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COOPERATION WITH SOUTHERN CAUCASUS

Sida Regional Report 2005

# Southern Caucasus





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# 1. Recent Developments

## **Georgia**

Since the “Rose revolution” in 2003, the new government of Georgia brought with it a strong commitment to uproot corruption, stabilize the economy, and bring order to fiscal management. The government has initiated sweeping reforms in the education system, reduced red tape for businesses, and has begun to address long standing issues in the areas of energy and infrastructure. The government now faces the challenge of sustaining the reform momentum and delivering results. Since coming into office, the ruling coalition has held a large majority in Parliament and continues to enjoy broad based support in the country. However, while recent public opinion polls confirm continued public support, they also reveal a population restive for change and for tangible improvements in the economy and employment generation. The government is therefore under increasing pressure to move as quickly as possible on a broad range of reform issues.

Over the past year, the Government entered a second phase of reforms concentrating on deeper institutional change. Although the government has not demonstrated a significant commitment to the Millennium Development Goals programme, reduction of poverty, improving governance and promoting the peaceful reconciliation and recovery of breakaway regions remain priorities. With the recent Progress Report on the Economic Development and Poverty Reduction Program (EDPRP) in March 2005, the Government reaffirmed its commitment to improving the areas of (i) governance; (ii) macroeconomic policies, particularly in the fiscal area; (iii) business environment; (iv) human development; (v) the social safety net; (vi) priority sectors of the economy – energy, transport, communications, tourism, agriculture; and (vii) environmental protection. According to the Joint Staff Advisory Note of the IMF, progress in implementing the strategy over the past year has been successful due in large part to an impressive improvement in public finance. The government has also committed itself to strengthening four target areas within the EDPRP: a) to involve the Ministry of Finance in realigning the strategy with annual government budgets by developing an MTEF; b) to ensure a reliable electricity supply to all regions, c) to provide adequate resources for health and education and d) to improve governance and public service delivery and further the empowerment of civil society. Donor coordination continues to remain in the hands of the donors (primarily UNDP, USAID and the WB), with

very little government participation, although the Ministry of Finance has initiated several donor meetings in the finance sector. Implementation of the Paris agenda was demonstrated this year by the Ministry of Finance, involving contributions by likeminded donors (Sida, DFID, the Netherlands) and the World Bank. The area of public financial management is also important for Georgia's adjustment to EU standards.

Anti-corruption efforts have continued to gain strong ownership at the highest levels of government over the past year. Clear messages have been conveyed to the public and the international community of the government's intention to improve governance systems and processes. Ministers have been given the authority and responsibility to eradicate corruption in their ministries and are being held accountable for the results. This year, the president also recently approved a National Anti-corruption Strategy prepared by a task force representing the government and civil society.

According to the Economist Intelligence Unit, economic growth increased during 2005, with an annual average GDP of 8.2 percent. At present, agriculture remains the largest sector of the economy. While agriculture dropped from 30 percent of GDP in 1996 to 16 percent in 2005, it remains the largest sector of the economy and accounts for 52 percent of employment. Trade is the second largest sector, accounting for 13 percent of GDP and 11 percent of employment, while manufacturing accounts for 9 percent of GDP and 5 percent of employment. Private remittances are equivalent to more than 25 percent of exports during the past five years and continue to play a significant role in the economy.

Weaknesses in civil service hamper public economic management, investment, and service delivery. While capacity prevails at the highest levels of the government, decision-making has not been delegated downward and mid-levels of the civil service remain underempowered, poorly remunerated and unmotivated, undermining the effectiveness of the public sector. Salary revisions have also taken place at higher levels of the civil service. Further analysis remains to be done however, to appraise the actual impact of the first generation reforms on reducing duplication and clarifying mandates both among and within state bodies.

## **Armenia**

The government of Armenia continues to officially place emphasis on political, economic and institutional reforms to facilitate the country's transition to an open and democratic society and free market economy. Yet the pace of democratization is rather slow and in many instances Armenia still comes short of internationally accepted democratic principles. Civil society, although tolerated by the government, still has a long way to go to have a voice in the distribution of powers in the country. The dominance of the executive branch of government has reduced competition in Armenia's political and economic spheres, and as a result rule of law is problematic, political parties are weak and the media are not truly independent. A declining standard of living coupled with rampant corruption and a generally unresponsive government discourages political participation and reinforces citizens' disillusionment with their government. Policy still tends to be formed to benefit the elite rather than the public. Corruption is also a key concern for Armenia's economic, political and social reform processes, both in the misuse of political power for private gain as well as traditional administrative or "petty" corruption. The constitutional referendum held in November 2005 sought to expand citizens' civil rights, and to transfer power from the

executive branch to the legislative branch. Although the amendments met with strong opposition, government institutions such as that of the Ombudsman Office are likely to be affected.

## **Azerbaijan**

Despite substantial oil reserves which have managed to attract significant foreign investment and capitalize on higher oil prices in recent years, the country continues to be faced with significant political, economic and social problems, many stemming from the military conflict with Armenia over Nagorno-Karabakh. A cease-fire has held since 1994, but Armenia and Azerbaijan have yet to resolve the status of this disputed enclave located within the territory of Azerbaijan. This conflict has constrained economic investment and trade, and has resulted in the displacement of more than 700,000 people. Meeting the immediate needs of the refugee and IDP populations has distracted the government and donors from implementing meaningful, structural reforms in the key areas of rural development, infrastructure, legal and regulatory reform and banking. The most recent violence and arrests resulting from the November parliamentary elections are also indicators that Azerbaijan is still far from democracy. Swedish resources allocated to the country remain limited and focus on human rights and democracy building.

### **1.1 New Strategy for Development Cooperation 2006–2009**

A new strategy for cooperation development in the South Caucasus was finalized in December 2005. Close consultations were held with the government of Georgia, while the limited support to Armenia and Azerbaijan resulted in a less ambitious consultation process in these countries. This process was based on a thorough, multi-dimensional poverty analysis which included a total of six studies and overviews. Country meetings were held in all three countries with representatives of government, civil society and other donors. Democratic governance, human rights and agriculture were identified as areas of potential priority for Sweden's cooperation with Georgia; democratic governance and human rights for Armenia and Azerbaijan. Dialogue on anti-corruption will be of continued importance in the three countries but particularly so in Georgia, as much of the new government's credibility lies in its success in coming to terms with corruption.

The process of thematic concentration and a shift from small to larger projects is a guiding principle of the new strategy. During this transition period effort will be spent on achieving a programmatic approach while at the same time attending to ongoing, smaller initiatives. In line with the Paris Declaration one important aspect of the strategy preparation was the investigation of possibilities for closer cooperation with other donors e.g. partnerships with like-minded organizations, pooling of resources, etc. Sweden has therefore begun to discuss a new and more programmatic approach for development cooperation with the World Bank, EBRD, EC, DFID, the Dutch as well as the appropriate Georgian government counterparts among them the Ministry of Finance and the Ministry of Agriculture.

## 2. Swedish Development Cooperation in the South Caucasus

The development of the new regional strategy for 2006–2009 provided a key opportunity to reassess the current project portfolio and make a number of critical adjustments for future activities. Concentration on fewer sectors and supporting larger projects, alternative arrangements for joint funding and the promotion of donor harmonization in accordance with the Paris agenda are primary examples. Such changes will help Sweden meet disbursement challenges resulting from the increased support to the region. Additional adjustments to the regional project portfolio will also be made to limit involvement to projects to which all three countries are committed.

As dialogue with the government was less than that anticipated in the Country Plan, the development of a broad and flexible programme is under discussion with UNDP. This programme will better align Swedish resources with the reform initiatives of the Georgian government and will reduce the administrative burden on Sida.

### 2.1 Georgia

#### **Democratic Governance**

In line with the emphasis the Paris Declaration places on donor coordination and harmonization with local governments, the World Bank, together with Sweden and other like-minded donors (DFID and the Netherlands) responded to the request of the Ministry of Finance to develop the first comprehensive Public Finance Management project of its kind in Georgia. As the area of public finance is one of the government's key priorities, complementary components to the project are under discussion with DFID that will involve groups outside the Ministry, such as the Chamber of Control, Parliament, and civil society.

Sweden is the leading contributor to the first regional School of Economics to be opened in Georgia in 2006. With additional funding from the WB, British Petroleum, the government of Norway and Soros, the ultimate aim of the School is to create a new generation of economists for the Caucasus which will fill the gap existing between the skills and knowledge of local economists and the complex economic issues confronting the countries of the region. The Caucasus graduate school will be modeled after similar schools supported by Sweden in Kiev.

The alliance between UNDP, Soros and Sida in the Governance Reform programme has resulted in substantial government ownership and participation in reform initiatives at the line ministry level. Given

the government's efforts on defeating corruption and promoting transparency, the first year of the governance reform program proved successful. Tax revenue increased by an unprecedented 50%, or 4 percentage points of GDP and as a result, all salary supplements were incorporated into the state budget much earlier than planned. Remaining funds allocated for salary supplements (including those of Sida) were therefore transferred to the Capacity Building Fund (CBF). During 2005, Swedish funds were allocated to support proposals submitted by various ministries, including the State Minister for Reform Coordination, the Public Service Bureau and the Ministry of Energy. The first impact assessment of projects funded by the CBF is scheduled for the fall 2006. However, given the informal success of the program, the government has approached UNDP with a proposal to extend the program through 2008.

In response to reform initiatives by the Ministry of Justice, a tripartite agreement was reached between Sweden and Estonia to establish a penitentiary staff training center, critical to the overall success and sustainability of the penal reform. Together with an EC team of experts with Sweden also in the leading role, dialogue will continue to potentially broaden Swedish activity in a more programmatic approach to the sector.

### **Social Sector**

As issues such as public service delivery, the development of a social safety net and others have come to the fore in government priorities, a social sector study was commissioned by Sida to evaluate the relevance of Swedish assistance in this sector. Although the study recommended the development of national employment services, one major reservation was clear: the need to consider the timing of the intervention and concurrent processes in the current government structures. In subsequent dialogue with government officials in this area it was mutually agreed to close the current labour market project until further readiness on the part of the Georgian authorities.

In support of the government in its development of a strategy on child welfare, Sweden funded a cooperation agreement with UNICEF to create the first inter-ministerial committee which unites the efforts of three line ministries. The committee has begun creating policy for the de-institutionalization of children which will lay necessary groundwork for the TACIS food security programme scheduled to begin in 2006. This will be the last project Sida will implement in this sector.

### **HIV/AIDS and Drugs**

A health study was carried out by DESO/HÄLSO as scheduled but with a focus on Georgia rather than the region, given the need to concentrate in the other countries. The study showed that a large number of donors are supporting various dimensions of the health reform and suggested that Sweden could play a role only in public health. The need for concentration to fewer sectors however, led Sida to exclude health in the next strategy and not initiate new projects.

### **Enabling Poor People to Support Themselves**

In line with Sweden's concentration on the agricultural sector, a new project with stronger focus on poverty reduction and the potential to expand into the territory of South Ossetia was developed. The design and tendering process of the new project was based on the lessons learned from the evaluation of the previous project and carried out with

the active participation of the Ministry of Agriculture. Given the government priority to the agricultural sector, a second delegation from Sida NATUR visited the ministry in December 2005 to continue its discussion regarding the ministry's vision for more effective investment of Swedish assistance. This discussion resulted in several concrete propositions from the Swedish side, which are currently under discussion with the Ministry. Possible support to the forestry sector has also been discussed, but to date the Georgian structure still lacks the sufficient organization and state support.

Additional channelling strategies for Swedish resources were discussed during the past year, including the option to co-finance municipal infrastructure projects through EBRD. A Swedish consultant was hired by EBRD with the purpose of preparing potential projects to be financed by Sida.

### **Civil Society Development**

The relatively low interest among Swedish NGOs for cooperation with national NGOs in Georgia has made it necessary for alternative channels to support civil society. To date, cooperation with the Eurasia Foundation is under discussion.

### **Conflict Prevention**

Given the government's ongoing priority to peacefully reconcile break-away and potentially volatile areas of Georgia, Sweden cooperates with the HCNM/OSCE in support of the Conflict Prevention and Integration Programme for Samtskhe-Javakheti. The main goal of the three-year programme is to reduce latent or actual ethnic tensions in the region of Samtskhe-Javakheti and to help neutralize potential conflict by fostering political and civic integration of the minority population (primarily Armenian) into Georgian society. Other donors in this project include CIDA and DFID. Additional support in this sector focusing on the rights of the IDP community is given to the government through the Ministry of Refugees and Accommodation in cooperation with the NRC.

## **2.2 Armenia**

### **Democratic Governance**

The Labour Market Policy project demonstrating strong ownership at the government level has now been extended in a new three-year phase. The project will continue to support the government in developing labour market policies and methods that are responsive to the demands and needs of the Armenian market.

The successful support given over the past three years to the National Statistics Service led to the decision to continue the project. The decision was reached to extend the project an additional three years in order to increase the quality of data processing and the further capacity development of NSSRA when introducing internationally adopted methodologies.

Sida is also working to develop a programme approach which would support the UNDP's activities in the sector of human rights. This approach includes strengthening the government's human rights strategy with specific programmes aimed at formulating and implementing the National Human Rights Action Plan. Sweden will also work with the UNDP to strengthen the role of the Public Defenders Office.

### **Social Sector**

Support to the WB child deinstitutionalization project has been discontinued given the limited interest on the part of the WB, the lack of government priority and a lack of capacity of the Swedish partner. Given the direction to prioritize areas of concentration, the drug prevention project will also be discontinued, despite a successful rating.

### **Rural Development**

The Forest Institutional Support Project met with several problems during its final phase which ended in 2005, primarily due to the low institutional capacity of the Armenian authorities and the government organizational structure. Discussions continued with the WB regarding the future of the Swedish cooperation in the sector. During the spring, the cadastre project carried out by Swedesurvey will also be finalized. Discussions regarding its continuation began late 2005.

### **Civil Society Development**

Addressing the need to strengthen civil society in the areas of human rights and democracy with the aim to support confidence building at the civil society level has been identified as a need critical to the democratic development in Armenia. In response to this, Sweden is now discussing a similar cooperative arrangement to that in Georgia with the Eurasia Foundation.

## **2.3 Azerbaijan**

### **Democratic Governance/Human Rights**

As mentioned above, the relative stagnation of government efforts in the area of human rights and democracy have remained limited, with support continuing to the Azerbaijan Young Lawyers Association. Discussion continues whether to support the somewhat controversial Ombudsman office.

The past success of Swedish support to the State Statistics Committee led to the decision to extend the ongoing project an additional three years. The project aims to further increase the capacity of the government committee and to monitor the quality of output, which will assist the government and other international organizations in targeting their efforts to improving the conditions of the IDP community and other vulnerable population groups.

Other funding for activities in the sector of human rights was also approved in cooperation with the Norwegian Refugee Council, focusing on the introduction of human rights issues in the school system. The programme includes using outreach methodology to facilitate the integration of IDP and Chechen refugees into mainstream schools.

## **2.4 Regional**

Funding for the Cross Cultures Project Association was finalised in June 2005 to support the Open Fun Football Schools tolerance project. Given the success of the similar ongoing project in the Balkan region, the project aims to facilitate regional cooperation in the South Caucasus and will reach over 70,000 children and their parents. Sweden is the largest contributor among the Nordic countries.

### **Democratic Governance**

During the past year, a number of difficulties were encountered by Swedavia in the regional civil aviation project, particularly by the Geor-

gian Air Navigation authorities, resulting from changes in administration personnel. Through intensified discussions with the Swedish partner, these differences were finally resolved and the project is now in a one year phase out period.

Although a regional media needs assessment was scheduled for the spring of 2005, discussions with other donors and local NGOs were sufficient for Sweden to include support to this sector in the new strategy. Pending the recommendations of a consultant, support to media may be focused on Georgia only. Discussion continued with IOM in the area of trafficking.

### **Education and Exchange**

Given the high profile and positive impact of the Master's Degree Programme and the Cultural Exchange Programme administered through the Swedish Institute in all three countries, these programmes will continue through the next strategy.

### **Environment**

Sweden's contribution to the Kura-Aras River Basin project over the past 3 years was completed successfully in 2005. In line with the areas of concentration given in the new regional strategy and the amount of support from significant donors such as GEF and USAID further collaboration with this project will not be considered. A regional desk study of the sector was carried out by NATUR with the recommendation that environmental issues will be included as cross-cutting components of larger projects, rather than as projects in themselves. Now that the study has been made, discussions for a Disaster Preparedness project will continue, possibly as a tripartite project with Armenia.

# 3. Office and Administrative Issues

Resulting from the increased support to Georgia, responsibility for the region of the South Caucasus was divided into two area managers at Sida Stockholm, one for Georgia and one for Armenia and Azerbaijan.

The staff of the FO consists of one coordinator, one National Programme Officer (NPO), one Junior National Programme Officer, one Programme Assistant and one driver/guard. The two NPOs were hired in January 2005 in light of the increased volume of support pledged to Georgia and to the region in general. Several changes have been made in the administration of the office, including expanding the responsibilities of the administrative assistant to include bookkeeping for the office and responsibility for the office archive, as well as implementing a more defined schedule for office reception hours.

Efforts to improve the administrative procedures have continued to improve during 2005. Competence development in administration for both the administrative assistant and NPOs continued throughout the above period, including LFA and SiRS training locally. A communication strategy and recording system for the FO pertaining to internal as well as external communication was developed. The NPO portfolios were also re-evaluated to accommodate new projects. Additional preparations will be made during 2006 in order to convert the FO to a regular Sida Office in autumn 2006.

The official agreement between the governments of Sweden and Georgia was submitted at the end of the year for ratification by the Georgian parliament. Following ratification, the status of the FO personnel will be adjusted accordingly to reflect the appropriate tax contributions to the state budget. For this, the services of a part-time legal accountant could prove necessary.

# Annex

## Planning Overview

### Southern Caucasus

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200400 or Outcome < 0)

Region/Country: Caucasus

Other:

Responsible Unit	(All)
Allocation Frame	(All)

Allocation Account	Main Sector	Status	Outcome 2004	Outcome 2005	Forecast 2005	Forecast 2006
155341 Global Dev. Programs, PEO	04 HR & Democratic governance	Completed	838	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>838</b>	<b>0</b>	<b>0</b>	<b>0</b>
	10 Natural resources&environm.	Agreed	1 431	1 088	1 088	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>1 431</b>	<b>1 088</b>	<b>1 088</b>	<b>0</b>
<b>155341 Global Dev. Programs, PEO</b>	<b>Total</b>		<b>2 269</b>	<b>1 088</b>	<b>1 088</b>	<b>0</b>
15561 Non-governmental organisations	01 Health	Agreed	323	1 071	1 092	220
	Completed		-50	0	0	0
	<b>01 Health Total</b>		<b>273</b>	<b>1 071</b>	<b>1 092</b>	<b>220</b>
	02 Education	Agreed	654	1 444	1 476	610
	Completed		-99	0	0	0
	<b>02 Education Total</b>		<b>555</b>	<b>1 444</b>	<b>1 476</b>	<b>610</b>
	04 HR & Democratic governance	Agreed	359	2 202	2 299	726
	Completed		-34	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>325</b>	<b>2 202</b>	<b>2 299</b>	<b>726</b>
	05 Conflict, peace & security	Agreed	0	245	247	35
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>245</b>	<b>247</b>	<b>35</b>
	07 Infrastructure	Agreed	0	43	43	1
	<b>07 Infrastructure Total</b>		<b>0</b>	<b>43</b>	<b>43</b>	<b>1</b>
	09 Trade, business & fin. syst	Agreed	1	546	549	399
	Completed		-11	0	0	0
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>-10</b>	<b>546</b>	<b>549</b>	<b>399</b>
	10 Natural resources&environm.	Agreed	0	875	897	102
	Completed		-26	0	0	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>-26</b>	<b>875</b>	<b>897</b>	<b>102</b>
	12 Other	Agreed	773	805	825	387
	Completed		-144	0	0	0
	<b>12 Other Total</b>		<b>629</b>	<b>805</b>	<b>825</b>	<b>387</b>
<b>15561 Non-governmental organisations</b>	<b>Total</b>		<b>1 746</b>	<b>7 231</b>	<b>7 429</b>	<b>2 480</b>
15571 Humanitarian assistance	05 Conflict, peace & security	Agreed	182	0	0	0
	<b>05 Conflict, peace &amp; security Total</b>		<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06 Humanitarian assistance	Agreed	11 025	3 039	3 080	0
	Completed		3 055	0	0	0
	<b>06 Humanitarian assistance Total</b>		<b>14 080</b>	<b>3 039</b>	<b>3 080</b>	<b>0</b>
<b>15571 Humanitarian assistance</b>	<b>Total</b>		<b>14 262</b>	<b>3 039</b>	<b>3 080</b>	<b>0</b>
15681 Western Balkans	01 Health	Completed	0	0	0	0
	<b>01 Health Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	04 HR & Democratic governance	Agreed	321	0	0	0
	Completed		1 639	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>1 959</b>	<b>0</b>	<b>0</b>	<b>0</b>
	07 Infrastructure	Completed	1 974	0	0	0
	<b>07 Infrastructure Total</b>		<b>1 974</b>	<b>0</b>	<b>0</b>	<b>0</b>
	10 Natural resources&environm.	Completed	534	0	0	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>534</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15681 Western Balkans</b>	<b>Total</b>		<b>4 467</b>	<b>0</b>	<b>0</b>	<b>0</b>
15682 Caucasus	01 Health	Agreed	3 619	1 921	1 921	4 250
	Completed		0	446	446	0
	<b>01 Health Total</b>		<b>3 619</b>	<b>2 367</b>	<b>2 367</b>	<b>4 250</b>
	02 Education	Planned	0	0	0	4 000
	<b>02 Education Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>4 000</b>
	04 HR & Democratic governance	Indicative	0	0	0	10 500
	Planned		0	0	0	1 400
	Agreed		34 199	40 035	41 062	49 920
	Completed		3 231	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>37 430</b>	<b>40 035</b>	<b>41 062</b>	<b>61 820</b>
	05 Conflict, peace & security	Agreed	0	1 355	1 400	2 000
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>1 355</b>	<b>1 400</b>	<b>2 000</b>
	06 Humanitarian assistance	Agreed	0	1 980	1 982	340
	<b>06 Humanitarian assistance Total</b>		<b>0</b>	<b>1 980</b>	<b>1 982</b>	<b>340</b>
	07 Infrastructure	Agreed	1 667	3 738	4 550	2 222
	<b>07 Infrastructure Total</b>		<b>1 667</b>	<b>3 738</b>	<b>4 550</b>	<b>2 222</b>
	09 Trade, business & fin. syst	Completed	0	0	0	0
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	10 Natural resources&environm.	Agreed	13 900	12 833	13 934	26 743
	<b>10 Natural resources&amp;environm. Total</b>		<b>13 900</b>	<b>12 833</b>	<b>13 934</b>	<b>26 743</b>
	12 Other	Indicative	0	0	0	250
	Agreed		2 009	2 165	2 366	1 400
	<b>12 Other Total</b>		<b>2 009</b>	<b>2 165</b>	<b>2 366</b>	<b>1 650</b>
	No sector stated	Indicative	0	0	0	15 200
	<b>No sector stated Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>15 200</b>
<b>15682 Caucasus</b>	<b>Total</b>		<b>58 624</b>	<b>64 474</b>	<b>67 661</b>	<b>118 226</b>
15689 Regional Southern OSS	02 Education	Agreed	933	1 050	1 050	666
	<b>02 Education Total</b>		<b>933</b>	<b>1 050</b>	<b>1 050</b>	<b>666</b>
<b>15689 Regional Southern OSS</b>	<b>Total</b>		<b>933</b>	<b>1 050</b>	<b>1 050</b>	<b>666</b>
15733 Peace-promotion activities, spec. p	04 HR & Democratic governance	Completed	0	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15733 Peace-promotion activities, spec. p</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
15794 Conditional loans Start Bosnia	09 Trade, business & fin. syst	Agreed	0	0	0	0
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15794 Conditional loans Start Bosnia</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
23497 Settlement, MFA Georgien	05 Conflict, peace & security	Agreed	0	329	329	371
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>329</b>	<b>329</b>	<b>371</b>
<b>23497 Settlement, MFA Georgien</b>	<b>Total</b>		<b>0</b>	<b>329</b>	<b>329</b>	<b>371</b>
<b>Total</b>			<b>82 302</b>	<b>77 211</b>	<b>80 637</b>	<b>121 743</b>

## Planning Overview

### Regional Projects Southern Caucasus

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200400 or Outcome < 0)

Region/Country: Reg Kaukasus

Other:

Responsible Unit	(All)
Allocation Frame	(All)

			Data			
Allocation Account	Main Sector	Status	Outcome 2004	Outcome 2005	Forecast 2005	Forecast 2006
155341 Global Dev. Programs, PEO	10 Natural resources&environm.	Agreed	1 431	1 088	1 088	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>1 431</b>	<b>1 088</b>	<b>1 088</b>	<b>0</b>
<b>155341 Global Dev. Programs, PEO</b>	<b>Total</b>		<b>1 431</b>	<b>1 088</b>	<b>1 088</b>	<b>0</b>
15561 Non-governmental organisations	01 Health	Agreed	0	101	101	110
	<b>01 Health Total</b>		<b>0</b>	<b>101</b>	<b>101</b>	<b>110</b>
	02 Education	Agreed	0	271	271	293
	<b>02 Education Total</b>		<b>0</b>	<b>271</b>	<b>271</b>	<b>293</b>
	04 HR & Democratic governance	Agreed	0	396	396	431
	<b>04 HR &amp; Democratic governance Total</b>		<b>0</b>	<b>396</b>	<b>396</b>	<b>431</b>
	05 Conflict, peace & security	Agreed	0	23	23	25
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>23</b>	<b>23</b>	<b>25</b>
	07 Infrastructure	Agreed	0	0	0	0
	<b>07 Infrastructure Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	09 Trade, business & fin. syst	Agreed	0	252	252	275
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>0</b>	<b>252</b>	<b>252</b>	<b>275</b>
	10 Natural resources&environm.	Agreed	0	35	35	38
	<b>10 Natural resources&amp;environm. Total</b>		<b>0</b>	<b>35</b>	<b>35</b>	<b>38</b>
	12 Other	Agreed	0	200	200	218
	<b>12 Other Total</b>		<b>0</b>	<b>200</b>	<b>200</b>	<b>218</b>
<b>15561 Non-governmental organisations</b>	<b>Total</b>		<b>0</b>	<b>1 278</b>	<b>1 278</b>	<b>1 390</b>
15571 Humanitarian assistance	05 Conflict, peace & security	Agreed	182	0	0	0
	<b>05 Conflict, peace &amp; security Total</b>		<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>
	06 Humanitarian assistance	Agreed	11 025	3 039	3 080	0
		Completed	3 055	0	0	0
	<b>06 Humanitarian assistance Total</b>		<b>14 080</b>	<b>3 039</b>	<b>3 080</b>	<b>0</b>
<b>15571 Humanitarian assistance</b>	<b>Total</b>		<b>14 262</b>	<b>3 039</b>	<b>3 080</b>	<b>0</b>
15681 Western Balkans	04 HR & Democratic governance	Agreed	321	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>321</b>	<b>0</b>	<b>0</b>	<b>0</b>
	07 Infrastructure	Completed	1 974	0	0	0
	<b>07 Infrastructure Total</b>		<b>1 974</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15681 Western Balkans</b>	<b>Total</b>		<b>2 294</b>	<b>0</b>	<b>0</b>	<b>0</b>
15682 Caucasus	02 Education	Planned	0	0	0	4 000
	<b>02 Education Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>4 000</b>
	04 HR & Democratic governance	Indicative	0	0	0	2 500
		Agreed	17 357	13 136	13 169	23 085
	<b>04 HR &amp; Democratic governance Total</b>		<b>17 357</b>	<b>13 136</b>	<b>13 169</b>	<b>25 585</b>
	07 Infrastructure	Agreed	1 667	3 738	4 550	2 222
	<b>07 Infrastructure Total</b>		<b>1 667</b>	<b>3 738</b>	<b>4 550</b>	<b>2 222</b>
	10 Natural resources&environm.	Agreed	2 000	1 500	1 500	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>2 000</b>	<b>1 500</b>	<b>1 500</b>	<b>0</b>
	12 Other	Agreed	2 009	2 165	2 366	1 400
	<b>12 Other Total</b>		<b>2 009</b>	<b>2 165</b>	<b>2 366</b>	<b>1 400</b>
	No sector stated	Indicative	0	0	0	10 000
	<b>No sector stated Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>10 000</b>
<b>15682 Caucasus</b>	<b>Total</b>		<b>23 032</b>	<b>20 540</b>	<b>21 585</b>	<b>43 207</b>
<b>Grand Total</b>			<b>41 019</b>	<b>25 945</b>	<b>27 030</b>	<b>44 597</b>

## Planning Overview

### Georgia

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200400 or Outcome < 0)

Region/Country: Georgia

Other:

Responsible Unit	(All)
Allocation Frame	(All)

			Data			
Allocation Account	Main Sector	Status	Outcome 2004	Outcome 2005	Forecast 2005	Forecast 2006
155341 Global Dev. Programs, PEO	04 HR & Democratic governance	Completed	838	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>838</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>155341 Global Dev. Programs, PEO</b>	<b>Total</b>		<b>838</b>	<b>0</b>	<b>0</b>	<b>0</b>
15561 Non-governmental organisations	01 Health	Agreed	0	120	126	0
	<b>01 Health Total</b>		<b>0</b>	<b>120</b>	<b>126</b>	<b>0</b>
	02 Education	Agreed	0	217	227	0
	<b>02 Education Total</b>		<b>0</b>	<b>217</b>	<b>227</b>	<b>0</b>
	04 HR & Democratic governance	Agreed	0	287	323	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>0</b>	<b>287</b>	<b>323</b>	<b>0</b>
	07 Infrastructure	Agreed	0	1	1	0
	<b>07 Infrastructure Total</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
	09 Trade, business & fin. syst	Agreed	0	15	15	0
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>0</b>	<b>15</b>	<b>15</b>	<b>0</b>
	10 Natural resources&environm.	Agreed	0	164	172	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>0</b>	<b>164</b>	<b>172</b>	<b>0</b>
	12 Other	Agreed	0	177	185	0
	<b>12 Other Total</b>		<b>0</b>	<b>177</b>	<b>185</b>	<b>0</b>
<b>15561 Non-governmental organisations</b>	<b>Total</b>		<b>0</b>	<b>981</b>	<b>1 049</b>	<b>0</b>
15681 Western Balkans	01 Health	Completed	0	0	0	0
	<b>01 Health Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	04 HR & Democratic governance	Completed	0	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15681 Western Balkans</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
15682 Caucasus	01 Health	Agreed	2 619	1 191	1 191	4 250
		Completed	0	446	446	0
	<b>01 Health Total</b>		<b>2 619</b>	<b>1 637</b>	<b>1 637</b>	<b>4 250</b>
	04 HR & Democratic governance	Indicative	0	0	0	8 000
		Planned	0	0	0	1 400
		Agreed	11 920	20 320	21 652	10 787
		Completed	1 281	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>13 201</b>	<b>20 320</b>	<b>21 652</b>	<b>20 187</b>
	05 Conflict, peace & security	Agreed	0	1 355	1 400	2 000
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>1 355</b>	<b>1 400</b>	<b>2 000</b>
	10 Natural resources&environm.	Agreed	3 825	6 021	6 100	20 559
	<b>10 Natural resources&amp;environm. Total</b>		<b>3 825</b>	<b>6 021</b>	<b>6 100</b>	<b>20 559</b>
	12 Other	Indicative	0	0	0	250
	<b>12 Other Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>
	No sector stated	Indicative	0	0	0	2 200
	<b>No sector stated Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>2 200</b>
<b>15682 Caucasus</b>	<b>Total</b>		<b>19 645</b>	<b>29 333</b>	<b>30 789</b>	<b>49 446</b>
15689 Regional Southern OSS	02 Education	Agreed	467	525	525	333
	<b>02 Education Total</b>		<b>467</b>	<b>525</b>	<b>525</b>	<b>333</b>
<b>15689 Regional Southern OSS</b>	<b>Total</b>		<b>467</b>	<b>525</b>	<b>525</b>	<b>333</b>
15733 Peace-promotion activities, spec. p	04 HR & Democratic governance	Completed	0	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15733 Peace-promotion activities, spec. p</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
23497 Settlement, MfFA Georgien	05 Conflict, peace & security	Agreed	0	329	329	371
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>329</b>	<b>329</b>	<b>371</b>
<b>23497 Settlement, MfFA Georgien</b>	<b>Total</b>		<b>0</b>	<b>329</b>	<b>329</b>	<b>371</b>
<b>Grand Total</b>			<b>20 949</b>	<b>31 167</b>	<b>32 691</b>	<b>50 150</b>

## Planning Overview

### Armenia

Outcome and forecast in TSEK

#### Delimitation:

Status: I, P, A and C (agr end > 200400 or Outcome < 0)

Region/Country: Armenia

Other:

Responsible Unit	(All)
Allocation Frame	(All)

			Data			
Allocation Account	Main Sector	Status	Outcome 2004	Outcome 2005	Forecast 2005	Forecast 2006
15561 Non-governmental organisations	01 Health	Agreed	323	818	833	76
		Completed	-50	0	0	0
	<b>01 Health Total</b>		<b>273</b>	<b>818</b>	<b>833</b>	<b>76</b>
	02 Education	Agreed	654	875	896	227
		Completed	-99	0	0	0
	<b>02 Education Total</b>		<b>555</b>	<b>875</b>	<b>896</b>	<b>227</b>
	04 HR & Democratic governance	Agreed	359	1 375	1 436	136
		Completed	-34	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>325</b>	<b>1 375</b>	<b>1 436</b>	<b>136</b>
	05 Conflict, peace & security	Agreed	0	212	215	0
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>212</b>	<b>215</b>	<b>0</b>
	07 Infrastructure	Agreed	0	42	42	1
	<b>07 Infrastructure Total</b>		<b>0</b>	<b>42</b>	<b>42</b>	<b>1</b>
	09 Trade, business & fin. syst	Agreed	1	177	180	12
		Completed	-11	0	0	0
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>-10</b>	<b>177</b>	<b>180</b>	<b>12</b>
	10 Natural resources&environm.	Agreed	0	668	683	56
		Completed	-26	0	0	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>-26</b>	<b>668</b>	<b>683</b>	<b>56</b>
	12 Other	Agreed	773	357	370	92
		Completed	-144	0	0	0
	<b>12 Other Total</b>		<b>629</b>	<b>357</b>	<b>370</b>	<b>92</b>
<b>15561 Non-governmental organisations</b>	<b>Total</b>		<b>1 746</b>	<b>4 524</b>	<b>4 655</b>	<b>600</b>
15681 Western Balkans	04 HR & Democratic governance	Completed	1 639	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>1 639</b>	<b>0</b>	<b>0</b>	<b>0</b>
	10 Natural resources&environm.	Completed	534	0	0	0
	<b>10 Natural resources&amp;environm. Total</b>		<b>534</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15681 Western Balkans</b>	<b>Total</b>		<b>2 173</b>	<b>0</b>	<b>0</b>	<b>0</b>
15682 Caucasus	01 Health	Agreed	1 000	730	730	0
	<b>01 Health Total</b>		<b>1 000</b>	<b>730</b>	<b>730</b>	<b>0</b>
	04 HR & Democratic governance	Agreed	1 487	249	249	8 000
		Completed	1 951	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>3 437</b>	<b>249</b>	<b>249</b>	<b>8 000</b>
	06 Humanitarian assistance	Agreed	0	180	182	0
	<b>06 Humanitarian assistance Total</b>		<b>0</b>	<b>180</b>	<b>182</b>	<b>0</b>
	09 Trade, business & fin. syst	Completed	0	0	0	0
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	10 Natural resources&environm.	Agreed	8 075	5 312	6 334	6 185
	<b>10 Natural resources&amp;environm. Total</b>		<b>8 075</b>	<b>5 312</b>	<b>6 334</b>	<b>6 185</b>
	No sector stated	Indicative	0	0	0	3 000
	<b>No sector stated Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3 000</b>
<b>15682 Caucasus</b>	<b>Total</b>		<b>12 512</b>	<b>6 471</b>	<b>7 495</b>	<b>17 185</b>
15689 Regional Southern OSS	02 Education	Agreed	467	525	525	333
	<b>02 Education Total</b>		<b>467</b>	<b>525</b>	<b>525</b>	<b>333</b>
<b>15689 Regional Southern OSS</b>	<b>Total</b>		<b>467</b>	<b>525</b>	<b>525</b>	<b>333</b>
15794 Conditional loans Start Bosnia	09 Trade, business & fin. syst	Agreed	0	0	0	0
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15794 Conditional loans Start Bosnia</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>			<b>16 898</b>	<b>11 520</b>	<b>12 675</b>	<b>18 118</b>

## Planning Overview

### Azerbaijan

Outcome and forecast in TSEK

#### Delimitation:

Status: I, P, A and C (agr end > 200400 or Outcome < 0)

Region/Country: Azerbaijan

Other:

Responsible Unit	(All)
Allocation Frame	(All)

			Data			
Allocation Account	Main Sector	Status	Outcome 2004	Outcome 2005	Forecast 2005	Forecast 2006
15561 Non-governmental organisations	01 Health	Agreed	0	32	32	35
	<b>01 Health Total</b>		<b>0</b>	<b>32</b>	<b>32</b>	<b>35</b>
	02 Education	Agreed	0	82	82	90
	<b>02 Education Total</b>		<b>0</b>	<b>82</b>	<b>82</b>	<b>90</b>
	04 HR & Democratic governance	Agreed	0	145	145	159
	<b>04 HR &amp; Democratic governance Total</b>		<b>0</b>	<b>145</b>	<b>145</b>	<b>159</b>
	05 Conflict, peace & security	Agreed	0	9	9	10
	<b>05 Conflict, peace &amp; security Total</b>		<b>0</b>	<b>9</b>	<b>9</b>	<b>10</b>
	09 Trade, business & fin. syst	Agreed	0	102	102	112
	<b>09 Trade, business &amp; fin. syst Total</b>		<b>0</b>	<b>102</b>	<b>102</b>	<b>112</b>
	10 Natural resources&environm.	Agreed	0	7	7	8
	<b>10 Natural resources&amp;environm. Total</b>		<b>0</b>	<b>7</b>	<b>7</b>	<b>8</b>
	12 Other	Agreed	0	70	70	77
	<b>12 Other Total</b>		<b>0</b>	<b>70</b>	<b>70</b>	<b>77</b>
<b>15561 Non-governmental organisations</b>	<b>Total</b>		<b>0</b>	<b>448</b>	<b>448</b>	<b>490</b>
15681 Western Balkans	04 HR & Democratic governance	Completed	0	0	0	0
	<b>04 HR &amp; Democratic governance Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>15681 Western Balkans</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
15682 Caucasus	04 HR & Democratic governance	Agreed	3 435	6 330	5 992	8 048
	<b>04 HR &amp; Democratic governance Total</b>		<b>3 435</b>	<b>6 330</b>	<b>5 992</b>	<b>8 048</b>
	06 Humanitarian assistance	Agreed	0	1 800	1 800	340
	<b>06 Humanitarian assistance Total</b>		<b>0</b>	<b>1 800</b>	<b>1 800</b>	<b>340</b>
<b>15682 Caucasus</b>	<b>Total</b>		<b>3 435</b>	<b>8 130</b>	<b>7 792</b>	<b>8 388</b>
<b>Grand Total</b>			<b>3 435</b>	<b>8 578</b>	<b>8 240</b>	<b>8 878</b>



*Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.*



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