 040	0	806	12 153
Honduras	140 053	0	1 581	438	0	9 790	151 863
Jamaica	2 140	0	0	0	0	0	2 140
Cuba	6 426	0	0	-4	0	383	6 805
Mexico	0	0	0	0	0	1 941	1 941
Nicaragua	261 877	0	27 127	380	0	16 116	305 499
Paraguay	2 162	0	0	0	0	11 687	13 849
Peru	13 755	0	0	2 107	0	10 768	26 630
Uruguay	0	0	0	0	0	2 850	2 850
Venezuela	126	0	0	399	0	0	525
Regional Latin America	163 834	2 306	30 200	11 364	5 500	59 641	267 344
TOTAL LATIN AMERICA	923 413	2 306	74 874	84 576	23 500	180 954	1 266 123

Appendix 1:6 International development cooperation broken down by operational area for countries in Eastern Europe and Central Asia, outcome in SEK '000

Country/region	Eastern Europe and Central Asia	Global development programmes	Humanitarian contributions and conflict management	whereof conflict management	NGOs	Total
EUROPE AND CENTRAL ASIA						
ODA-länder						
Albania	63 589	0	0	0	576	64 165
Armenia	6 996	0	0	0	4 524	11 520
Azerbaijan	8 130	0	0	0	448	8 578
Bosnia & Herzegovina	317 632	1 079	2 959	0	7 825	329 494
Georgia	29 858	0	0	0	981	30 838
Kazakhstan	5 542	0	-64	0	535	6 013
Kyrgyzstan	17 154	0	0	0	775	17 930
Croatia	40 114	0	0	0	217	40 331
Macedonia	61 517	0	0	0	745	62 261
Moldova	58 763	12	0	0	4 223	62 998
Serbia and Montenegro	219 092	0	2 732	0	4 517	226 341
Kosovo	80 971	0	-24	0	665	81 613
Montenegro	6 139	0	0	0	163	6 303
Serbia	90 641	0	815	0	3 692	95 149
other parts of the country	41 341	0	1 940	0	-5	43 277
Tajikistan	31 745	0	2 320	0	0	34 066
Turkey	16 405	0	0	0	2 245	18 650
Uzbekistan	6 723	0	0	0	475	7 198
Regional Europe	149 276	3 883	8 430	0	14 427	176 016
Total ODA countries	1 032 537	4 974	16 377	0	42 512	1 096 399
Non-ODA countries						
Bulgaria	3 064	0	0	0	0	3 064
Estonia	19 974	0	0	0	0	19 974
Latvia	20 065	0	0	0	0	20 065
Lithuania	20 281	0	0	0	0	20 281
Poland	-82	0	0	0	0	-82
Rumania	9 375	0	0	0	0	9 375
Russia	316 902	0	23 950*	0	0	340 851
Barents region	29 997	0	0	0	0	29 997
Other parts of Russia	286 905	0	23 950*	0	0	310 854
Slovakia	517	0	0	0	0	517
Slovenia	731	0	0	0	0	731
Czech Republic	152	0	0	0	0	152
Ukraine	66 264	0	0	0	0	66 264
Hungary	-16	0	0	0	0	-16
Belarus	28 834	0	0	0	0	28 834
Regional Central and Eastern Europe	33 161	0	0	0	0	33 161
Total non-ODA countries	519 223	0	23 950	0	0	543 173
TOTAL EASTERN EUROPE AND CENTRAL ASIA	1 551 760	4 974	40 327	0	42 512	1 639 572

* To Chechnya

Appendix 1:7. The 20 main partner countries, outcome in SEK '000

Country	Outcome		
	2003	2004	2005
Tanzania	535 305	613 744	680 499
Mozambique	457 204	486 468	570 682
Sri Lanka	108 826	168 519	386 463
Ethiopia	231 044	372 710	380 078
Uganda	266 200	313 810	358 287
Russia*	197 577	345 859	340 851
Bosnia & Herzegovina	264 556	227 122	329 494
Afghanistan	337 292	406 696	328 981
Sudan	97 455	188 760	317 368
Kenya	206 018	219 469	314 701
Vietnam	169 971	197 295	312 212
Nicaragua	290 110	301 870	305 499
West Bank and Gaza	284 028	273 444	260 619
Zambia	161 763	192 621	250 886
Serbia and Montenegro	229 817	212 076	226 341
Bangladesh	282 983	195 394	178 230
Rwanda	106 131	61 613	174 131
South Africa	191 881	187 748	170 933
Congo, Democratic Republic	89 221	119 528	167 483
Mali	92 576	109 365	162 120
Total	4 599 958	5 194 111	6 215 860

* Non-ODA country

Appendix 2. International development cooperation broken down by main sector, region/country and continent

Appendix 2 International development cooperation broken down by country and main sector, outcome in SEK '000						
Country/Region	Health	Education	Research	Human rights and democratic governance	Conflicts, peace and security	Humanitarian assistance
SUB-SAHARAN AFRICA						
Angola	27 868	1 291	0	9 012	8 005	33 477
Benin	310	930	0	559	0	8 025
Botswana	1 936	0	0	174	0	0
Burkina Faso	23 962	24 693	0	8 564	0	5
Burundi	312	877	0	4 631	9	32 708
Central African Republic	0	0	0	0	0	10 018
Ivory Coast	0	0	0	0	12 000	14 692
Eritrea	160	488	621	843	4 075	16 622
Ethiopia	38 209	58 040	1 478	52 782	4 189	34 478
Gambia	533	992	0	1 737	12	-3
Ghana	0	0	0	73	0	284
Guinea	5	12	0	107	1	9 267
Guinea-Bissau	0	0	0	-92	0	0
Cameroon	26	17	0	210	9	0
Cape Verde	0	0	0	854	0	0
Kenya	51 188	2 642	0	101 883	422	17 187
Congo	153	99	0	526	4 055	11 412
Congo, Democratic Republic	801	1 794	0	50 486	11 463	101 110
Lesotho	0	1	0	352	0	-90
Liberia	240	877	0	3 748	25 034	46 530
Madagascar	5	12	0	21	1	0
Malawi	55 801	54	0	36 040	11	7 531
Mali	35 177	40 227	0	9 884	46	1 288
Mauritania	309	1 056	0	1 051	18	1 002
Mauritius	0	0	0	172	0	0
Mozambique	25 024	8 068	3 699	120 298	141	153
Namibia	5 662	4 117	0	13 185	0	1 338
Niger	120	360	0	461	0	10 559
Nigeria	102	66	0	2 934	37	995
Rwanda	683	1 869	22 089	17 964	92	4 545
Sao Tomé & Príncipe	20	36	0	48	0	0
Senegal	26	17	0	436	3 009	1 120
Sierra Leone	0	-1	0	86	0	13 073
Somalia	1 462	2 635	0	25 901	10 580	47 941
Sudan	2 197	2 190	0	13 615	13 704	201 594
Swaziland	0	0	0	90	0	-69
South Africa	27 747	15 774	6 243	71 357	259	1 120
Tanzania	67 332	165 456	8 268	72 461	39	785
Chad	729	198	0	397	92	16 728
Togo	1 427	351	0	415	41	0
Uganda	90 074	41 507	0	51 786	2 364	60 252
Zambia	69 657	629	0	37 921	736	2 697
Zimbabwe	38 084	1 657	0	49 207	76	16 793
Regional Africa	194 945	24 502	89 883	186 058	40 030	76 538
TOTAL SUB-SAHARAN AFRICA	762 284	403 532	132 280	948 233	140 553	801 705

Appendix 2 cont. International development cooperation broken down by country and main sector, outcome in SEK '000

Country/Region	Infrastructure	Trade, industry and financial systems	Natural resources and the environment	Budget support for poverty reduction	Other sectors	Total
SUB-SAHARAN AFRICA						
Angola	3 277	58	1 922	0	-1 581	83 330
Benin	2	49	232	0	379	10 487
Botswana	151	0	0	0	0	2 261
Burkina Faso	1	9	2 376	50 000	4 066	113 675
Burundi	4	52	232	0	591	39 415
Central African Republic	0	0	0	0	0	10 018
Ivory Coast	0	0	0	0	0	26 692
Eritrea	4	140	190	0	337	23 481
Ethiopia	3 334	8 944	118 702	50 000	9 923	380 078
Gambia	9	192	667	0	832	4 969
Ghana	-157	0	1 450	0	4	1 654
Guinea	0	15	1	0	14	9 421
Guinea-Bissau	0	0	0	0	0	-92
Cameroon	2	6	17	0	9	295
Cape Verde	624	0	0	0	0	1 478
Kenya	38 554	1 492	93 092	0	8 241	314 701
Congo	10	38	103	0	186	16 582
Congo, Democratic Republic	22	151	583	0	1 074	167 483
Lesotho	0	0	0	0	14	278
Liberia	23 001	296	288	0	574	100 588
Madagascar	0	15	1	0	10	64
Malawi	423	385	1 052	40 000	862	142 158
Mali	9	39	903	70 000	4 547	162 120
Mauritania	2	186	263	0	511	4 398
Mauritius	0	0	0	0	7	179
Mozambique	238 150	10 799	19 059	135 000	10 293	570 682
Namibia	5 809	-119	5 355	0	4 511	39 858
Niger	1	19	89	0	157	11 765
Nigeria	7	25	69	0	24	4 259
Rwanda	3 599	179	708	120 000	2 403	174 131
Sao Tomé & Príncipe	0	2	27	0	30	163
Senegal	-840	6	236	0	182	4 192
Sierra Leone	0	0	0	0	3	13 162
Somalia	11	179	1 999	0	2 741	93 450
Sudan	66	372	1 006	0	82 625	317 368
Swaziland	0	0	0	0	4	25
South Africa	26 192	6 829	8 242	0	7 170	170 933
Tanzania	95 266	26 857	32 183	200 000	11 852	680 499
Chad	17	65	181	0	29	18 437
Togo	8	84	171	0	168	2 665
Uganda	4 673	23 103	18 568	0	65 960	358 287
Zambia	9 822	7 521	70 096	0	51 808	250 886
Zimbabwe	279	752	4 788	0	1 098	112 733
Regional Africa	53 548	53 807	194 177	0	38 767	952 255
TOTAL SUB-SAHARAN AFRICA	505 880	142 548	579 028	665 000	310 423	5 391 465

Appendix 2 cont. International development cooperation broken down by country and main sector, outcome in SEK '000

Country/Region	Health	Education	Research	Human rights and democratic governance	Conflicts, peace and security	Humanitarian assistance
ASIA, MIDDLE EAST AND NORTH AFRICA						
Asia						
Afghanistan	2 019	103 389	90	133 056	4 950	44 653
Bangladesh	22 527	59 580	0	15 706	154	2 852
Bhutan	0	0	0	0	0	0
Philippines	737	1 775	0	5 067	183	1 647
India	19 810	3 664	0	29 875	1 187	10 054
Indonesia	2	3	0	12 434	25 000	31 891
Cambodia	574	30 368	1 020	69 402	3 900	248
China	14 600	1 098	0	20 167	187	2 210
Korea, North	-4	-5	0	168	0	37 406
Korea, South	50	129	0	228	15	0
Laos	603	23 361	7 504	32 323	148	0
Malaysia	0	0	0	48	0	0
Mongolia	77	429	0	8 270	28	0
Myanmar/Burma	15 072	129	0	7 518	17	5 473
Nepal	269	401	0	1 959	48	3 214
Pakistan	1 088	2 105	0	4 449	221	56 530
Papua New Guinea	230	146	0	339	83	0
Sri Lanka	263	2 993	13 547	53 000	19 512	25 287
Thailand	622	1 274	0	3 042	246	34 680
Vietnam	39 564	29 541	99	81 686	282	0
East Timor	128	15 082	0	1 220	46	-366
Total Asia	118 230	275 462	22 259	479 958	56 206	255 778
Middle East and North Africa						
Algeria	0	0	0	0	0	16 745
Egypt	725	1 159	0	5 812	189	0
Iraq	231	255	0	37 584	81	22 010
Iran	32	82	0	141	9	0
Jordan	200	141	0	480	0	0
Lebanon	28	73	0	1 173	2	1 299
Morocco	96	288	0	880	0	126
Syria	102	65	0	710	37	0
Tunisia	20	36	0	1 778	0	1 120
West Bank and Gaza	23 583	3 526	0	57 173	14 327	92 690
Yemen	134	430	0	1 469	114	1 200
Total Middle East and North Africa	25 150	6 056	0	107 199	14 759	135 190
Regional Asia	62 565	2 746	22 085	81 067	767	256 027
TOTAL ASIA, MIDDLE EAST AND NORTH AFRICA	205 945	284 265	44 344	668 224	71 732	646 995
LATIN AMERICA						
Argentina	275	822	0	1 005	0	0
Bolivia	2 124	48 616	16 044	53 700	2 005	145
Brazil	1 488	3 998	0	7 307	11	-1
Chile	9	16	0	1 922	0	0
Colombia	2 246	807	0	48 705	30 425	19 500
Costa Rica	311	911	0	1 739	82	0
Dominican Republic	140	253	0	506	0	0
Ecuador	80	216	0	2 058	0	0
El Salvador	274	247	0	23 181	64	15 803
Guatemala	4 378	545	0	65 660	729	12 721
Guyana	0	0	0	-4	0	0

Appendix 2 cont. International development cooperation broken down by country and main sector, outcome in SEK '000

Country/Region	Infrastructure	Trade, industry and financial systems	Natural resources and the environment	Budget support for poverty reduction	Other sectors	Total
ASIA, MIDDLE EAST AND NORTH AFRICA						
Asia						
Afghanistan	16 835	15 154	2 450	0	6 386	328 981
Bangladesh	60 022	8 067	3 796	0	5 526	178 230
Bhutan	0	0	1 862	0	0	1 862
Philippines	8	1 634	4 985	0	2 022	18 057
India	30 657	3 294	15 802	0	8 183	122 527
Indonesia	83 112	0	1 698	0	1 575	155 715
Cambodia	19	166	-109	0	1 869	107 458
China	2 328	5 256	24 108	0	3 504	73 457
Korea, North	0	2 736	0	0	0	40 301
Korea, South	0	161	11	0	111	704
Laos	18 130	106	28 193	0	1 486	111 854
Malaysia	0	0	4 480	0	809	5 337
Mongolia	5 760	747	2 899	0	19	18 229
Myanmar/Burma	2	89	54	0	5 163	33 516
Nepal	51	158	113	0	323	6 536
Pakistan	17	477	1 138	0	2 009	68 033
Papua New Guinea	16	57	155	0	14	1 039
Sri Lanka	23 415	25 630	217 266	0	5 549	386 463
Thailand	43	612	6 671	0	994	48 184
Vietnam	7 251	12 067	61 533	0	80 190	312 212
East Timor	9	1 932	86	0	318	18 454
Total Asia	247 675	78 343	377 190	0	126 048	2 037 148
Middle East and North Africa						
Algeria	0	0	0	0	0	16 745
Egypt	2 016	352	536	0	1 023	11 810
Iraq	209	10 220	133	0	1 665	72 387
Iran	0	102	7	0	70	444
Jordan	3 746	8	36	0	93	4 703
Lebanon	0	16	36	0	510	3 137
Morocco	1	179	2 271	0	128	3 969
Syria	50	25	69	0	6	1 064
Tunisia	446	117	27	0	30	3 574
West Bank and Gaza	32 436	5 631	19 049	0	12 203	260 619
Yemen	1	17	80	0	645	4 090
Total Middle East and North Africa	38 903	16 667	22 244	0	16 373	382 541
Regional Asia	14 877	23 326	82 573	0	9 829	555 862
TOTAL ASIA, MIDDLE EAST AND NORTH AFRICA	301 454	118 336	482 007	0	152 249	2 975 551
LATIN AMERICA						
Argentina	2	44	205	0	356	2 708
Bolivia	145	17 125	5 480	0	7 403	152 787
Brazil	28	334	1 842	0	2 161	17 168
Chile	4	15 566	401	0	122	18 040
Colombia	8	70	2 209	0	4 906	108 876
Costa Rica	208	590	3 112	0	453	7 406
Dominican Republic	1	17	192	0	214	1 323
Ecuador	99	52	5 293	0	113	7 911
El Salvador	1 126	821	1 946	0	1 224	44 686
Guatemala	20 356	1 871	1 999	0	5 366	113 623
Guyana	0	0	0	0	0	-4

Appendix 2 cont. **International development cooperation broken down by country and main sector**, outcome in SEK '000

Country/Region	Health	Education	Research	Human rights and democratic governance	Conflicts, peace and security	Humanitarian assistance
Haiti	42	192	0	4 630	9	7 040
Honduras	10 642	42 025	0	56 180	9	438
Jamaica	0	0	0	379	0	0
Cuba	14	36	525	5 568	4	-4
Mexico	357	228	0	530	129	0
Nicaragua	58 783	28 206	0	75 051	3 360	380
Paraguay	201	188	0	7 192	0	0
Peru	1 135	1 504	0	16 161	639	2 107
Uruguay	29	0	0	514	0	0
Venezuela	0	0	0	126	0	399
Regional Latin America	35 104	5 185	32 300	103 069	7 939	5 864
TOTAL LATIN AMERICA	117 631	133 993	48 869	475 180	45 405	64 392
EUROPE						
ODA countries						
Albania	8 413	105	0	34 354	1 522	0
Armenia	1 548	1 400	0	1 624	212	180
Azerbaijan	32	82	0	6 476	9	1 800
Bosnia & Herzegovina	2 282	1 757	124	68 657	8 466	2 959
Georgia	1 757	742	0	20 606	1 355	0
Kazakhstan	67	701	0	4 491	658	-64
Kyrgyzstan	2 712	741	0	6 018	0	0
Croatia	0	600	0	24 719	0	0
Macedonia	1 888	765	0	35 023	12	0
Moldova	33 602	1 401	0	17 019	92	0
Serbia and Montenegro	3 377	4 575	0	105 921	5 332	2 732
Serbia	483	966	0	43 909	73	815
Montenegro	20	36	0	3 363	0	0
Kosovo	1 015	127	0	35 633	5 259	-24
Other parts of the country	1 859	3 445	0	23 016	0	1 940
Tajikistan	987	1 705	0	3 483	754	2 320
Turkey	59	154	0	17 910	17	0
Uzbekistan	6 060	530	0	123	358	0
Regional Europe	19 538	7 752	0	91 537	40	8 430
Total ODA countries	82 322	23 009	124	437 959	18 829	18 357
Non-ODA countries						
Bulgaria	41	218	0	1 608	0	0
Estonia	114	-6	0	795	0	0
Latvia	76	-4	0	4 569	0	0
Lithuania	476	0	0	5 239	0	0
Poland	-7	-13	0	-62	0	0
Rumania	408	258	0	7 516	108	0
Russia	57 001	10 165	0	88 014	3 649	23 950
Russia	49 274	5 665	0	79 079	3 565	23 950
Barents region	7 727	4 500	0	8 935	83	0
Slovakia	0	0	0	517	0	0
Slovenia	0	0	0	731	0	0
Czech Republic	0	0	0	152	0	0
Ukraine	4 154	1 225	0	23 045	313	0
Hungary	-1	-1	0	-15	0	0
Belarus	8 245	4 734	0	11 108	0	0
Regional Central and Eastern Europe	449	766	0	18 887	365	900
Total non-ODA countries	70 957	17 342	0	162 104	4 435	24 850
TOTAL EUROPE	153 280	40 351	124	600 063	23 264	43 207
Global	435 498	142 135	295 651	382 372	51 562	152 756
TOTAL	1 674 637	1 004 274	521 269	3 074 073	332 516	1 709 055

Appendix 2 cont. International development cooperation broken down by country and main sector, outcome in SEK '000

Country/Region	Infrastructure	Trade, industry and financial systems	Natural resources and the environment	Budget support for poverty reduction	Other sectors	Total
Haiti	0	75	47	0	118	12 153
Honduras	17 248	1 158	15 177	0	8 985	151 863
Jamaica	0	1 761	0	0	0	2 140
Cuba	0	-146	3	0	805	6 805
Mexico	24	89	514	0	70	1 941
Nicaragua	27 287	676	48 296	60 000	3 461	305 499
Paraguay	570	1 163	2 591	0	1 944	13 849
Peru	15	344	2 302	0	2 423	26 630
Uruguay	119	241	1 661	0	285	2 850
Venezuela	0	0	0	0	0	525
Regional Latin America	14 531	-1 161	38 674	0	25 840	267 344
TOTAL LATIN AMERICA	81 770	40 691	131 945	60 000	66 248	1 266 123
EUROPE						
ODA countries						
Albania	93	496	15 919	0	3 263	64 165
Armenia	42	177	5 980	0	357	11 520
Azerbaijan	0	102	7	0	70	8 578
Bosnia & Herzegovina	130 255	67 616	39 395	0	7 983	329 494
Georgia	1	15	6 185	0	177	30 838
Kazakhstan	1	10	63	0	87	6 013
Kyrgyzstan	1	13	8 311	0	134	17 930
Croatia	6 639	0	5 606	0	2 767	40 331
Macedonia	0	-2 860	25 088	0	2 345	62 261
Moldova	2 470	953	3 676	0	3 786	62 998
Serbia and Montenegro	57 312	3 783	29 059	0	14 249	226 341
Serbia	25 951	3 691	15 660	0	3 599	95 149
Montenegro	2 824	2	27	0	30	6 303
Kosovo	28 153	76	8 215	0	3 158	81 613
Other parts of the country	383	13	5 156	0	7 463	43 277
Tajikistan	0	7 174	15 228	0	2 415	34 066
Turkey	0	190	13	0	306	18 650
Uzbekistan	0	10	45	0	73	7 198
Regional Europe	3 748	6 750	29 928	0	8 294	176 016
Total ODA countries	200 561	84 427	184 504	0	46 307	1 096 399
Non-ODA countries						
Bulgaria	0	1 103	50	0	44	3 064
Estonia	7 563	118	11 390	0	0	19 974
Latvia	140	-210	15 494	0	0	20 065
Lithuania	0	706	13 861	0	0	20 281
Poland	0	0	0	0	0	-82
Rumania	170	551	306	0	58	9 375
Russia	9 485	22 087	123 978	0	2 523	340 851
Russia	4 227	19 783	122 789	0	2 523	310 854
Barents region	5 258	2 304	1 189	0	0	29 997
Slovakia	0	0	0	0	0	517
Slovenia	0	0	0	0	0	731
Czech Republic	0	0	0	0	0	152
Ukraine	54	10 903	26 311	0	258	66 264
Hungary	0	0	0	0	0	-16
Belarus	872	2 888	948	0	38	28 834
Regional Central and Eastern Europe	0	127	3 101	0	8 567	33 161
Total non-ODA countries	18 284	38 273	195 440	0	11 488	543 173
TOTAL EUROPE	218 845	122 700	379 944	0	57 795	1 639 572
Global	97 358	159 054	382 659	0	458 161	2 557 207
TOTAL	1 205 307	583 328	1 955 582	725 000	1 044 877	13 829 917

Appendix 3. International organisations

Appendix 3:1. UN agencies, World Bank group, WTO.
Project cooperation, SEK million

	2003	2004	2005
UNICEF	403,5	696,4	623,8
whereof GAVI	0	54,5	104,3
UNDP	377,8	534,2	480,1
World Bank group	442,5	625,8	459,5
WHO	109,7	132,8	246,4
WFP	35,2	99,0	160,8
UN-DHA/UNOCHA	93,4	100,1	147,5
FAO	90,1	95,3	119,4
UNFPA	15,3	12,1	81,4
ILO	28,3	36,8	69,2
UNESCO/IIEP	40,1	42,4	46,3
UNHCR	72,0	13,4	41,7
UNEP	7,6	18,8	37,6
UNIFEM	0	15,5	37,4
PAHO	25,8	21,4	33,8
UNHCHR	10,5	25,5	32,2
Habitat/UNCHS	10,3	14,8	23,2
WIMU	22,8	25,0	22,6
ESCAP	0	0,0	19,7
WTO	10,0	10,0	14
ITC	1,1	0,8	13,8
UNRISD	13,0	12,0	13
IMF	0	10,0	11,1
UNOPS	0	23,8	9
University for Peace	3,5	5,5	9
UNAIDS	4,9	9,8	7,1
ICTP	7,0	7,0	7
UNMAS	10,0	0,0	5
UNTCAD	4,0	3,7	4,8
IFAD	4,0	5,3	3,7
ECLAC	3,3	3,2	2,9
IMO	0	0	2,5
UNIDO	2,0	0,0	1,9
UN	26,8	4,8	1,3
UNCTA	0,8	5,7	0,7
UNV	-3,5	0,3	0,2
UNECA	10,9	10,0	0
United Nations Foundation	0	8,0	0
UNISDR	4,5	6,5	0
UN/WIDER	1,8	4,3	0
UN-LIREC	0	4,0	0
UNMIK	7,2	0,0	0
IAPSO	1,4	0,0	0
WIPO	0,2	0,0	0
Others	0	-0,4	0,7
Total UN agencies* etc	1 897,8	2 643,6	2 790,3

Sida shall present a report on the total amount of development cooperation channelled via Sida to international organisations such as UN agencies, international finance institutions, OSCE, Council of Europe etc.

Appendix 3:2. Regional development banks.
Project cooperation, SEK million

	2003	2004	2005
Asian Development Bank	13,2	64,3	202,1
IADB/IDB	10,7	37,3	29,4
Total regional development banks*	23,9	101,6	231,5

Appendix 3:3. Other international organisations.
Project cooperation, SEK million

	2003	2004	2005
ICRC	215,0	235,0	265,0
IOM	48,9	52,0	92,3
Lutheran World Federation	112,9	124,6	88,7
IPPF	70,0	100,0	85,3
IUCN	36,1	37,6	42,1
Nordic Investment Bank	0	0	41,0
OAS	30,4	29,4	33,4
Save the Children	37,9	38,2	27,9
ICRAF	32,8	28,4	25,6
Mines Advisory Group	13,0	15,9	24,4
Asian Institute of Technology	14,7	23,0	15,9
Mekong Committee	10,2	9,5	13,9
OSCE	0	4,1	12,5
OECD	0	25,8	11,8
GWP	11,0	11,0	11,0
AWEPA European Parliament	0	0	9,7
EBRD	6,0	6,0	6,0
Council of Europe	0	0	4,7
EU	0	24,1	4,0
Others	646,9	542,5	580,2
Total other international organisations*	1 285,8	1 307,1	1 395,4
TOTAL UN, REGIONAL DEVELOPMENT BANKS AND OTHER INTERNATIONAL ORGANISATIONS	3 207,50	4 052,30	4 417,2

* Abbreviations are explained on pages 168–174

Appendix 4. Internal efficiency

Sida shall present indicators of the agency's internal efficiency in different parts of its development cooperation activities.

The indicators used are mainly indicators of productivity trends in the use of resources at Sida—i.e. the use of resources for the performance “supplied” by Sida in its programmes of development cooperation. This type of indicator must be used with considerable caution since no evaluation is made of the utility of the performance supplied. In order to measure Sida's efficiency and performance, the productivity indicators must be supplemented by an evaluation of the agency's performance and an evaluation of the total amount of resources used.

The indicators chosen by Sida show trends in Sida's activities in relation to the goals of its work with change. These have the aim of increasing the value of Sida's performance in development cooperation.

The aim is to give information on the development of Sida over time. Two different types of indicators are presented: trends in the contributions portfolio, and the breakdown of staff time by operational areas and regions. The indicators for regions are measured in the form of annual time series.

The structure and definition of Sida's operational areas were changed in 2004. This makes it difficult to make comparisons with previous years. Therefore comparisons are only made with 2004. The only operational area in which major changes have occurred is the operational area “concessionary credits” which was previously designated “economic support” and then also included economic reforms. This year economic reforms are included under the regional operational areas.

In order to follow the size of the contributions portfolio, Sida has selected the following indicators: average outcome per contribution, average agreed amount per contribution and average duration of agreement per contribution. Where new contributions are concerned, the above-mentioned indicators are used with the exception of the average outcome per new contribution, since this would not give a correct picture. The idea is that a larger outcome per contribution and a longer agreement period require fewer resources. This

type of indicator is affected by each year's appropriations, any ceilings on expenditure and so on.

In appendix 4:1 it is possible to see that Sida achieved its priorities during the year. The total number of contributions decreased by six per cent in relation to the year before. The average outcome, the average agreed amount and the average agreement period per contribution increased. The average agreed amount for new contributions continued to increase. The average agreement period for new contributions is longer in comparison with 2004.

Sida's administrative expenses consist mostly of staff costs. With the aim of measuring how Sida's personnel resources have been used, Sida has made a survey every year for the five last years in which working time on development cooperation activities has been distributed to operational area and country. The figures are influenced by the fact that the methods of making measurements have been improved over the years.

It is not relevant to compare outcome or trends between different operational areas since their activities are so different in respect of content, control, form of support and so on. The indicators produced should be used instead to see trends over years.

In 2005 Sida worked on identifying the needs that exist at the agency and ways in which time reports can be integrated with existing systems. First it was planned that a procurement would be made in the autumn but with the impending move to new offices the situation changed and finally it was decided that a call-off should be made, under the Financial Management Authority's framework agreement, of PALASSO, which is a human resource system. The system will be introduced at Sida's head office, Sida-Härnösand and Sida-Gotland during the first six months of 2006.

Appendix 4:1. Internal efficiency, total overview

	2003	2004	2005
All Sida's contributions			
Number of contributions	5 986	5 740	5 421
Average outcome per contribution, SEK '000	1 804	2 166	2 559
Average agreed amount per contribution, SEK '000	7 474	8 746	10 515
Average duration of agreement per contribution, months	34	37	40
Sida's new contributions			
Number of new contributions	1 902	1 585	1 492
Average agreed amount per new contribution, SEK '000	6 658	7 878	10 293
Average duration of agreement per new contribution, months	19	21	22

Appendix 4:2. Internal efficiency, new contributions per operational area

Operational area	Average agreed amount per new contribution, SEK '000		Average duration of agreement per new contribution, months	
	2004	2005	2004	2005
Africa	8 206	13 560	24	25
Asia, Middle East and North Africa	11 456	13 470	25	26
Latin America	7 394	9 690	24	24
Eastern Europe and Central Asia	4 464	5 337	20	21
Global development programmes	3 114	5 554	16	20
Research	28 789	13 053	37	24
Humanitarian contributions and conflict-related activities	7 893	13 928	20	20
Concessionary credits*	13 686	44 106	14	18
NGOs	21 914	22 286	19	19
Information	2 411	2 747	10	10
Average total**	7 878	10 293	21	22

* In 2004 the operational area was called "Economic Support" and then it also included "Economic Reforms". In 2004 the figures for Economic Support were 40 211 and 14.

** All Sida's contributions are included in the total.

Appendix 4:3. Internal efficiency, all contributions per operational area

Operational area	Average outcome per contribution, SEK '000	
	2004	2005
Africa	1 953	2 714
Asia, Middle East and North Africa	2 275	2 356
Latin America	1 697	2 061
Eastern Europe and Central Asia	1 234	1 482
Global development programmes	1 462	1 791
Research	3 452	3 994
Humanitarian contributions and conflict-related activities	3 677	4 512
Concessionary credits*	5 149	5 375
NGOs	6 062	7 734
Information	1 730	2 707
Average total**	2 166	2 559

* In 2004 the operational area was called "Economic Support" and then it also included "Economic Reforms". In 2004 the figure for Economic Support was 15 604.

** All Sida's contributions are included in the total.

Appendix 4:4. Estimated annual full-time posts by operational area, costs in SEK '000

Operational area	Outcome		Annual full-time posts		Outcome/annual full-time posts	
	2004	2005	2004**	2005	2004**	2005
Africa	2 765 640	3 824 306	141,6	147,2	19 531	25 980
Asia, Middle East and North Africa	1 749 420	1 840 098	91,3	94,3	19 161	19 513
Latin America	843 203	923 413	43,4	47,0	19 429	19 647
Eastern Europe and Central Asia	1 442 313	1 557 093	58,7	67,3	24 571	23 137
Global development programmes	1 323 347	1 463 442	28,7	38,8	46 070	37 718
Research	773 216	846 780	35,0	33,7	22 092	25 127
Humanitarian contributions and conflict-related activities	1 610 570	1 876 997	21,3	22,2	75 614	84 549
Concessionary credits*	200 803*	247 239	1,0*	3,7	200 803*	66 821
NGOs	1 000 288	1 190 995	9,9	9,1	101 039	130 879
Information	60 554	59 553	19,0	15,7	3 187	3 793
Not broken down by operational area	-	-	60,5	52,6	-	-
Total	12 364 355	13 829 917	519,6	531,6	23 796	26 016

* In 2004 the operational area was called "Economic Support" and then it also included "Economic Reforms". In 2004 the figures for Economic Support were 795 803 000 and 9.2 Annual Full-time Posts, which gave an average of 86 500.

** The figures for 2004 have been adjusted since they were incorrect in the annual report for that year.

Appendix 4:5. Internal efficiency, new contributions per region

Region	Average agreed amount per new contribution, SEK '000			Average duration of agreement per new contribution, months		
	2003	2004	2005	2003	2004	2005
Sub-Saharan Africa	9 391	10 328	14 335	19	23	24
Asia including North Africa	9 766	12 203	14 742	23	29	40
Latin America	8 253	9 857	9 916	21	24	25
Europe ODA countries	4 492	5 183	6 762	20	19	20
Europe Non-ODA countries	2 203	3 451	3 040	18	22	22
Global	3 529	4 289	6 155	18	17	19
Average total*	7 296	7 878	10 293	20	21	22

* All Sida's new contributions are included. A contribution can be included under one or more regions but no contributions have been included more than once in the total.

Appendix 4:6. Internal efficiency, all contributions per region

Regions	Average outcome per contribution, SEK '000		
	2003	2004	2005
Sub-Saharan Africa	2 068	2 585	3 053
Asia including North Africa	2 497	2 631	3 021
Latin America	1 969	2 328	2 332
Europe ODA countries	1 482	1 513	1 811
Europe Non-ODA countries	715	961	1 005
Global	1 446	1 834	2 364
Average total*	1 972	2 166	2 559

* All Sida's contributions are included. A contribution can be included under one or more regions but no contributions have been included more than once in the total.

Appendix 4:7. Estimated annual full-time posts for each region, costs in SEK '000

Region	Outcome			Annual full-time posts		Outcome/annual full-time posts			Outcome/annual full-time posts	Outcome/annual full-time posts
	2003	2004	2005	2004*	2005	2003	2004*	2005		
Sub-Saharan Africa	4 019 673	4 727 263	5 391 465	180,0	167,8	23 397	26 263	32 130	27,2	18,3
Asia including North Africa	2 401 674	2 598 611	2 975 551	106,2	110,6	21 348	24 469	26 904	20,6	9,0
Latin America	1 131 932	1 385 015	1 266 123	53,2	54,9	21 277	26 034	23 062	7,7	-12,9
Europe ODA countries	933 838	934 770	1 096 399	47,5	52,7	23 945	19 679	20 805	-15,1	5,4
Europe Non-ODA countries	556 140	600 698	543 173	17,4	19,7	29 271	34 523	27 572	-6,2	-25,2
Global	1 741 068	2 117 997	2 557 207	22,6	42,1	32 302	93 717	60 741	46,8	-54,3
Not broken down by region	-	-	-	92,8	83,8	-	-	-	-	-
Total	10 784 325	12 364 355	13 829 917	519,6	531,6	20 660	23 796	26 016	20,6	8,5

* The figures for 2004 have been adjusted since they were incorrect in the annual report for that year.

Appendix 5. Gender equality and personnel policies in central government

REPORT REQUIRED

In accordance with the “Government’s gender equality policy and action plan for its term of office”, Sida shall submit a report on the ways in which it is promoting gender equality at Sida by providing equal opportunities for advancement and development for women and men and identifying and abolishing unjustifiable differences in wages.

The goals for 2005

- to be able to state at the annual pay negotiations that Sida does not have any unjustifiable difference in pay between women and men.
- to follow up the diversity plan for 2005 and produce a new plan for 2006.

Prior to the annual pay negotiations in 2005, the goal was to finalise the instrument Sida had been working on for a long period of time. However, it was not possible to finalise the entire instrument and only part of it could be used in the negotiations. In the annual pay negotiations in 2006 Sida will test the entire instrument. It should then be able to show any differences between women and men and between levels of responsibility for each post.

In light of the fact that there are four laws on discrimination in Swedish legislation, Sida decided to draw up a diversity plan in 2005 that covers all four laws. This was a considerable task and took most of the year but it was considered important since Sida regards diversity as both a goal and a means to create a creative workplace, as well as to create a better world. It is intended that the plan will be a living instrument and it will be revised every year. Goals for the work in future years will be produced in connection with the annual revisions. To achieve these goals, Sida will place a special focus on one or two fields in order to intensify its efforts.

At Sida there is committee of representatives of different parts of the agency which has the task of producing concrete measures that will enhance knowledge and understanding of diversity and will prevent discrimination.

The goals for 2006 are to

- make a survey of diversity
- focus on ethnic discrimination with Sida’s diversity plan as the point of departure
- follow up the diversity plan for 2005
- adopt the plan for 2006.

The goals for 2007–2008 are to

- follow up the survey of diversity made in 2005
- focus the work on one of the laws against

discrimination with Sida’s diversity plan as the point of departure.

Pay issues

In 2001 Sida and the trade union organisations started working on the production of an evaluation instrument that could be used to analyse and survey differences in pay. Sida has decided to further develop the instrument produced by the Office of the Equality Opportunities Ombudsman and to adapt it to Sida’s activities. All posts underwent a job evaluation process in 2005 and were classified on the basis of the instrument. This classification will form the basis of the next negotiations.

Composition of the staff

As can be seen from the table Personnel Statistics in appendix 6, certain changes have occurred in the composition of the staff.

In 2005 the number of women increased more than the number of men. The staff now consists of 62 per cent women and 38 per cent men. This has the effect that Sida no longer has the recognised standard for equality between women and men in the composition of its staff, i.e. 60–40.

The number of female programme officers has increased by 17 persons since 2004, while the number of male programme officers has decreased by 6 persons during the same period. The present composition of the programme officer category is 58 per cent female programme officers and 42 per cent male programme officers.

Sida has concentrated on recruiting female managers in recent years and can now state that this work has borne fruit. The number of women managers in the management group has increased by nine women, which corresponds to two per cent. A very even composition of management staff has thus been achieved: 48 per cent female managers and 52 per cent male managers. Sida considers this to be extremely positive.

It is above all the recruitment of female programme officers that has affected the total breakdown between women and men. In the recruitment work there is considerable awareness of gender equality and, in particular, that from the gender equality perspective, Sida has a surplus of women. Hitherto, where the recruitment of new staff is concerned, it has proved to be the case that, without exception, female job seekers have been more highly qualified than their male counterparts.

The goals for 2006 are to

- work to increase awareness and knowledge of the breakdown between women and men at Sida in order that gender awareness is

taken into consideration, particular in the recruitment process

- work to ensure that Sida achieved a breakdown of 60–40 between women and men, i.e. a breakdown which Sida considers acceptable
- work to maintain an even balance between women and men in management positions.

The goals for 2007–2008 are to

- work to maintain an even balance between women and men when new personnel are recruited to replace those members of staff who will retire at this time
- focus on the breakdown between women and men in the recruitment process.

Appendix 6. Sida's human resource management

GOAL

Sida shall work to ensure that it has a good supply of appropriately qualified staff in the long term.

REPORT REQUIRED

Sida shall submit a report on the goals and level of goal fulfilment in respect of its human resources in relation to the goals and outcome of its activities.

The report shall show

- *the extent to which the agency's objectives for human resource management in 2005 have been achieved,*
- *the measures that have been taken, and*
- *the goals of the agency's human resource management for 2006 and for 2007–2008*

Within the framework of this report a description shall be provided of the agency's efforts to promote ethnic and cultural diversity, good health, and to achieve an appropriate age structure, an even balance between women and men in the staff, and mobility among the staff. The report shall be made on groups of staff in three categories: management staff, core staff and support staff, if this is appropriate.

1. ADJUSTMENT PROCESS

The goals for 2005 were to

- start making an analysis of operations and skills with the aim of producing a plan on ways in which Sida shall fill the vacancies that will arise as a result of forthcoming retirement of staff.
- make strategic use of funds for adjustment purposes.
- continue to have a generous attitude towards semi-retirement
- use strategically, from the transfer of knowledge perspective, staff who wish to work to 67 years.

With its point of departure in future changes in personnel needs, a project has specified what can be regarded as requisite core skills at Sida. These core skills will form the basis of future training programmes and human resource development projects to fill the vacancies that will arise as a result of the retirement of a large number of staff.

Every government agency is to allocate funds for use for human resource development activities (adjustment funds). With the aid of these funds four members of staff

have been given the opportunity to develop their skills by working in other parts of the agency and five members of staff have been given the opportunity to participate in the advanced administrative development course arranged by the Ministry for Foreign Affairs. Not all the adjustment funds have been used.

During the period 2005–2010 some 150 members of Sida's staff will retire. This group has profound knowledge and extensive experience of Sida's work. In 2005 Sida made an analysis of this situation and its consequences for Sida. Work has started in the Personnel Department on producing an action programme to handle its consequences. This work also includes reviewing ways in which the skills and experience of those who will retire can best be retained and put to good use in the organisation.

Retirements

In 2005 21 members of staff took early retirement, one person less than in 2004. Sida has, and will have, a sympathetic attitude towards and support those members of staff who want early retirement.

Slightly less than one per cent, 13 persons, retired and the same number left Sida for other jobs, mainly in other parts of the central government administration. These figures must be considered as being very low.

The goals for 2006 are to

- continue to work with human resource management for all parts of Sida
- produce a manning and human resource plan in the light of the large number of forthcoming retirements
- produce skills profiles in the light of the large number of forthcoming retirements
- use the adjustment funds strategically.

The goals for 2007–2008 are to

- produce a model for the transfer of expertise and experience from those born in the 1940s to the younger generations at Sida.
- continue to work with necessary adjustments as a consequence of the retirement of staff.

2. RECRUITMENT AND COMPOSITION OF THE STAFF

The goals for 2005 were to

- further improve recruitment routines and instruments with the aim of having an efficient recruitment organisation in place for the years when a large number of staff will retire. This will start in 2006.

- produce skills profiles for the most common posts at Sida, taking the new Policy for Global Development into consideration.
- increase the number of internal applicants to posts at embassies/field offices by 20 per cent.
- reduce the number of temporary employees at embassies/field offices from 22 per cent to 15 per cent.
- continue to have a generous attitude towards semi-retirement with the aim of creating a good process of transition between work and retirement for members of staff.
- make good use of those members of staff who wish to work to 67 years from the transfer of knowledge perspective (See section 1 in appendix 6).

In 2005 Sida made a review of its internal recruitment process. Thereafter a new recruitment routine was produced to organise the recruitment procedure and to make it more uniform.

As stated above, Sida has defined what it means by core skills. The work on producing skills profiles for various posts will be started using the core skills as the point of departure.

When the main list of vacancies at Sida's embassies and field offices was announced, it consisted more or less of the same number of posts (48) as in 2004 (49), but the number of applicants decreased by 19 persons compared to 2004. This can be due, among other things, to the difficulties experienced by accompanying spouses in finding relevant work and that Sida's posts are often located in turbulent areas.

The year 2004 saw the introduction of a savings requirement of two per cent which was increased to four per cent in 2005. As a measure to meet the savings requirement Sida introduced an employment freeze. The number of permanent employees increased by 18 persons in 2005. The explanation for this is partly that the savings requirement was achieved before the end of the year and some new recruitments could thus be made, and partly the increase in staff in connection with the establishment of the Baltic Sea Unit.

Where the composition of the staff is concerned, the number of female programme officers increased by 17 persons and the number of male programme officers decreased by 6 persons. This has the effect that 58 per cent of the programme officers at Sida are women and 42 per cent are men.

The number of temporary employees at embassies and field offices is the same as last year. The reason for this is partly the employment freeze that was in force in 2005, which affected the possibility of making personnel permanent employees, and partly the difficulties in finding the right expertise at Sida.

The goals for 2006 are to

- gradually introduce the new recruitment policy
- continue stimulating Sida staff to apply for jobs in the field
- make a major recruitment drive in accordance with the decision of the Director General
- work to ensure that Sida achieves the recognised 60–40 breakdown between men and women at the agency
- develop an evaluation centre to produce a selection of suitable candidates for future management positions and arrange a preparatory management development programme
- monitor and follow up, together with the Ministry for Foreign Affairs, the result of the study of foreign service conditions and make any changes necessary
- produce proposals for time-limited management appointments.

The goal for 2007–2008 is to

- contribute to work with Sida's future staff needs on the basis of the result of the skills and manning profiles produced in 2005.

3. PAY POLICY AND CONDITIONS OF EMPLOYMENT

The goals for 2005 were to

- implement pay negotiations during the first quarter that are totally in line with the pay talks model.
- ensure that, in the pay negotiations in 2005, Sida's pay levels are in line with comparable pay levels outside Sida
- continue training of Sida's managers in the pay policy and pay talks.
- use the ethical policy for working in the field at Sida's preparatory training programmes prior to service abroad and make it a living document at embassies where it should function as a form of support for managers and staff.

Prior to the pay negotiations for Sida's staff in 2005, seminars on pay were held for all management staff who have the responsibility for setting pay levels. Where staff at head office were concerned, salaries were set during talks between members of staff and their managers. Traditional pay negotiations were held in the field. During the pay negotiations a new instrument for assessing the performance and qualifications of staff was used.

An analysis is being made of the outcome of the 2005 pay negotiations to ascertain whether pay levels at Sida are in line with comparable pay levels outside Sida.

A project to produce an instrument for surveying salaries was finalised in 2005. The instrument was produced in cooperation with the trade unions and will be used to make surveys of differences in pay between

posts and between women and men. The instrument will also be of assistance in setting salaries of new employees.

The Ministry for Foreign Affairs and Sida have produced a document, *Ethical Guidelines for Service Abroad*. All embassies and field offices have received the guidelines and have been instructed to use them in their work.

The goals for 2006 are to

- evaluate the pay talks between staff and managers, further develop pay talks techniques and train the staff in using them
- use the new instrument for making surveys of pay levels.

4. LEARNING AND HUMAN RESOURCE DEVELOPMENT

The goals for 2005 were to

- implement the recommendations made by the Learning Strategy project
- further develop the use at Sida of e-learning as a tool for human resource development in the learning that takes place in Stockholm and at the embassies.
- provide more support to the embassies in matters relating to organisation development and human resource development.
- start work on ways in which Sida should work with career planning in relation to the staff.

Policy development

Sida has made a comprehensive analysis of the recommendations contained in the final report of the Learning Strategy Project and discussed how the agency could introduce them. One result of this work is the definition of Sida's core skills that will form the basis of future work prior to forthcoming retirements and in career planning.

Developing forms of support and making learning visible in Sida's main processes and areas with strategic priority have been initiated. Sida at Work states that learning from one's own experience and that of others is to permeate all activities at Sida.

A document on learning at Sida has also been issued. This describes Sida's views on both formal and informal learning. It also contains concrete hints to members of staff and management on ways in which Sida can work effectively on developing skills. The document has been used in various contexts and, together with Sida at Work, it contributes to raising awareness of Sida's views on learning.

Moreover the working group for Sida's core skills presented its final report which contained a number of conclusions and recommendations.

Concrete learning activities

A greater focus on network-based learning resulted in several projects: a network-based course on HIV/Aids in

development cooperation aimed at staff in the field has been produced together with other Nordic development cooperation agencies; a network-based course on sustainable development in development cooperation aimed primarily at national programme officers in the field has been produced and was evaluated in December 2005; and an introduction module for new employees at Sida Stockholm has been developed.

Furthermore work has started on using Sida's learning platform, Ping Pong, as a tool for communication in networks on issues relating to the dialogue and public sector financial management.

During the year courses were held for Sida staff (some 35 persons) who have started to serve at embassies/field offices. The content of these courses was changed in 2005 on the basis of Sweden's new policy for global development and the agreements contained in the Paris Declaration on aid effectiveness.

During the year a number of embassies received special support through internal consultants on the theme of organisation development, for example working methods, cooperation issues and team development.

The goals for 2006 are to

- make the core skills concept operational
- start developing a learning portal on the intranet and Sida's website
- cooperate internationally: lead donor in sub-group knowledge management in Train4Dev
- hold at least one network based course on the integrated environment
- launch a network-based introduction course for new employees.

The goals for 2007–2008 are to

- develop a model for administering learning and human resource development projects
- subject the routines for learning and human resource development at embassies to quality assurance processes.

5. WORKING ENVIRONMENT AND HEALTH

The goals for 2005 were to

- reduce absence due to sickness, particularly among female members of staff.
- further increase awareness of stress and take requisite measures to prevent stress, for example through targeted training programmes for managers in which the responsibility of managers is clearly specified.
- improve the physical working environment in respect of computer screens, light, air, climate and noise.
- further improve the tools for systematic work on the working environment.

Absence due to sickness decreased from 2.72 per cent

in 2004 to 2.46 per cent in 2005. The reduction in absence due to sickness can be seen in most age groups. The group of women between the ages of 30–49 years accounts for the largest reduction, 0.75 per cent. Where persons over 50 are concerned, sick leave decreased for men. For women it is the same as in 2004.

Sida is highly aware of stress and the effects it can have. In various contexts, for example the organisational survey, it has emerged that stress is a serious environmental problem at Sida. This matter was discussed at Sida during the year and it has been taken into consideration in the planning of Sida's new premises.

In 2005 Sida decided that the agency should move. This had the consequence that the work on the physical and systematic working environment focused mainly on the design of the new offices.

Sida's management has started its own development programme to inform the staff on management and leadership of the work.

Two projects were started that are intended to simplify the administration and division of work for administrative duties at Sida.

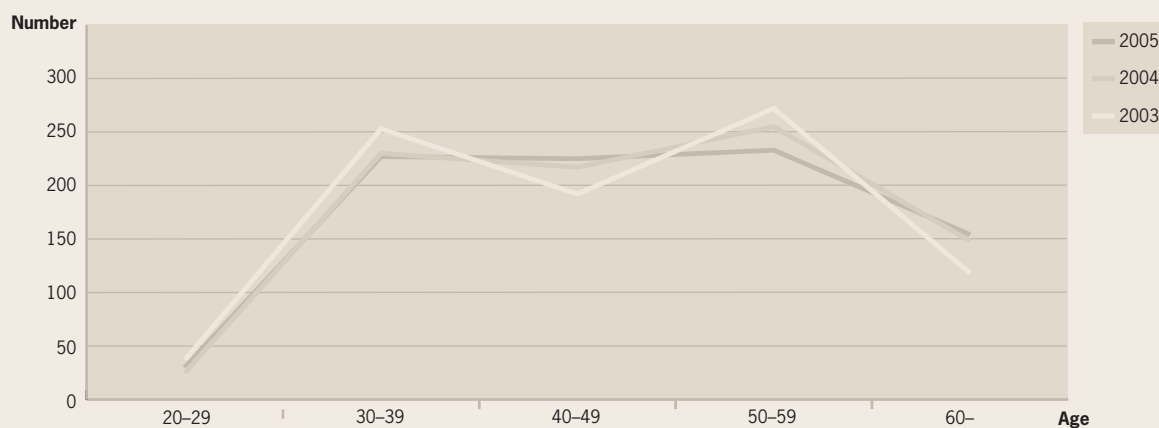
The goals for 2006 are to

- work actively with the physical and mental working environment prior to the move to new premises
- continue the work of further reducing absence due to sickness
- produce a plan for further measures to prevent stress.

The goals for 2007–2008 are to

- continue working with the physical and mental working environment in Sida's new offices
- continue the work of reducing stress.

Appendix 6:1. Age structure 2003, 2004 och 2005, including staff on leave of absence



Appendix 6:2. **Personnel statistics**, as at December 31 2005

	2003			2004			2005		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Form of employment									
Permanent staff	373	273	646	370	260	630	389	259	648
stationed in Stockholm	299	205	504	287	192	479	298	186	484
stationed in Härnösand	6	6	12	6	6	12	6	6	12
stationed at embassies	65	60	125	72	62	134	78	65	143
other duty stations (EU, Gotland)	3	2	5	5	0	5	7	2	9
Temporary staff	78	45	123	83	46	129	86	42	128
stationed in Stockholm	61	24	85	55	31	86	56	30	86
stationed in Härnösand	0	0	0	0	1	1	2	0	2
stationed at embassies	15	19	34	26	12	38	27	11	38
other duty stations (EU)	2	2	4	2	2	4	1	1	2
Staff on leave of absence	77	27	104	76	28	104	70	28	98
in other development coop. organisations	14	12	26	11	8	19	7	13	20
for studies	11	1	12	8	3	11	5	1	6
for other reasons	52	14	66	57	17	74	58	14	72
Total number of employees	528	345	873	529	334	863	545	329	874
Posts									
Management posts	33	54	87	43	49	92	52	56	108
Programme officers	309	238	547	305	235	540	322	229	551
Administrative assistants	108	27	135	105	22	127	99	18	117
Total	450	319	769	453	306	759	473	303	776
Educational levels									
Postgraduate education	26	41	67	27	38	65	26	38	64
Higher education, post secondary education > 2 years	341	251	592	354	243	597	372	238	610
Post-secondary education < 2 years	30	12	42	28	13	41	30	13	43
Upper secondary education	117	33	150	108	32	140	106	29	135
Nine-year compulsory school	13	9	22	12	8	20	9	8	17
External recruitments									
Management staff	0	0	0	0	0	0	2	1	3
Programme officers	25	15	40	20	22	42	21	11	32
Administrative assistants	8	0	8	2	0	2	3	1	4
Recruitments to embassies									
Management staff	8	4	12	4	6	10	0	0	0
Programme officers	18	15	33	31	19	50	32	24	56
Administrative assistants	1	0	1	0	0	0	0	0	0
Average age									
Employees	45	49	47	46	49	48	47	49	48
Externally recruited staff	35	38	36	37	38	38	36	38	37

Appendix 7. Summary—Reports and assignments

1.1 Reports on the management and control of Sida's activities

POLICY AREA: FOREIGN POLICY AND SECURITY POLICY

Operational area: Cooperation in the Baltic Sea region

Sida shall submit a report on the ways in which its activities have contributed to develop cooperation with Swedish society, in particular government agencies, local authorities, regions and NGOs.

Report under the operational area on page 101.

POLICY AREA: INTERNATIONAL DEVELOPMENT COOPERATION

Operational area: Africa

Sida shall submit a report on reconstruction contributions that are being planned, are under implementation, or which have already been implemented. This includes contributions for disarmament, demobilising and rehabilitating soldiers, so-called DDR contributions, and other conflict-related activities in countries that have experienced conflicts, and regionally.

Report under the operational area on page 30–31.

Operational area: Eastern Europe and Central Asia

- 1. Sida shall submit a report on the ways in which its operations have contributed to conserve, protect and improve the environment in and around the Baltic Sea and North-West Russia.*
- 2. Where Swedish NGOs are concerned, Sida shall report on the allocation of grants to frame organisations and sectors, and on the number of foreign partners in cooperation. The number of Swedish organisations included in the activities of the frame organisations shall also be reported.*
- 3. Where support for the information activities of NGOs in Sweden is concerned, Sida shall report on information grants disbursed, broken down by organisation.*

Report under the operational area on page 51.

Operational area: Global development programmes

- 1. Sida shall submit a report on the breakdown by subject areas and provide examples of their interaction with other operational areas; on synergy effects between the national, regional and international levels; and on conclusions and lessons drawn from evaluations finalised during the year.*
- 2. Sida shall submit a report on the measures it has taken to strengthen programmes against drugs as an obstacle to development. Special descriptions shall be given of the links between drugs and HIV/Aids, sexual and reproductive health and rights (SRHR), and crime-related issues such as trafficking for sexual purposes and other forms of exploitation.*

Report under the operational area.

Operational area: Research

- 1. Sida shall provide a breakdown between support for the strengthening of research capacity and support for research that is relevant to development. The report shall also state the basis used to make considerations between these areas against the background of the goal of international development cooperation, and describe the ways in which activities in each area are relevant to the goal. Sida shall state how it has selected its partners in cooperation in its contributions for strengthening capacity. Where support to research relevant to development is concerned, priorities and a breakdown by subject area shall be given.*
- 2. Sida shall state the methods it has used to fulfil the goal of research in Sweden that is relevant to development, and the indicators that are appropriate to assess goal fulfilment in this respect. Sida shall specify the subject areas that have been given priority and that have received support in Sweden.*
- 3. Sida shall submit a report on the agency's support to research into both vaccines and antimicrobial medicines in the struggle against HIV/Aids, tuberculosis and malaria.*

Report under the operational area.

Operational area: Humanitarian contributions and conflict-related activities

Humanitarian contributions

- 1. Sida shall submit a report on the use of funds broken down by contributions for disaster prevention and preparedness, for emergency assistance, for early reconstruction and for methods development and evaluation.*

Conflict-related activities

- 2. Sida shall submit a report on the use of funds broken down by conflict-related activities and methods development. The report shall include purposes, main content, implementing organisations and country / region.*
- 3. Sida shall submit a report on the scope and focus of its support for mine management.*

Reports under the operational area on pages 66–68.

Operational area: Concessionary credits

Sida shall submit a report on the use of funds broken down by sectors and countries.

Report under the operational area on pages 73–74.

Operational area: Non-governmental organisations

- 1. In its report on the activities of non-governmental organisations, Sida shall include the breakdown of grants to frame organisations, sectors and countries, and the number of foreign partners in cooperation per frame organisation. The number of Swedish organisations included in the activities of the frame organisations shall be specified.*
- 2. Where support for the information activities of NGOs is concerned, Sida shall submit a report on the number of approved*

information grants per organisation. Sida shall submit an overall report on the ways in which the NGOs work to promote the social dialogue and increase knowledge of issues relating to global development, international development cooperation and the government's policy for global development.

Reports under the operational area on pages 76 and 78.

Operational area: Information

Sida shall submit a report on the outcome of the public opinion surveys/polls that have been made on interest in, awareness of, and attitudes towards international development cooperation and the Millennium Development Goals.

Report under the operational area on pages 80–81.

Other goals and reports required

Overall reports

1. Sida shall submit a report on ways in which development cooperation has promoted, and has been permeated by, the goal of international development cooperation, the two perspectives and the eight central component elements.

Report on pages 16–19.

2. Sida shall summarise the agency's work on the implementation of country, regional and cooperation strategies with the goals formulated in these strategies as the point of departure. In cases where there are no goals, Sida shall submit a report corresponding to the priorities and focus of the strategies. A report shall be submitted on financial outcome and Sida's assessment of results. Trends towards programme support (i.e. sector programme support and budget support) shall be reported.

Report under each operational area.

3. Sida shall submit its assessment of the results of operations, including an analysis, discussion of problems, and conclusions by each operational area and totally.

Report under each operational area and under Volume of international development cooperation.

4. A report shall be submitted on conclusions drawn and lessons learned from the analyses of outcome or similar that have been produced during the year, as well as evaluations and, where appropriate, Sida's position and any possible plan of action related to this position. All reports shall contain an analysis and a discussion of problems.

Report under each operational area. Analyses of results are only included under regional operational areas.

5. Sida shall measure all its activities against the goal of Swedish international development cooperation.

Report under each operational area and under Goals, perspectives and central component elements in development cooperation.

6. A report shall be submitted under each operational area, and totally, of the following

- Financial outcome per form of support (general budget support, sector programme support, project support etc) and channel
- Financial outcome for the five main countries
- Number of contributions, whereof the number of

contributions over SEK 15 million and the number of new contributions.

Shown in the main table under each operational area.

7. The outcome shall be analysed and explained.

Report under each operational area under Analysis of outcome.

Poverty strategies

Sida shall submit a report for each region on the ways in which it supports, monitors and participates in the dialogue in respect of the nationally owned processes to combat poverty in the partner countries, including ways in which Sida promotes the participation of poor people and their representatives in making priorities and decisions and in implementing and following up measures to reduce poverty.

Report under each regional operational area.

Harmonisation

Sida shall submit a report on the measures it has taken to strengthen harmonisation and alignment with partner countries and other donors.

Report under the section on Harmonisation and alignment on pages 20–21.

Evaluation activities

Sida shall submit a report, no later than April 3, 2006, on its evaluation and internal audit activities in 2005. The report shall describe important conclusions and recommendations from examinations made and provide a brief report on feedback of the results of examinations made, measures taken, and follow-up of measures taken.

Special programmes

– HIV/Aids

Sida shall present a report on the ways in which measures related to HIV/Aids have been consolidated and integrated into Sida's work. Sida shall present initiatives that have contributed to aspects relating to sexuality and gender equality being taken into consideration in its work with HIV/Aids. Sida shall report on the ways it has participated in relevant fora. Sida shall report on the ways in which it has participated in the coordination of international resources for combating HIV/Aids.

Report on page 84.

– Sexual and reproductive health and rights

Sida shall present a report on its support for sexual and reproductive health and rights (SRHR). The focus should be placed on the implementation of the action plan produced at the Cairo conference, with a special emphasis on the goal of universal access to reproductive health; how the support contributes to the fulfilment of the Millennium Development Goals (MDGs); the impact of SRHR in multilateral cooperation; and support to countries, multilateral organisations and Swedish and international NGOs.

The report shall take up in particular the ways in which Sida has worked to improve the possibilities available to women and girls to obtain free, safe and accessible abortions, and to strengthen the HBT (homosexual, bisexual and transsexual persons) perspective, for example through capacity development support to strengthen the rights of women, young people and HBT persons in the partner countries.

Report on page 85.

– Conflict management, conflict prevention, common security and peace-building

As a consequence of its conflict prevention work under the Government's special programme, Sida shall submit a report on the contributions in which Swedish personnel have been made available for international peace and security promotion activities. The report on cost trends for this activity and any changes in activities shall be made each quarter. Reports have been submitted.

– Employment and labour market

Sida shall submit a report, no later than May 15, 2005, to the Ministry for Foreign Affairs on planned contributions in the field of employment and labour market. Communication to the Ministry for Foreign Affairs on May 13, 2005.

Disaster prevention and disaster preparedness, reconstruction and long, drawn-out refugee situations

Sida shall submit a report on its contributions for disaster preparedness and other contributions for the prevention of natural disasters and damage caused by events similar to disasters.

Sida shall submit a report on its support for reconstruction and recovery projects in connection with humanitarian contributions in order to facilitate the process of transition from a disaster or crisis to permanent development.

Sida shall submit a report on its contributions to projects that have the aim of finding sustainable solutions to the problems relating to long-term refugees, under the leadership of the UNHCR and other organisations.

Reports on pages 86–87.

General budget support

Sida shall submit a report on Sida's methods work related to budget support and on experience gained and results of this form of support. Report on pages 87–89.

Programme support and public financial management

Sida shall present a report on the measures it has taken in the field of public financial management, with a focus on those countries that receive budget support and/or where there are ongoing or planned programmes of sector support. Furthermore, Sida shall report on the ways in which it has worked to strengthen cooperation with other donors and the Bretton Woods institutions in the field of public financial management.

Report on page 89.

Organisations associated with political parties

Where support channelled through organisations associated with Swedish political parties for the development of democracy in developing countries and countries in Eastern Europe is concerned, Sida shall present a report on the breakdown of the support by organisation, region, including joint projects, and the extent to which the support is official development assistance according to OECD/DAC's definition.

Report on page 90.

Child rights perspective

Sida shall submit a report on the effects the application of a child rights perspective has had on activities on the basis of the Government's communication: "A child rights perspective in international development cooperation", and a report on the measures it has taken as a result of UN Security Council resolution 1460 (2003) on children in armed conflicts.

Report on pages 90–91.

The rights of the disabled

Sida shall present a report on the ways in which its work to integrate the rights of the disabled into its activities have proceeded and developed. The report shall also include any special contributions.

Report on pages 91–92.

Migration and development cooperation

Sida shall present a report on the measures it has taken in respect of migration and development cooperation.

Report on pages 92–93.

Promotion of gender equality and improvement of the situation of women

Sida shall submit a report on its contributions to support the participation of the partner countries and NGOs in the UN Women's Commission's ten-year follow-up of the Women's conference in Beijing; for Sida's "Gender Equality Year" in 2005; and for arrangements linked to the fifth anniversary of UN Security Council resolution 1325.

Report on page 93.

Climate

In line with EU's action plan for working with climate issues with developing countries, Sida shall submit a report on the support it provides in priority areas for climate work, including research cooperation, particularly of the type that concerns adaptation to the effects of climate change.

Report on page 94.

Trade-related support

Sida shall submit a report on its support in accordance with the Government's guidelines for Swedish trade-related support for capacity development in the trade-related field, particularly in respect of the participation of poor countries in international negotiations.

Report on pages 94–95.

Cooperation with Swedish stakeholders

Sida shall submit a report on the measures it has taken to stimulate cooperation with Swedish industry, government agencies, local authorities and other relevant stakeholders.

Report on page 96.

Social and environmental responsibilities of enterprises

Sida shall submit a report on the measures it has taken to stimulate the social and environmental responsibilities of enterprises and how guidelines for this work are reflected in the agency's procurement regulations.

Report on page 96.

Guarantees

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 outcome. Information — with the exception of the risk-valued outcome — shall also be presented in the interim report.

Report on pages 97–98. Requested information has also been provided in the interim report.

Unspent balances on appropriations

Sida shall submit a report to the Ministry for Foreign Affairs, no later than March 1, 2005, on the amount of the unspent balances, committed and uncommitted, carried forward as at December 31 2003 at appropriation sub-item level and submit proposals for a new allocation of the uncommitted balances. Communication to the Ministry for Foreign Affairs March 1, 2005.

Forecasts

Sida shall submit expenditure forecasts to the Ministry for Foreign Affairs at appropriation level and sub-item level for the years 2005–2008 for all appropriations placed at the disposal of the agency. For 2005 Sida shall report expenditure forecasts for 2005–2008 on the following dates: January 20, March 8, May 5, August 2, and November 1. The forecasts shall be commented on both in relation to the previous forecast and in relation to the budget. The assumptions on which the report is based shall be presented. Forecasts for non-ODA countries shall be reported on separately.

Reports submitted in accordance with the above requirements.

International organisations

Sida shall present a report on the total amount of development cooperation channelled via Sida to international organisations such as UN agencies, international finance institutions, OSCE, Council of Europe etc.

Report in appendix 3.

Internal Management

Internal efficiency

Sida shall present indicators of the agency's internal efficiency in different parts of its development cooperation activities.

Report in appendix 4.

Gender equality and personnel policies in central government

In accordance with the "Government's gender equality policy and action plan for its term of office", Sida shall submit a report on the ways in which it is promoting gender equality at Sida by providing equal opportunities for advancement and development for women and men and identifying and abolishing unjustifiable differences in wages.

Report in appendix 5.

Sida's human resource management

Sida shall submit a report on the goals and level of goal fulfilment in respect of its human resources in relation to the goals and outcome of its activities.

The report shall show

- the extent to which the agency's objectives for human resource management in 2005 have been achieved,*
- the measures that have been taken,*
- and the goals of the agency's human resource management for 2006 and for 2007–2008*

Within the framework of this report a description shall be provided of the agency's efforts to promote ethnic and cultural diversity, good health, and to achieve an appropriate age structure, an even balance between women and men in the staff, and mobility among the staff. The report shall be made on groups of staff in three categories: management staff, core staff and support staff, if this is appropriate.

Report in appendix 6.

1.4 Assignments

Results report

Prior to the submission to Parliament by the Government of its communication on results, Sida shall submit a report, no later than March 1, 2005, on the ways in which the agency has worked, and intends to work to enable the policy for global development to have an impact in programmes of development cooperation.

Communication to the Government on February 24, 2005.

Millennium Development Goals

Sida shall submit a report, no later than April 30, 2005, containing examples of development cooperation programmes that contribute to the fulfilment of Millennium Development Goals 1–7. The report shall also include indicators in respect of Goal 8.

Communication to the Government April 28, 2005.

Reporting systems/statistical systems

Sida shall submit a report, no later than November 1, 2005, on the possibility of providing reports on contributions by theme / subject area, country / region and organisation.

Communication to the Government October 27, 2005.

Africa

Sida shall submit a proposal for a cooperation strategy for Somalia no later than December 31, 2005.

Assignment postponed and changed.

Sida shall submit a proposal for a cooperation strategy for Tanzania no later than December 30, 2005.

Communication to the Government December 21, 2005.

Sida shall submit a report, no later than September 1, 2005, on the support it has provided to post-conflict countries and for reconstruction in Africa, and its experience of this support.

Communication to the Government September 2, 2005.

Sida shall submit a communication to the Government, no later than June 15, 2005, which contains proposals for the focus and use of funds, amounting to no less than SEK 400 million, in respect of the appropriation for Africa. In particular, the communication shall contain proposals for the focus and use of funds for contributions for reconstruction, including DDR contributions, and other conflict-related activities in post-conflict countries.

Communication to the Government June 15, 2005.

Asia, Middle East and North Africa

Sida shall submit proposals for cooperation strategies for China and Afghanistan no later than December 31, 2005. Sida shall submit a proposal for a regional cooperation strategy for the Middle East and North Africa no later than February 1, 2006.

China: Communication to the Government November 3, 2005.

Afghanistan: Communication to the Government November 3, 2005.

Middle East and North Africa: Communication to the Government February 1, 2006.

Latin America

Sida shall initiate limited programmes of cooperation with Brazil with the aim of promoting the culture of democracy and the Millennium Development Goals.

Sida has started preparing limited programmes of cooperation with the aim of promoting the culture of democracy and the Millennium Development Goals in Brazil, with a focus on the extensive poverty pockets in north-east Brazil. This has resulted in the active engagement of a Swedish NGO and in the identification of a contract-financed technical assistance programme. Both programmes have linkages to the rural development problems in north-east Brazil.

Eastern Europe and Central Asia

Sida shall submit proposals for cooperation strategies for Bosnia and Herzegovina and Macedonia for a regional cooperation strategy for Southern Caucasus no later than December 1, 2005. Sida shall submit a proposal for a regional cooperation strategy for Central Asia no later than December 1, 2005.

Bosnia and Herzegovina: Communication to the Government September 26, 2005.

Macedonia: Communication to the Government September 28, 2005.

Southern Caucasus: Communication to the Government September 29, 2005.

Central Asia: Communication to the Government November 28, 2005.

The Government will give Sida a separate assignment to submit a proposal for a cooperation strategy for Turkey.

Communication to the Government May 23, 2005.

In respect of cooperation with the Western Balkans Sida shall submit a report, no later than October 1, 2005, on the ways in which the programme of support has contributed to permitting the return of refugees, asylum seekers and internally displaced persons to and within the region.

Communication to the Government September 19, 2005.

The Government will give Sida a separate assignment to submit a proposal for guidelines in respect of contributions for the Roma population in the Western Balkans.

Communication to the Government May 23, 2005.

Sida shall submit a report, once every half year, to the Government Offices' working group on support for the promotion of security, on the projects for which final reports have been received by Sida.

The reports have been made.

Cooperation in the Baltic Sea region

Sida shall develop and start, no later than July 1, 2005, an activity that has the responsibility for developing Sweden's relations with the Baltic Sea region and for strengthening the development of the region in the operational areas concerned. The activity shall be run at a new organisational unit located in Visby in the county of Gotland. When it is fully operational the Unit will have the equivalent of 20 full-time employees.

See report under the operational area.

Sida shall submit a proposal, no later than March 1, 2005, on the focus of the Unit's activities.

Communication to the Government February 24, 2005.

In its annual report for 2005, Sida shall describe the progress of its assignment to build up and establish the activity in Visby. Sida shall also submit a report on the forms with which the new Unit cooperates with the Baltic Sea Centre.

See report under the operational area. Communication to the Government May 23, 2005.

Tripartite cooperation

Sida shall have the main responsibility for the programmes of cooperation that Sweden, together with the EU's new member states or developing countries, implement in third countries, so-called tripartite cooperation. Sida shall submit a proposal to the Ministry for Foreign Affairs, no later than April 1, 2005, on ways in which programmes of this type can be supported and promoted.

Communication to the Government March 29, 2005.

Conflict-related activities

Sida shall submit, no later than September 15, a review of its support for conflict-related activities, broken down by organisations / institutions and regions / countries and by category of contribution.

Communication to the Government September 12, 2005.

Sida shall submit a proposal, no later than March 31, 2005, for a strategy for its conflict-related activities in international development cooperation.

Communication to the Government March 30, 2005.

Small arms and light weapons

As a contribution to the formulation of an overall strategy, Sida shall propose, no later than September 15, 2005, guidelines for the focus and priorities of Sida's work to prevent the spread of small arms and light weapons. The undertakings made by Sweden and other member states in the EU's joint action in respect of the Union's contribution to combat the destabilising accumulation and spread of small arms and light weapons, to decrease existing accumulations and to solve problems arising as a consequence of such accumulations, shall be given special attention. Sida shall also take into consideration the Swedish undertakings within the framework of OSCE's document on light weapons.

Communication to the Government September 14, 2005.

Information

Sida shall submit a proposal, no later than April 15, 2005, on its information assignment in the light of the decision by Parliament on Sweden's policy for global development.

Communication to the Government April 14, 2005.

Health

Sida shall actively contribute to the Government's work on a Swedish strategic action plan, 2006–2008, that has the aim of preventing and reducing the consequences of infectious diseases. In connection with this, Sida is assigned to produce, in close cooperation with other government agencies concerned (e.g. Swedish Institute for Infectious Disease Control, National Board of Health and Welfare and National Institute of Public Health), documentation for an action plan for bilateral and multilateral assistance, including the EU. In accordance with the programme to combat infectious diseases that was announced by the Government in 2004, Sida shall give special attention to the need and possibility of increasing development cooperation contributions for research, prevention and treatment, for example in respect of HIV/Aids, malaria, measles and tuberculosis. Furthermore, the document shall give special consideration to the importance of robust health systems, relevant research and the use of research findings for new and improved vaccines and antibiotics and other antimicrobial medicines against which resistance is developing. Sida shall submit its documentation, including preliminary cost estimates for the implementation of the strategy in development cooperation contributions, to the Ministry for Foreign Affairs, no later than May 31, 2005.

Communication to the Government May 31, 2005.

Sida shall submit a proposal, no later than March 31, 2005, for forms for long-term financing of the activities of the Swedish pharmaceutical company, Apoteksbolaget, as a WHO cooperation centre with the responsibility for supplying reference material for the control and supply of medicines in poor countries, after the present agreement period.

Communication to the Government March 15, 2005.

Environment

In a dialogue with the Ministry for Foreign Affairs and in consultations with government agencies concerned, Sida shall draw up proposals for the special environmental programme announced by the Government in 2004. Proposals shall be provided in the fields of environmental technology, renewable energy, water and sanitation, chemicals, and the development of environmental institutions in the partner countries. A preliminary report shall be submitted to the Ministry for Foreign Affairs no later than June 1, 2005. The final report shall be submitted to the Government on September 1, 2005.

Communication to the Ministry for Foreign Affairs

June 1, 2005.

Communication to the Government August 24, 2005.

Sida shall submit a report, no later than October 1, 2005, on ways in which its support for contributions has been used in the multilateral environment field, in particular for the follow-up of the world summit meeting in Johannesburg

Communication to the Government September 27, 2005.

UN Commission for Sustainable Development

As a contribution to the Swedish preparations for the follow-up of the goals agreed at the world summit meeting on sustainable development in Johannesburg, Sida, in a dialogue with the Ministry for Foreign Affairs, shall submit analytical reports on the activities performed in relation to the themes taken up during the forthcoming two-year cycle (CSD 14 and 15). The report shall also relate to the cross-sector themes given in CSD's action plan (e.g. poverty issues, conservation of natural resources, sustainable consumption and production patterns, gender equality, and education). The report shall present the way in which the agency will work with the policy recommendations resulting from the high-level meeting on CSD 13. The report on the assignment shall be submitted no later than September 1, 2005.

Communication to the Government October 25, 2005.

Adoption and aid activities

With reference to the Government's bill on international adoption issues, Sida shall submit, no later than December 31, 2005, proposals for guidelines for support to organisations that pursue both adoption and development cooperation activities.

Communication to the Government December 12, 2005.

FAO strategy

Sida shall draw up a proposal for a strategy for Swedish cooperation with FAO in respect of financial support to activities additional to those financed by Sweden's membership fee. The proposal shall take into account the existing Swedish policy in respect of the FAO and

its activities, Sida's experience of previous extra-budgetary support including other countries' forms of cooperation with FAO, FAO's comparative advantages and disadvantages, and the Swedish policy in other fields relevant to the strategy. The assignment shall be implemented in consultations with other government agencies concerned. The proposal shall be submitted no later than September 15, 2005.

Communication to the Government September 13, 2005.

Corruption

Sida shall submit, no later than September 30, 2005, an overall report on the measures it has taken with the aim of supporting the ambition of the partner countries to combat corruption. In the report attempts should be made to identify the effectiveness of the contributions made in this field. Sida shall also report the measures it has taken with the aim of preventing corruption in programmes financed by Swedish development cooperation funds.

Communication to the Government September 28, 2005.

Consultancy funds

An internal review will be made at the Government Offices of the development effects, and the contribution to promoting trade, of the tied consultancy funds provided by Sweden. When the results of this review are available the need of funds and the forms for a possible continuation of the activity will be examined. Sida shall make requisite allocations to these funds until further notice.

Report of the Swedish National Audit Office

Sida shall submit a report, no later than April 15, 2005, on the actions it has taken as a consequence of the observations and recommendations made by the Swedish National Audit Office in its report Aid via embassies—a study of the Ministry for Foreign Affairs and Sida in development cooperation.

Communication to the Government April 18, 2005.

Abbreviations, acronyms and photographers

2005



Abbreviations and acronyms

AAN	African Archaeologists' Network
ADB	Asia Development Bank
AFCS	American Friends Service
AHRI	Armauer Hansen Research Institute (research institute with a focus on tuberculosis)
Aids	Acquired Immune Deficiency Syndrome
AIG	African Infrastructure Fund
AMANITARE	Africa Partnership for Sexual and Reproductive Health and Rights
AMM	Aceh Monitoring Mission (EU assignment in Indonesia)
ARSO	African Regional Organization for Standardization
ARTF	Afghanistan Reconstruction Trust Fund
ASEAN	Association of Southeast Asian Nations
ASP	Agricultural Support Programme
AWEPA	Association of Western Parliamentarians for Africa
BBE	Bilateral Associate Expert
BEST	Business Environment Strengthening for Tanzania (BEST programme)
BIO-EARN	Biotechnology, biosafety and biopolicy in East Africa
BRAC	Bangladesh Rural Advancement Committee
CAC	Codex Alimentarius Commission
CAINCO	Cámara de Industria, Comercio, Servicios y Turismo de Santa Cruz (chamber of commerce in Bolivia)
CARITAS	Aid organisation of the Catholic Church
CDA	Collaborative Development Action
CG	Consultative Group (coordination meeting of donors)
CGIAR	Consultative Group on International Agriculture Research (global network for research institutes)
CLACSO	Consejo Latinoamericano de Ciencias Sociales
COHCHR	UN's Cambodia Office of the High Commissioner for Human Rights
COHRE	Centre on Housing Rights and Evictions
CPRGS	Comprehensive Poverty Reduction and Growth Strategy (Vietnam's second PRS)
DAC	Development Assistance Committee (of the OECD)
DDG	Danish Demining Group
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo

EAC	East African Community
EBRD	European Bank for Reconstruction and Development
ECHO	Humanitarian Aid Department of the European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
ECPAT	End Child Prostitution, Pornography and Trafficking in Children
EFA	Education for All
EFA-FTI	Education for All – Fast Track Initiative
ESCAP	Economic and Social Commission for Asia and the Pacific
ESSP	Emergency Services Support Programme (World Bank Fund)
EU	European Union
EUSCRE	European Union Special Representative
FAO	Food and Agriculture Organisation
FCA	Framework Convention Alliance
FCTAWHO	Framework Convention on Tobacco Control
FIAN	Food First Information and Action Network
FIAS	Foreign Investment Advisory Service
GAM	Gerakan Aceh Merdeka (resistance movement in Indonesia)
GAVI	Global Alliance for Vaccines and Immunization
G18	Group of donors in Mozambique
GICHD	Geneva International Center for Humanitarian Demining
GOVNET	Network on Governance (international forum for development cooperation)
GRSP	Global Road Safety Partnership
GWP	Global Water Partnership
HABITAT	United Nations Human Settlements Programme
HAC	Humanitarian Aid Committee
HBT	Homosexual, bisexual and transsexual persons
HELCOM	Helsinki Committee—Action Programme for the Baltic Sea
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
IAC	Inter African Committee
IADB/IDB	Inter American Development Bank
IAPSO	Inter-Agency Procurement Services Office
IBFAN	International Baby Food Action Network
ICMAI	International Consortium for Medical Abortions
ICRAF	International Centre for Research in Agroforestry

ICRC	International Commission of the Red Cross
ICT	Information and Communications Technology
ICTSD	International Center for Trade and Sustainable Development
IDA	International Disability Alliance
IF	Integrated Framework for Trade-Related Capacity Building in LDCs
IFAD	International Fund for Agricultural Development
IFEX	International Freedom of Expression Exchange
IFJ/INSI	International Federation of Journalists
IFRC	International Federation of the Red Cross and Red Crescent
IIEP	International Institute for Educational Planning
IISD	International Institute for Sustainable Development
ILEAP	International Lawyers and Economists Against Poverty
ILO	International Labour Office
IMF	International Monetary Fund
IMO	International Maritime Organization
INAM	El Instituto Nacional de la Mujer (institute for women in Honduras)
IOM	International Organisation for Migration
IPA	Instrument of Pre-Accession Assistance (EU's future instrument for funding)
IPPF	International Planned Parenthood Federation
IT	Information Technology
ITC	International Trade Centre
IUCN	World Conservation Union
IVI	International Vaccine Institute
IWHC	International Women's Health Coalition
JAS	Joint Assistance Strategy (donor coordination in Tanzania)
JITAP	Joint Integrated Technical Assistance Programme
JLI	Joint Learning Initiative
JPO	Junior Professional Officer
LAMP	Land Management Programme (in Tanzania)
LDC	Least Developed Country
LFA	Logical Framework Approach (tool for project planning and administration)
LIDER	Loan Initiative for the Development of Economic Regions (micro-finance organisation established in Bosnia and Herzegovina)
LIP	Life and Peace Institute
LTTE	Liberation Tigers of Tamil Eelam (resistance movement in Sri Lanka)

LWF	Lutheran World Federation
MANIAC	Mainstreaming in Action
MDG	Millennium Development Goals
MISFA	Microfinance Investment and Support Facility Afghanistan
MOU	Memorandum of Understanding
MRC	Mekong River Commission
MTN	Mobile Telephone Networks
MTV	Music Television
NDEP	Nordic Dimension Environmental Partnership
NORAD	Norwegian Agency for Development Cooperation
NORDIC+	Group consisting of the Nordic countries plus Ireland, the Netherlands and Great Britain
NGO	Non-Governmental Organisation
OAS	Organization of American States
ODA	Official Development Assistance (given to countries classified by OECD as developing countries)
OECD	Organization for Economic Co-operation and Development
OHR	Office of the High Representative (an international authority that leads the peace process in Bosnia and Herzegovina)
OSCE	Organization for Security and Cooperation in Europe
PAHO	Pan American Health Organization
PCS	Project Counselling Service (for strengthening peace initiatives in civil society in Colombia)
PEFA	Public expenditure and financial accountability
PEP	Poverty and Environment Partnership
POVNET	Network on Poverty Reduction (DAC's network for poverty issues)
PPIAF	Public Private Advisory Service (an organisation that works with methods support to governments in order to attract private investments in infrastructure)
PROANI	Programa Avante Niassa (Sida's programme in Niassa province in Mozambique)
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit (credit linked to the PRS in Vietnam)
PRSP	Poverty Reduction Strategy Papers
QUESTO	Qualified Expatriate Somali Technical Support
RAINBO	Research, Action and Information Network for the Bodily Integrity of Women
SADC	Southern Africa Development Initiative
SAMOUZA	Towards safer motherhood in southern Africa in the era of aids
SASNET	Swedish South Asian Studies Network

SEI	Stockholm Environment Institute
SENSA	Swedish Environment Secretariat for Asia
SIPRI	Stockholm International Peace Research Institute
SIWI	Stockholm International Water Institute
SLMM	Sri Lanka Monitoring Mission
SPA	Strategic Partnership with Africa
SPIDER	Swedish Programme for IC ^t T in Developing Regions
SRHR	Sexual and Reproductive Health and Rights
STEA	Science, Technology and Environment Agency
TDR	Tropical Disease programme (WHO's programme for new vaccines and medicines for malaria and tuberculosis)
TIPH	Temporary International Presence in the City of Hebron
TRAIN4DEV	Joint Donors Competence Development Network
UN	United Nations
UNAIDS	Joint United Nations Programmes on HIV/Aids
UNCHR	United Nations Commission on Human Rights
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTA	United Nations Country Team Appeal
UNCTAD	United Nations Conference on Trade and Development
UNDCP	United Nations Drug Control Programme
UN-DHA	United Nations Department of Humanitarian Affairs
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNGEI	United Nations Girls' Education Initiative
UN-HABITAT	United Nations Human Settlements Programme
UNHCHR	United Nations High Commissioner for Human Rights
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
UNISDR	United Nations International Strategy for Disaster Reduction
UN-LIREC	United Nations Centre for Peace, Disarmament and Development in Latin America and the Caribbean
UNMAS	United Nations Mine Action Service
UNMIK	United Nations Interim Administration Mission in Kosovo

UNODC	United Nations Office for Drugs and Crime
UNOCA	United Nations Office for the Coordination of Human Affairs
UNOPS	United Nations Office for Project Services
UNRISD	United Nations Research Institute for Social Development
UNRWA	United Nations Relief and Work Agency for Palestinian Refugees in the Near East
UNCTA	United Nations Technical Cooperation Activities
UNV	United Nations Volunteers
UN/WIDER	World Institute for Development Economics Research
UPEACE	University for Peace
USAID	U.S. Agency for International Development
VIC RES	Lake Victoria Research Initiative
WABA	World Alliance for Breastfeeding Action
WFP	World Food Programme
WHO	World Health Organization
WHO/TDR	World Health Organization's Tropical Disease Research
WIEGO	Women in Informal Employment: Globalizing and Organizing
WILPF	Women's International League for Peace and Freedom
WIPO	World Intellectual Property Organization
WMU	World Maritime University
WP-EFF	Working Party of Aid Effectiveness and Donor Practices
WRI	World Resources Institute
WSIS	World Summit on Information Society
WTO	World Trade Organization

Photographs

p 12: Ulrica Zwenger (*apart from Ewa Björling and Börje Risinggård*)

The following photographs in the annual report illustrate the texts, but are not taken directly from the projects described in the texts.

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The overall goal of the Swedish policy for global development is to contribute to equitable and sustainable global development. The goal of Swedish development cooperation is to contribute to an environment supportive of poor people's own efforts to improve their quality of life. This goal is well in line with the international commitment to halve the proportion of people living in absolute poverty in the world by 2015. It emphasises that poor people themselves have the power to change and develop their communities if they are given the opportunity.

Swedish development cooperation shall promote, and be characterised by, the following central component elements:

Fundamental values:

- respect for human rights
- democracy and good governance
- equality between women and men

Sustainable development:

- sustainable use of natural resources and protection of the environment
- economic growth
- social development and social security

Other component elements:

- conflict management and security
- global public goods

Sida's contributions are based on the changes that the partner countries wish to implement themselves and are prepared to allocate resources to. Development can never be created from the outside. Sida's mission is to make a careful analysis of the types of contributions that can achieve the desired results and strengthen the possibilities available to poor people to improve their living conditions. Sida conducts a dialogue with the partner countries, contributes to capacity development, and provides capital.

The leaders of the world reached agreement on a number of concrete goals to reduce poverty at the UN Millennium Summit Meeting. The principal Millennium Development Goal is to halve the proportion of poor people in the world by 2015. There are good possibilities of achieving the goal if the world's leaders make a strong effort and allocate resources.

Do you want to know more?

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