

Annual Report

2006



Every human being is entitled to a life in dignity. This has been agreed by the nations 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.





Annual Report

2006



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Introduction

2006



Introduction

Since the mid-1970s, welfare has gradually been extended in most regions in the world, measured in terms of the Human Development Index (HDI). However, there is one sole exception: sub-Saharan Africa. Since 1990, Africa as a region has stagnated in terms of HDI. In 2006, 18 countries in the world had a lower HDI than in 1990. Most of these countries are in sub-Saharan Africa. One of the main reasons for this is naturally the proliferation of HIV/Aids.

The shadow cast by the epidemic became very apparent to me during a visit I made to an organisation in Kenya that worked with environmental issues at Lake Victoria. The water level in Lake Victoria has sunk and this has had the effect that the former fishing ports are now far up on land. A man mentioned in passing that he was now looking after 14 children in his home since they had lost their parents from Aids. Then his colleague told me more or less the same story. Orphans who were unable to look after themselves also lived in his home. A short story told in passing, but at the same time it was perhaps the tip of an iceberg—the effects of the disease are devastating.

However, it is also possible to discern positive signs at other levels. Africa's economic figures have improved during the last ten years. Budget deficits have diminished, exchange rates have stabilised, and inflation is lower than for a long time. In many places in Africa, economic growth has been positive and 14 African countries have experienced economic growth of more than 5 per cent per annum since the end of the 1990s.

This period of relatively positive economic figures coincides with an upswing of external development assistance to sub-Saharan Africa, which diminished considerably after the end of the Cold War at the beginning of the 1990s. This is perhaps not just a coincidence.

During a visit to Sida during the year, Mark McGillivray, an economist and research worker at the UN's World Institute for Development Economics Research in Helsinki, presented overall research findings into the links between aid and growth. McGillivray stated that there was considerable consensus on the positive effects of aid on economic growth in developing countries. He was of the opinion, supported by modern research, that growth in sub-Saharan Africa would have been between 0.5 and 1.5 per cent lower without foreign aid.

This is particularly interesting when we look back on 2006, the year when Swedish aid reached one per cent of GNI, after a number of years with a considerable increase in aid with strong priority given to Africa. This is an increase that Sida has been able to administer responsibly through careful long-term planning.

When an issue arises for Sida's operations that is of particular weight and importance, and when we see that it requires changes and development in something that concerns everyone working with Sida's operations, we raise it to the level of a Strategic Priority. In 2006, Sida's strategic priorities were a strengthened focus on poverty with an emphasis on gender equality; enhanced aid effectiveness; fighting corruption, and the struggle against HIV and Aids.

As a component in Sida's action plan for a strengthened focus on poverty reduction in aid, a workshop was held in South Africa in the spring of 2006 which was attended by representatives of our embassies in the entire region. The aim was to support and facilitate the work of our field managers to steer operations towards an intensified focus on poverty in cooperation strategies and contributions. An active exchange of experience, both between the embassies themselves and between the embassies and Sida in Stockholm, is important to enable the work with an intensified focus on poverty to be pursued on a broad front. In order to specifically clarify the relationship between poverty and gender equality, Sida's gender equality policy has been revised and supplemented with a manual for the mainstreaming of a gender perspective and gender equality goals at all levels in programmes of development cooperation.

All parts of Swedish society participate in Swedish development cooperation—government agencies and local authorities, NGOs, universities and Swedish industry. Swedish organisations are an important resource for Swedish development cooperation. During the year, Sida adopted an approach that has its point of departure in the Swedish Policy for Global Development. Sida has a mission to make good use of the experience and know-how that exists in Swedish society and Sida has the responsibility to stimulate the interest and participation of organisations in Sweden in development cooperation—and even in this field, the intensified poverty focus applies.

At the same time, a new unit was established for Sida's broader development cooperation. It has the mission of further developing instruments for cooperation that have a clearer focus on poverty.

In connection with the year's Nobel Prize ceremony, the Nobel peace laureate, Muhammad Yunus, visited a seminar on microfinance at Sida, which was attended by representatives of the financial sector in Sweden. Yunus and Sida collaborated closely until his organisation, Grameen Bank in Bangladesh, could manage on its own without external support. Grameen Bank has contributed to making it possible for millions of people to escape poverty. The peace prize was a confirmation of the importance of poverty reduction for peace.

At a meeting in Paris in 2005, attended by donor and recipient countries, a declaration on enhancing aid effectiveness was adopted. Primarily, it is a case of recipient countries being able to assume more responsibility for development in their countries, and that the donor countries should harmonise their aid under the leadership of the recipient countries. Here, I would like to give special prominence to Zambia and Moldova, countries where Sida's work has resulted in joint agreements between the donors and the governments that stipulate the rules for harmonisation. In Zambia, a great deal of progress has been made in producing, under the direction of the Zambian government, a joint strategy for development cooperation which applies to aid from all donor countries.

As an example of Sida's alignment of its aid to recipient countries' financial systems, and also of the work of concentrating aid to fewer sectors, I would give prominence to our decision to provide support amounting to SEK 1.2 billion to Tanzania's budget over a three-year period, 2006–2008. After the decision had been made, Tanzania's Minister of Finance wrote the following in an article in a Swedish newspaper: "The responsibility for our social development and the many measures necessary to take the country out of poverty must rest with us Tanzanians in order to be really effective and sustainable in the long-term. This type of aid is a cornerstone in the development of parliamentary democracy."

During the period 2005–2006 combating corruption has constituted one of Sida's strategic priorities. Our approach is "never accept, always act and always inform". The work in line with the Paris Declaration for harmonisation between donors and alignment to the recipient countries' financial systems, as well as a gradual increase in programme and budget support, entails giving greater attention to risks of corruption and counter measures. During recent years, Sida has drawn up rules, codes of ethics and action plans as forms of support to prevent corruption in aid-financed projects. In 2006, a comprehensive handbook on support for the development of public financial management was produced—an important tool to strengthen the controls of the partner countries over public funds.

Another of Sida's strategic priorities during the period 2005–2006 was HIV and Aids. Support has been doubled

and this has contributed to a situation in which the number of newly infected persons in Africa has started to decrease and the availability of treatment has increased. One special problem, which I emphasised at a conference on HIV and Aids in Eastern Europe and Central Asia, is the stigmatisation and discrimination that exacerbate both the social and financial situation of people infected with HIV.

During the year, a presentation was made of a Sida-supported international evaluation of external aid projects after the tsunami that struck Asia in December 2004. A great deal functioned well in the disaster contributions after the tsunami. However, the study shows that the important immediate rescue work was performed by the local population. Villagers, neighbours and relatives saved lives and arranged food and water. Other important lessons learned for the future were that aid organisations need to be a great deal better at listening to local people in areas affected by disasters. Many organisations failed to consult and inform the local population. Humanitarian organisations, which collected enormous sums of money, started activities in fields where their experience and competence were limited.

In order to adapt our working methods and organisation to our mission in the best possible way, I invited all Sida staff, both at home and in the field, to a conference in the spring of 2006. The conference discussed the challenges faced by Sida. The response was strong and clearly indicated, among other things, a further intensification of Sida's focus on poverty; better management for results; a greater concentration of aid at country level at both sector and contribution level, and a greater degree of field orientation. With the conference as the point of departure, Sida's management group formulated a road map for Sida that will guide us in our future work of changing and improving our methods and organisation.

In September, Sida's entire organisation moved into landscaped offices on Valhallavägen in Stockholm with a view over Gärdet. The move was more or less painless, largely due to meticulous planning and the provision of specific information from those responsible for the move.

During the year, the Government decided that 30 posts at Sida in Stockholm shall be moved to the island of Gotland. At the same time 30 new posts will be established within the framework of the International Programme Office, a new twinning centre, and a function for learning and sustainable development. The goal is to create effective activities on Gotland from which Sida will benefit and, at the same time, will be able to develop its other activities.

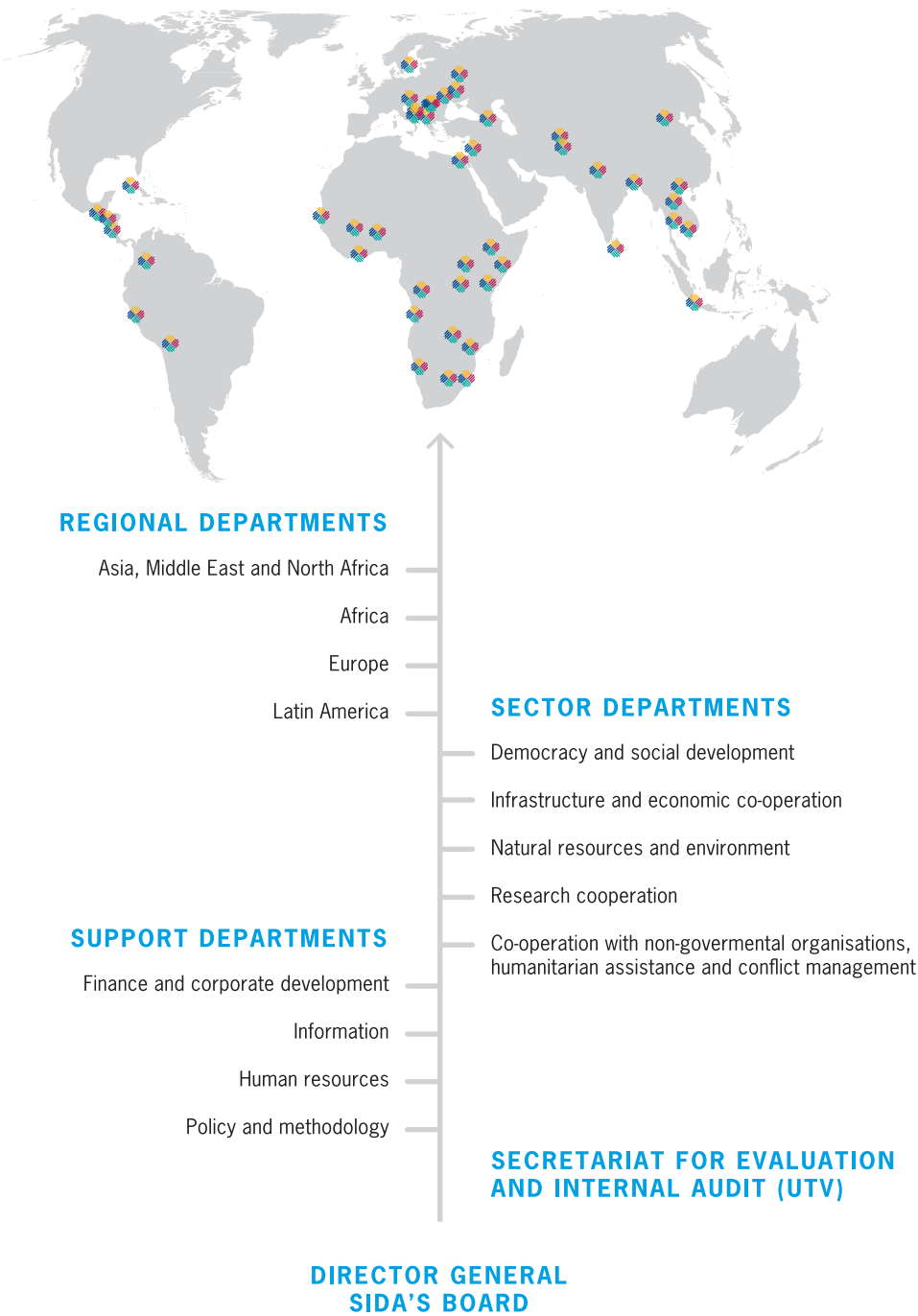
Finally, I would really like to take the opportunity to thank all members of staff at our embassies in the field and at home in Sweden for all our work in 2006.



Maria Norrfalk
Director General



Sida's organisation





Back row (from the left): Charlotte Petri Gornitzka, Ted Wallin (trade union representative), Lena Johansson, Kerstin Lundgren, Leif Håkansson, Birgitta Ohlsson, Ari Kokko, Christian Acevedo (trade union representative). Front row: Marie Öberg Lindevall, Kent Härstedt, Maria Norrfalk, Holger Gustafsson. (Marie Nordén was not present.)

Sida's board

THE FOLLOWING PERSONS ARE MEMBERS OF SIDA'S BOARD:

Maria Norrfalk, *Chairperson, Director General, Sida*
 Charlotte Petri Gornitzka, *General secretary*
 Holger Gustafsson, *Member of Parliament*
 Leif Håkansson, *Swedish Trade Union Confederation*
 Kent Härstedt, *Member of Parliament*
 Lena Johansson, *Director General*
 Ari Kokko, *Professor, Stockholm School of Economics*
 Marie Öberg Lindevall, *Director*

Birgitta Ohlsson, *Member of Parliament*
 Kerstin Lundgren, *Member of Parliament*
 Marie Nordén, *Member of Parliament*

Members of Sida's board up to and including 31/12 2006

Maria Norrfalk, Ewa Björling, Berndt Ekholm,
 Holger Gustafsson, Leif Håkansson, Ari Kokko,
 Hilda Lind, Birgitta Ohlsson, Joakim Palme,
 Börje Risinggård, Mariann Ytterberg

Sida's Research Council

Prof. Gunnar Öquist, Chairman
Royal Academy of Science

Prof. Lotta Melander
Gothenburg University

Prof. Barbara Ekbohm
Swedish University of Agricultural Sciences, Uppsala

Prof. Malin Falkenmark
Stockholm International Water Institute

Prof. Sven Hessle
Stockholm University

Prof. Inga Persson
Lund University

Prof. Olle Stendahl
Linköping University

Prof. Lena Trojer
Blekinge College of Technology

Assistant Professor Måns Lönnroth
Foundation for Strategic Environment Research, Stockholm

From Sida:

Dr Berit Olsson
Head of Department for Research Cooperation

Dr Ingemar Gustafsson
Adviser, Department for Policy and Methodology

Sida's management 2006

Maria Norrfalk *Director General*

Staffan Herrström *Deputy Director General and
Head of Department for Policy and Methodology*

Bengt Ekman *Planning Director*

Berit Olsson *Head of Department for Research Cooperation*

Klas Markensten *Head of Department for Europe*

Eva Asplund *Head of Department for Asia*

Jan Bjerninger *Head of Department for
Natural Resources and the Environment*

Marie Ottosson *Head of Department for
Finance and Corporate Development*

Rolf Carlman *Head of Department for
Infrastructure and Economic Cooperation to 22/10*

Ann-Charlotte Malm *Head of Department for
Infrastructure and Economic Cooperation from 23/10*

Maria Stridsman *Head of Department for
Democracy and Social Development*

Johan Åkerblom *Head of Information Department to 31/10*

Christine von Sydow *Acting Head of
Information Department from 1/11*

Lotta Sylwander *Head of Department for Africa to 31/3*

Erik Korsgren *Acting Head of Department for Africa 1/4–30/4*

Göran Holmqvist *Head of Department for Africa from 1/5*

Magnus Lindell *Acting Head of Department for Cooperation
with NGO's, Humanitarian Assistance and Conflict Management*

Ingrid Wibom *Head of Human Resources Department to 19/8*

Åsa Zinfadel *Head of Human Resources
Department 20/8–30/9*

Åsa Edström *Head of Human Resources Department from 1/10*

Göran Holmqvist *Head of Department for
Latin America to 30/4*

Ylva Ternby *Acting Head of Department for
Latin America 1/5–31/7*

Hans Magnusson *Head of Department for
Latin America from 1/8*

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

2006



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 in the Policy for Global Development.

The 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 perspectives of poor people on development and the rights perspective, are to permeate all Sida's work. Sweden's policy for global development also has eight central component elements that illustrate the many dimensions of poverty. Since it came into effect in December 2003, the policy has made new demands on Swedish development cooperation. Changing approaches in all Sida's activities in accordance with the policy is a long-term process of change. This part of the report therefore has its emphasis on Sida's internal work, while less attention is given to changes in the quality of the external results.

The policy for global development has the effect that the many dimensions of poverty must be taken into consideration at an early stage—both in the cooperation strategy process and in the contribution cycle. The goal, perspectives and central component elements shall, in combination, provide guidance for analyses and the selection of courses of action. To ensure that this occurs, Sida has established functions for the quality assurance of new cooperation strategies and contributions. These functions are partly project committees at embassies, departments and centrally, which examine contributions in respect of quality assurance before a decision is reached, and partly committees which examine draft versions of cooperation strategies. Both these types of committees have the assignment of ensuring that poverty reduction is in focus in development cooperation, which is also reflected in the minutes of their meetings.

Some central component elements can be more important than others in a given situation. Sida makes a multi-dimensional analysis of poverty in order to determine

the central component elements that shall permeate cooperation in a contribution. Sida provides examples below on the progress of the work with change and the results that were achieved in 2006 in respect of the goal, the perspectives and the central component elements. In this respect, there are contributions for methods development or contributions of a strategic character in which several central component elements reinforce each other to achieve the goal. One constant challenge faced by Sida is to adapt its methods and analyses to the reality experienced by people living in poverty. Sida has therefore, in its work with the perspectives and central component elements, the ambition to develop methods directly in the cooperation strategy processes and programmes, which are presented in some of the examples.

A conceptual paper on the perspectives was presented to Sida's management group in February 2006 and published in its final form in October. In this paper, the perspectives were placed in relation to Sida's processes and roles. Sida's management group agreed that further work on the perspectives should be guided by the four principles proposed in the conceptual paper:

- Participation
- Non-discrimination
- Accountability
- Transparency and insight

Both perspectives are an integral part of the work on intensifying the focus on poverty and should be given greater relative importance in Sida's management and human resource development work.

Sida's work of allowing the perspectives and central component elements to permeate its development of policies and methods can be seen in the sector policies produced in 2006. The work in the energy sector has been governed since 2006 by the policy "Sustainable Energy Services for Poverty Reduction", and, in the field of urban development, the policy "Fighting Poverty in an Urban World—Support to Urban Development" was produced.

Both these policies are permeated by the perspectives of the poor on development and the rights perspective, as well as ways in which the central component elements can interact to promote the poverty goal through work in the sector concerned.

Sida has developed methods that have their points of departure in the central component elements. In the central component element “democracy and good governance”, Sida’s experience of power analysis and recommendations for future work on this important aspect of poverty analysis has been presented in the conceptual paper: “Power Analysis, Experiences and Challenges”. Power analyses have proved to be an important instrument for understanding the role of aid in relation to poverty reduction, not least since they enable informal power structures to be made visible. Most of the central component elements are touched upon in the power analyses, as well as the two perspectives.

In the central component element “conflict management and human security”, Sida has produced a “Manual for Conflict Analysis”. The point of departure of the manual is that peace is a fundamental prerequisite if Sida is to be able to contribute to ensuring that people living in poverty can improve their living conditions. The manual also includes other central component elements as dimensions in conflict analysis. In 2006, Sida’s “Guidelines for Gender Mainstreaming” were also completed and put on Sida’s intranet. This is a manual for mainstreaming the central component element “equality between women and men” at all levels in Swedish development cooperation that can be used by members of staff in their work with poverty analyses, cooperation strategies and programmes.

Relevant and effective development cooperation and a good dialogue require sound knowledge of the partner countries and the living conditions of poor people. In order to build up relevant knowledge, Sida must work systematically and analytically. In 2006, Sida worked to develop methods to make these analyses possible.

In 2006, Sida enhanced the quality of its poverty analyses from three aspects: integrated economic analysis, social analysis and political analysis (power analysis). From the central component element “economic growth”, a method has been developed entitled “Integrated Economic Analysis—for Pro Poor Growth” (IEA). The method has the aim of increasing the focus on poverty in economic analyses made in partner countries. IEA concretises the concept of “poverty-oriented economic growth” by seeing poor people as economic stakeholders and by integrating the analyses of employment, macro economy and investment climate. Great importance has been attached to integrating IEA with other analyses, not least political analyses, and taking other central component elements into consideration.

In 2006 Sida developed an analytical tool “Improving the Income of the Rural Poor Tool Box”. In its electronic version, the tool can be adapted to users and level of ambition. As mentioned above, Sida has had the ambition of developing methods directly in its operations. This can be illustrated by the production of three IEA country

studies, with a focus on Albania, Cambodia and Uganda. Where the latter two are concerned, the studies have already been used in the cooperation strategy process.

Sida has made a survey of its activities in the central component element “social development and social security” which includes a survey of the Swedish resource base and of international participants in this field. The survey shows that most of Sida’s social policy contributions are directed towards vulnerable children and young people. Thereafter come contributions for human resource development for professional workers in the social sector. Furthermore, general measures such as the development of legislation, social insurance systems and social services also constitute a large proportion.

Sida has been commissioned by the Government to submit proposals for a strategy for ways in which Sida, as part of its long-term programmes of development cooperation, can extend its activities for the prevention of natural disasters. The proposal is entitled: “Sida’s work to reduce risks and vulnerability to natural disasters”. It is intended that the activities will contribute to reducing the risk of natural disasters resulting from human activity. The entire chain of contributions is affected: prevention, preparedness, humanitarian support, preparatory reconstruction and long-term reconstruction. In this case, the predominant central component elements are “sustainable use of natural resources and protection of the environment”, “equality between women and men” and “social development and social security”.

The goal, perspectives and central component elements permeate the dialogue and the work with change which Sida participates in at the international level, for example in different parts of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). Close collaboration has been established with the Ministry for Foreign Affairs in order to actively pursue Swedish profile issues in DAC’s Governance Network (GOVNET). GOVNET’s working group for human rights, in which Sida is deputy chair, commissioned a study of the experience gained by the donor community from its work with human rights in development cooperation. This study was published by OECD in 2006 as “Integrating Human Rights in Development, Donor Approaches, Experience and Challenges”. Sida’s innovative work with the human rights perspective in Swedish development cooperation in Kenya is presented in the study and has resulted in further interest in the Swedish approach on the part of other donors. Sweden’s active advocacy work to make visible the linkages between the central component elements “respect for human rights” and “conflict prevention and human security” also led to the inclusion of the rights perspective in the working group’s response to DAC’s Fragile States Group. It contributed to a revision of the guidelines for donors’ work in these states.

In Bangladesh, Sida has started a methods development project on both the perspectives of poor people on development and the rights perspective. This had the effect that

the production of a new cooperation strategy for Bangladesh became a pilot case for working with the perspectives in cooperation strategy processes. In the results analysis that preceded the country meeting and the first draft strategy, analyses were made completely or partly on the basis of the two perspectives in Sida's contributions in the health and education sectors in Bangladesh. The analysis showed shortcomings in respect of results for poor people and particularly vulnerable groups, even if improvements could be demonstrated. At the country meeting in April, after the field visits relating to the health and education sectors, and the dialogue with the government of Bangladesh and civil society, the participants from Sida and the Ministry for Foreign Affairs reached agreement that the two perspectives and the principles should constitute the foundation for all cooperation within the framework of the forthcoming strategy. The two perspectives and the principles also permeate Sida's final proposed strategy, which was sent to the Ministry for Foreign Affairs in October.

During the year, the dialogue project "Rich and Poor in Kenya" culminated with a final conference on inequality and growth in May. The project includes more or less all the central component elements, in particular "democracy and good governance", "respect for human rights", "social development and social security", "economic growth" and "conflict management and human security". The two perspectives are the point of departure of the project. The final report presented proposals for a policy agenda for Kenya which, through popular participation and a distribution policy in respect of economic resources, should reduce inequalities in the country.

Sida will make a mid-term evaluation of results halfway through the current cooperation strategies for Vietnam and Laos. Prior to the evaluation, in a dialogue with government representatives in the two countries, Sida has started a programme of cooperation on the formulation of indicators for human rights. In Vietnam, the focus is on human rights in the sectors of decentralisation, health and the legal system. Experience of this work in Laos indicates problems with this type of bilateral initiative where, in the spirit of the Paris Declaration, efforts are made in a dialogue between Laos and the donors to formulate joint indicators for monitoring the country's strategy for poverty reduction (PRS). The importance attached by Sweden to a rights perspective in development cooperation is not necessarily shared by other donors and, in Laos, there is concern that the initiative will not have the desired result since there is no joint dialogue.

Sida has supported the Community Biodiversity Development and Conservation Programme (CBDG) in Africa through the Swedish Biodiversity Centre (Swedbio), which works to strengthen the right to, and importance of, biodiversity in the production of food and products by poor people. Biodiversity is closely linked to fundamental development aspects such as food security, gender equality, economic growth, health and trade. In Africa, where HIV

and Aids play a decisive role in the daily work of many men, women and children, Swedbio is supporting a programme of cooperation between villages in order to reduce their vulnerability to the disease and to devise coping strategies for difficult periods. Agriculture must produce yields with a high nutrition content and with limited working inputs. The cultivation of one or a few rapidly growing crops creates peak workloads that are difficult for families affected by HIV and Aids to cope with. One solution is to develop "food baskets" based on a number of crops, which are adapted to the prevailing conditions in vulnerable villages. Crops and cultivation systems that do not require immediate attention on special occasions create flexibility for a family that must take care of sick family members.

Sida shall submit a special report on its internal work to ensure that programme support is permeated by the two perspectives. With the aid of examples, Sida shall show how programme support has been permeated by the perspectives and the results of this work. Conclusions shall be drawn on Sida's experience of this work hitherto (vis-à-vis other donors, in its own organisation, and vis-à-vis partner countries in the dialogue).

The four principles laid down by Sida for its work with the perspectives also apply to Sida's work with programme support. When Sida shifts from a project approach to a broader programme approach, this partly has the effect that the analytical perspective is extended, and partly that the dialogue on the importance and usefulness of the perspectives is usually conducted together with several donors that are co-funding the programmes. It can open up new possibilities, but it can also create difficulties (see example from Laos above). The two perspectives, which are formulated in the Swedish policy for global development, are not natural points of departure for analysis, planning and monitoring in the partner countries and for other donors. Special demands are thus placed on Sida staff to be able to concretise ways in which the perspectives can be used and can have a practical impact.

The conclusion drawn on the methods work done hitherto is that the process of transition from a project approach to a programme approach creates needs for further methods and human resource development, as well as support to Sida staff in their dialogue with the partner countries and with other donors. To formulate this support, Sida has made a study of dialogue and strategic communication in development cooperation. This is based on an analysis of dialogue issues in Swedish cooperation strategies and shows that, of the thirteen specific dialogue areas that are most often given priority in the field, eleven refer directly to the central component elements—with the addition of HIV and Aids as the dialogue issue given highest priority. Dialogue issues are not expressed explicitly as the rights perspective and the perspectives of the poor on development. They are rather included in the theme for the dialogue, which is based on a central component element. The poverty focus in the dialogue is also expressed in the ways in which a country's

strategy for poverty reduction is implemented and in the priority given to issues that lead to poverty reduction.

In 2006, Sida started a special project in support of eleven ongoing assessments of sector programme support in the fields of education and health. The goal of the project is to enhance the quality of the sector programmes and promote exchanges of experience between staff in different partner countries during the assessments. Within the framework of the project, Sida has analysed processes and different directives in the sector programmes. The analysis shows that the documents refer to the perspectives of the poor on development and the rights perspective in a general way and a great deal remains to be done to find entry points and methods which have the effect that they can have an impact in practice. As mentioned above, the cooperation strategy process in Bangladesh also took, as its point of departure, the perspectives in the results analysis and the proposals for the sector programmes in health and education. Even if these sector programmes in Bangladesh were not included in the eleven original sector programmes that received support through the special project, experience gained in the project has been used. In September, the Swedish embassy in Bangladesh organised a methods seminar on the sector programmes for health and education and focused, in particular, on making the two perspectives operational in the programmes.

In Sida's development cooperation with Kenya, there is a mechanism for examining and conducting a dialogue on the central component elements and the rights perspective, Mainstreaming in Action (MAINIAC). In the mid-term evaluation of the cooperation strategy with Kenya, an evaluation was made of the effects of this method in programme support. In the water sector, infrastructure sector (roads), agricultural sector and legal sector, policy work, planning and implementation are permeated by the rights perspective. Use has also been made of perspectives of the poor through participatory processes where, in particular, participation by women has been given priority and has also been strengthened.

General budget support for poverty reduction is provided by Sida for the implementation of a partner country's strategy for poverty reduction. An important opportunity to have a dialogue on the perspectives arises when countries

are formulating new strategies. For examples of ways in which Sida has emphasised the perspectives in connection with national strategies for poverty reduction, reference is made to the report under the operational area Africa.

Another important field for working with the perspectives is the state budget in the partner countries. In Zambia, the donor group and the government meet in a "Budget Execution Working Group" to improve reports on the implementation of the budget that are available on the Internet, which enhances the possibilities available to interested parties to analyse the information.

OVERALL ASSESSMENT OF THE POSSIBILITIES AND DIFFICULTIES IN THE WORK OF ENSURING THAT PROGRAMMES OF DEVELOPMENT COOPERATION PROMOTE, AND ARE PERMEATED BY, THE PERSPECTIVES AND THE CENTRAL COMPONENT ELEMENTS

The goal, perspectives and central component elements are increasingly permeating Sida's activities. The methods for poverty analyses have their point of departure in the multi-dimensional poverty concept, which the perspectives and the central component elements try to encapsulate. This ambition to build up relevant knowledge for qualitative development cooperation requires further intensification. Sida's experience of analytical work which has been applied directly in Sida's processes is positive. It is also assessed that the analyses and know-how that Sida has produced have also come to be owned by the partner countries through, among other things, an extensive dialogue. The policies produced at sector level during the year have been permeated by the perspectives and the central component elements. Similarly, the comments made by the committees that examine the cooperation strategies, and the minutes of the project committees, make it clear that the perspectives of the poor and the rights perspective are increasingly forming the foundation for the focus of Sida's work. Table 1, in which statistics covering all Sida's appropriations are classified in relation to the direct and indirect poverty reduction character of the contributions, indicate that the trend of recent years towards an increase in direct poverty reduction contributions was maintained and strengthened in 2006.

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

Goal of development cooperation	2004			2005			2006		
	Outcome ODA	%	Outcome Non-ODA	Outcome ODA	%	Outcome Non-ODA	Outcome ODA	%	Outcome Non-ODA
Direct effect	2 729 312	23	72 370	3 556 856	27	42 360	4 355 613	29	79 601
Projects and programmes that include the poor	2 137 524	18	41 396	2 684 146	20	65 047	3 279 891	21	17 647
Indirect effects through policies and institutions	4 526 577	38	146 175	4 795 496	36	154 845	5 862 298	38	171 293
Indirect effects through national support	1 625 991	14	15 321	1 859 950	14	11 557	1 450 581	10	6 239
Other effects	744 252	6	325 437	390 296	3	269 363	314 813	2	145 557
Total	11 763 657	100	600 698	13 286 744	100	543 173	15 263 196	100	420 336

Sida has found possibilities for development cooperation with perspectives and central component elements in its processes and roles. The final results are strongly dependent on the poverty strategies of the partner countries and the approaches used by partners in cooperation. The programme support form and harmonisation with other donors in accordance with the Paris Agenda provide opportunities and new challenges. There are possibilities to achieve a greater impact for the perspectives and central component elements through consensus-building donor harmonisation globally and at country level, but Sida also often works against the current. There is a risk that complicated implementation structures and monitoring

mechanisms dominate operational work with the effect that that the content and people come in second place. During the year, Sida held an internal conference on the content, forms and organisation of its activities. A summary of responses from members of staff shows a strong identification with the goal, perspectives and central component elements of development cooperation. However, the staff request more expertise in the analysis of the causes of poverty, in particular guidance on ways in which perspectives and central component elements can be further applied practically in Sida's work. The staff also want to know how the outcome for poor women, men and children can be achieved and reported.

Volume of Sida's international development cooperation

ANALYSIS OF OUTCOME

In 2006, the volume of Swedish international development cooperation amounted to SEK 15 684 million, excluding administrative expenses. Since 2004, aid via Sida has increased by more than 25 per cent, or SEK 3.3 billion. Within the framework of this increase, Africa has been given special priority with an increase of almost 70 per cent, or SEK 1.9 billion.

In line with the intentions of the Paris Declaration on harmonisation between donors and alignment to the countries' financial systems, most of the increase in Africa has been channelled via the partner countries and multi-lateral organisations.

Of the major forms of support in Africa, it is primarily programme support, and particularly sector programme support that increased by 40 and 69 per cent respectively in 2006.

The demand for credits continues to diminish, in 2006 by almost 70 per cent. This is due to the relatively high degree of tying of Swedish credits compared with the corresponding financing systems of other donors.

In 2006, almost 25 per cent, or SEK 3.8 billion, of all aid via Sida was used for support to democratic governance and

promotion of human rights, which makes it the individually largest main sector in Sida's operations. This sector also had the largest increase in comparison with 2005. This has been a natural trend since these are issues that have been pursued by Sida for a long period of time. Democracy and human rights are priority sectors in a large number of cooperation strategies.

The outcome in relation to the ceiling on expenditure imposed on Sida by the Government amounts to more than 99 per cent. In 2006, Sida was able to use SEK 23 million of its unspent balances from previous years. The unspent balance at the end of the year amounted to SEK 1 749 million.

SIDA'S ASSESSMENT

In 2006, the Swedish aid appropriation amounted to one per cent of GNI, after a considerable increase in the amount of aid over a number of years. Through careful advance and long-term planning, Sida has managed to make full use of the increase.

The international donors, including Sweden, have undertaken to increase the overall levels of aid. Sweden

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

International development cooperation by operational area	2004		2005		2006	
	Outcome	%	Outcome	%	Outcome	%
Africa	2 765 640	22,4	3 824 306	27,7	4 670 692	29,8
Asia, Middle East and North Africa	1 749 420	14,1	1 840 098	13,3	2 226 472	14,2
Latin America	843 203	6,8	923 413	6,7	902 646	5,8
Eastern Europe and Central Asia	1 442 313	11,7	1 557 093	11,3	1 692 618	10,8
Global development programmes	1 323 347	10,7	1 463 442	10,6	1 898 243	12,1
Research	773 216	6,3	846 780	6,1	927 899	5,9
Humanitarian contributions and conflict-related activities	1 610 570	13,0	1 876 997	13,6	2 011 579	12,8
Concessionary credits*	795 803	6,4	247 239	1,8	7 683	0,0
Non-governmental organisations	1 000 288	8,1	1 190 995	8,6	1 293 663	8,2
Information	60 554	0,5	59 553	0,4	52 038	0,3
Total	12 364 355	100,0	13 829 917	100,0	15 683 532	100,0

* In 2004, concessionary credits were included under the operational area "Economic Support", which also included economic reforms (SEK 595 million). In 2005 and 2006, economic reforms are included under the regional operational areas.

has announced that the goal of allocating one per cent of GNI for development cooperation will remain in place. The donors and partner countries have reached agreement on forms to make aid more effective. It is expected that aid will increase in future years. One important part of this is that the partner countries assume greater responsibility for priorities and the allocation of sectors for cooperation purposes, and that the donors harmonise and coordinate their contributions in order to reduce the administrative burden on the partner countries. An increase in programme support within the framework of the countries' own strategies for poverty reduction is an important step to achieve a greater degree of harmonisation among donors under the leadership of the partner countries.

Sida has adopted an action plan to enhance aid effectiveness and started work on concentrating the scope of its development cooperation activities to fewer sectors in the countries, and to fewer, but larger, contributions in each sector. In the new proposals for cooperation strategies that Sida submitted to the Government in 2006, cooperation has been limited to three sectors apart from possible budget support, support to NGOs and the private sector, and research.

In 2006, Sida approved almost 1 250 new contributions, which was 300 fewer than in 2005. At the same time, the number of contributions in excess of SEK 15 million increased by 20 per cent. One explanation is the large increase in programme support, particularly sector programme support in Africa.

For Sida as an organisation, one effect of efforts to concentrate aid should be that, in the long term, the capacity for in-depth analysis, assessment and monitoring increases. This is essential in order to maintain high levels of quality in the implementation of programmes of development cooperation with an increasing aid appropriation.

In 2005 and 2006, Sida had anti-corruption as a strategic priority. This means that the problems associated with corruption and anti-corruption work have been given priority within the framework of all Sida's activities. Sida's strategic work and its regulations in respect of anti-corruption have been reviewed and implemented. In October 2006, a full-time post for an anti-corruption adviser was established in order to ensure that the issue is worked with in a systematic way, and with a holistic perspective for Sida and the embassies. Sida has made special reports to the Government on its work to combat corruption in accordance with assignments.

Table 3.

International development cooperation, total outcome in SEK '000

The five main partner countries 2006	2004	2005	2006
Tanzania	613 744	680 499	819 093
Mozambique	486 468	570 682	663 825
Uganda	313 810	358 287	461 384
Kenya	219 469	314 701	382 942
Russia	345 859	340 851	359 289
Other countries/region	10 385 005	1 1564 897	12 996 999
Total costs	12 364 355	13 829 917	15 683 532
Forms of support			
Project support	5 304 226*	6 159 273**	7 240 925
Technical assistance incl. contract-financed technical cooperation	764 543	678 382	693 233
International training programmes	210 649	200 980	296 799
Credits	317 021	483 019	158 528
Guarantees	197	588	0
Programme support	1 420 506*	1 583 020**	2 132 206
<i>whereof general budget support</i>		725 000	862 000
<i>sector programme support</i>	805 506	858 020	1 270 206
Humanitarian assistance	1 758 275	1 979 951	2 214 494
Research	837 122	904 211	984 395
Grants to NGOs	1 751 815	1 840 493	1 962 952
Total costs	12 364 355	13 829 917	15 683 532
Channels			
Multilateral organisations	2 729 892	3 204 815	4 194 705
Swedish organisations	4 568 612	4 605 466	4 993 622
Organisations in partner countries	2 985 349	3 558 786	3 732 235
Organisations in other countries	970 275	1 125 455	1 185 906
International NGOs	1 110 226	1 335 396	1 577 063
Total costs	12 364 355	13 829 917	15 683 532
Main sectors**			
Health		1 650 977	1 910 447
Education		847 434	956 273
Research		861 305	969 565
Democratic governance and human rights		3 102 479	3 814 409
Conflicts, peace and security		335 768	408 428
Humanitarian assistance		1 686 748	1 958 079
Infrastructure		1 180 292	1 363 802
Trade, industry and financial systems		566 979	528 508
Natural resources and the environment		1 846 136	1 975 622
Budget support for poverty reduction		725 000	862 000
Other sectors		1 026 797	936 400
Total costs		13 829 914	15 683 532
Number of valid contributions	5 669	5 356	5 166
<i>whereof > SEK 15 m</i>	147	157	177
<i>Number of new contributions</i>	1 564	1 478	1 247

* Figures for 2004 have been corrected compared to the annual report for 2004

** Figures for 2005 have been corrected compared to the annual report for 2005

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, concessionary credits 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.

Swedish development cooperation with Africa is governed by thirteen country and regional strategies. Moreover, there are special guidelines or position papers for other countries. In this chapter, Sida focuses on results that have been achieved in relation to four goals that have a prominent place in these strategies:

- Support the implementation of nationally-owned poverty reduction strategies and align approaches in development cooperation programmes to these strategies
- Support accepted and agreed peace processes, reconciliation activities and reconstruction activities in conflict and post-conflict countries
- Support regional collaboration to solve problems between countries
- Support the work to combat HIV and Aids.

Another important objective, which is included in the four goals above, is the promotion of democracy and human rights. A further three objectives—social development, sustainable use of natural resources, and sustainable economic growth—are partly covered by the goal of supporting nationally-owned poverty reduction strategies and the goal to support work to combat HIV and Aids. Sida would thus make the assessment that most of its activities in Africa are covered by this report.

Goal: Support the implementation of nationally-owned poverty reduction strategies and align approaches in development cooperation programmes to these strategies

In 2006, Sida supported the implementation of poverty reduction strategies in ten countries in Africa with various forms of support. In Burkina Faso, Mozambique, Mali and Zambia, the proportion of people living in extreme

poverty decreased up to the end of 2005. In Tanzania, it is estimated that the proportion of people living in extreme poverty fell under 30 per cent, and in Rwanda to 53 per cent, in 2005. In Uganda, a positive trend in respect of income poverty can be seen once again, and the proportion of poor people decreased from 39 per cent in 2003 to 31 per cent in 2006. It has been assessed that Zambia will succeed in fulfilling 50 per cent of the Millennium Development Goals, as opposed to 10 per cent in 2003. The only goals that are considered to be difficult to fulfil are those in respect of maternal mortality and sustainable development. It is estimated that Uganda will be able to fulfil all the goals except those for maternal mortality and infant mortality. It is assessed that Mozambique will be able to fulfil the goals for poverty, infant and maternal mortality and malaria, but will have difficulties in meeting the goals in respect of hunger, education, gender, HIV/Aids, water and sustainable development. It is considered that both Burkina Faso and Tanzania will achieve the poverty goal. Since Kenya's economy started to grow in 2003, it has made progress towards achieving the goals, particularly in respect of maternal mortality and HIV/Aids.

Zambia, Mozambique, Tanzania, Uganda and Burkina Faso have result matrixes linked to their poverty reduction strategies. These form a foundation for annual assessments of ways in which the strategies are being implemented and for an assessment of undertakings in respect of general budget support. In the latest joint assessments, which were made in 2006, Zambia had achieved 85 per cent of the goals, Tanzania and Burkina Faso were assessed to have made satisfactory progress towards achieving the goals, and Mozambique had achieved, fully or partly, some 70 per cent of the goals. Where both Tanzania and Mozambique are concerned, the assessment was made that the achievement of goal fulfilment was most difficult in the field of good

governance and this field has thus been given great attention in the dialogue. Sida would make the assessment that the increase in focus on results, which budget support has led to, has had the effect that a more effective dialogue on democratisation and human rights can now be conducted.

The result matrixes give the donors the possibility to exchange experience on matters such as good governance, including the issue of corruption. They also constitute a tool for Sida's work with the perspectives of the poor and the rights perspective. Concrete examples are the matrixes for Uganda, Mozambique and Tanzania, which include good governance.

In Zambia, Sida participated in a management group for dialogue with the government on the preparation of the new poverty reduction strategy. In addition, Sida participated in sector advisory groups for agriculture, health and energy. In the process, Sida pursued the rights process and particularly gender equality. However, specific Zambian ownership in the future was considered important and Sida's proposal to pursue these issues concretely further at the sector level during the implementation phase was accepted by the donor group.

In Mozambique, it was possible for Sida, through the Swedish chairmanship of the budget support mechanism, to lead the dialogue on the donor side on the production of a new poverty reduction strategy. In particular, Sida emphasised the rights perspective together with parts of civil society, which contributed to a better integration of gender equality and human rights in the poverty reduction strategy. In the joint high level dialogue on the strategy, three meetings were held at ministerial level during the year on the rights perspective with the fields of good governance, the legal system and HIV/Aids as main points on the agenda. At the sector level, Sida emphasises, in the dialogue, issues given priority in the country plan in working groups linked to monitoring the strategy, where they can exert an influence on the formulation of policies through "Joint Reviews", on the annual planning and budget processes and on the annual definition of goals and indicators in connection with the budget process. The working groups contain representatives of civil society, the private sector, the government and the donors.

The dialogue in Uganda is also based on the poverty reduction strategy and on sector working groups with the participation of civil society, the private sector, the government and donors. In the working groups, budget support is seen as the main instrument for supporting the implementation of the poverty reduction strategy. The country also has five functioning programmes of sector support which support the implementation and which include all donors in these sectors. Good governance is a cornerstone in the strategy, where the dialogue has focused on anti-corruption and a transparent and equitable distribution of resources.

In Rwanda, the Swedish dialogue on the production of a new poverty reduction strategy has focused on the legal system, development of democracy, economic growth, information and communication technology (ICT), as well

as cross sector issues, and has been conducted within the framework of joint working groups.

Budget support was given to seven countries in 2006. Four of these countries—Burkina Faso, Mozambique, Rwanda and Uganda—included an evaluation of general budget support, which was published by OECD's Development Assistance Committee during the year. The evaluation makes a positive assessment of the results of general budget support in these four countries in respect of relevance, increased alignment to national systems, increase in budgeted funds for poor people, strengthening of the budget process, strong macroeconomic stability, and an increase in social services, particularly in the education and health sectors. A local joint evaluation, based on the same model and for the same period of time, was also made in Tanzania with a general positive assessment of results that was mainly in accordance with the assessments made in DAC's evaluation.

Mali, Burkina Faso, Uganda and Rwanda had the highest proportion of programme support—82 per cent, 71 per cent, 65 per cent and 53 per cent respectively—while the process of transition to programme support in partner countries that have received support from Sida for a longer period of time has proceeded more slowly.

In Uganda, some 65 per cent of the allocation to the country was disbursed in the form of programme support during the period 2001 to 2006. Sida would make the assessment that programme support has been a relevant and effective method to support macroeconomic stability and to reduce poverty, particularly in the form of extended basic services for the poor. In Tanzania, the health and education sectors have undergone a specific process of change from project to programme financing. Support for education has been particularly successful in the work towards the goal of education for all, where the proportion of children in school has increased from 59 per cent in 2000 to 95 per cent in 2005. In Rwanda, Tanzania and Mozambique, the general budget support has a focus on the education sector, which has the effect that Sida participates in monitoring activities and the dialogue in the sector. This is also planned for the programme of health support to Zambia. Sida's proposals for cooperation strategies for Tanzania and Mozambique, which were submitted to the Ministry for Foreign Affairs during the year, give the mandate for a specific process of transition towards a larger proportion of budget support in Sweden's financial support and greater alignment with national systems.

Objective: Support accepted and agreed peace processes, reconciliation activities and reconstruction activities in conflict and post-conflict countries

In 2006, Sida provided support for peace processes and reconstruction in Somalia, Sudan, Democratic Republic Congo (DRC), Burundi, Zimbabwe, Liberia, Ivory Coast and Sierra Leone. In addition to this, support was also given to regional programmes in regions affected by conflicts. The support was regulated by strategies, guide-



DEMOCRATIC REPUBLIC CONGO The elections in Democratic Republic Congo were financed to a large extent with the aid of international support, from Sida among others. This polling station is in Mbuji Mayi, in the province of Kasai.

lines or positions laid down by the Government. In 2006, this support amounted to SEK 370 million. Support is not given directly to governments. For peace, reconciliation or reconstruction projects it is channelled via multilateral organisations, international organisations and NGOs.

The aid programmes are implemented in extremely complex environments where aid is one instrument among many others. Diplomacy, the political dialogue, peace forces and humanitarian assistance combine and mutually support each other to ensure that support for reconstruction and reconciliation projects is successful. Countries in different stages of conflicts often relapse into conflicts, which leads to long, drawn-out processes for peace and democratisation. The results of aid given to these types of countries can therefore come to nothing in the short term due to renewed conflicts, but are nonetheless essential for starting a normalisation process in an otherwise downward spiral.

In the short term, support given to these countries cannot be measured in terms of poverty reduction or an increase in GNI, but should be seen as support for processes of change, which can reverse a negative trend and, in the long-term, make long-term development cooperation programmes possible. However, Sida can report results of individual contributions that can have a catalytic effect for development, even if setbacks can still occur. The following examples can illustrate this.

Sida is supporting a regional programme for demobilising, disarming and rehabilitating soldiers together with other donors via the World Bank. In 2006, Sida's contribution amounted to SEK 20 million. The programme is taking place in the Great Lakes region. The goal is to disarm 413 000 soldiers, rehabilitate 319 000 soldiers and reintegrate 399 000 soldiers. At the end of September 2006, goal fulfilment was 65 per cent, 67 per cent and 40

per cent respectively. The programme shall be completed in 2009.

Sida would make the assessment that the low degree of goal fulfilment for reintegration is due to the fact that, in the rehabilitation process to a “normal” life, the difficulty is to find job opportunities in an environment where the production base has often been destroyed. In countries that can be said to be in a post-conflict phase (Angola, Uganda, Rwanda and Central African Republic), the programmes for disarming and rehabilitating soldiers have almost been completed. In countries such as Burundi and Democratic Republic Congo, which are still permeated by tense relationships between the parties involved, the process of disarming soldiers is lagging behind. If further democratisation and reconciliation between the parties involved takes place, the programmes can probably be completed. The programme is essential to reduce the availability of weapons and thereby the threats to the civil population, and is a first step for soldiers to return to a civil life. The programme is well on the way to fulfilling the main objectives of the support.

In Democratic Republic Congo, democratic elections were held in 2005 and 2006: a referendum on a new constitution, parliamentary and presidential elections, and a second round in the presidential election in connection with elections to provincial assemblies. The elections were largely financed through international aid and Sida was one of a number of donors. The Swedish support amounted to SEK 50 million. Support was also given for training in holding elections and democratic rules before and after the election, and for Swedish election observers through the EU. The humanitarian appropriation has also financed a number of organisations that work with peace and conflict projects. Several of these organisations have the aim of counteracting conflicts in connection with elections. In addition, Sida has also given support to the UN to contribute to security in connection with elections. In parallel with this, the UN's largest peace project in Africa is working for security and education of police with support from the EU. Sida contributes other funds to these projects. It is considered that the elections were held under free and fair conditions. As many as 25 million Congolese registered for their first free democratic elections under the worst possible conditions for personal safety and logistics. Sida would make the assessment that these elections could not have been possible without international aid.

Sida considers that the support provided made a decisive contribution to the future peace and democratisation process. Democratic Republic Congo's history of conflicts has been broken and the Congolese people have been given a foretaste of democracy. Now, hopefully, a phase of reconstruction of institutions and of physical and social infrastructure will start.

Objective: Support regional collaboration to solve problems between countries

The Swedish engagement in regional cooperation is based on the African agenda. Cooperation with the African Union

and other sub-regional organisations is an important component in the approach of contributing to putting regional issues on the agenda. The emphasis lies on regional issues between countries that cannot be solved by governments at the national level. In particular, Sida has played a role in promoting regional integration in the fields of combating HIV and Aids, administration of joint natural resources, peace and security, and good governance.

The result of regional support provided during the period 2000–2005 was analysed in 2006 as part of the preparation of a new cooperation strategy for regional support. Important conclusions are:

- The HIV / Aids team has contributed to giving Sida valuable knowledge and experience
- Research into environmental economics, biotechnology, coastal areas and Lake Victoria has contributed to achieving the goal of the strategy in respect of capacity development in these fields
- Support in the fields of democracy, freedom of the media, and gender equality has had a clear, positive effect at the regional level
- Sida's support to the African Union should focus on increasing its institutional capacity to implement strategies in member states
- Sida has not succeeded in developing a programme that has conflict management and conflict prevention as its main goal
- The African Union; the New Partnership for Africa (NEPAD); the Economic Community of West African States (ECOWAS); the East African Community (EAC); the Intergovernmental Authority on Development (IGAD), which is a regional organisation for development in East Africa; and the Southern Africa Development Community (SADC) have extremely limited capacity. Other professional parties must be used to implement the regional agendas for poverty reduction that these organisations have stipulated.

One example of the results of regional support is the support provided for the administration of watercourses passing through several countries.

In order to distribute and protect the ever-decreasing joint water resources in a peaceful and democratic manner, international agreements and cooperation are required. In Africa there are more than 80 major watercourses that are shared by two or more countries in which more than 70 per cent of the population of Africa live. The need of clean water will increase with further urbanisation and population growth, pollution, climate change, an increase in the demand for water for irrigation and hydropower purposes, and a general improvement in prosperity.

In 2006, Sida continued to support cooperation in respect of three shared rivers in southern Africa: Okavango, Zambezi and Pungwe. With the aid of Swedish support, Angola, Botswana and Namibia, which share the Okavango, have simplified the discussions on establishing a secretariat to strengthen cooperation between the countries. Sida

would make the assessment that this will create the requisite conditions and capacity to discuss and reach agreement on sharing the water resources among the countries in a peaceful way. Sida is also providing support for a unique form of cooperation between voluntary organisations in the three countries, which is creating development opportunities for villagers. Among other things a special forum has been created to raise awareness among the people about the shared water resource, discuss concrete projects, create a dialogue with decision-makers and prevent conflicts. In 2006, progress was also made in the process of producing a joint administration plan for Angola, Namibia and Botswana for the Okavango delta. Sida has contributed to this via the World Conservation Union (IUCN).

In 2006, Angola, Botswana, Mozambique and Namibia signed the international agreement under which the Zambezi Commission (ZAMCOM) was established. When the agreement enters into force, long-term possibilities will be created of improving cooperation between the eight countries that share the Zambezi. The programme of cooperation is being supported jointly by Denmark, Norway and Sweden with Sida as the lead donor. In 2006, national steering committees were established in seven of the eight countries. These make broad ownership possible, as well as broad understanding of the importance of equitable and effective administration of the river. The members of these steering committees will be given the possibility, over a three-year period, of participating in an international training programme on integrated water resource management and conflict management. In 2006, some 30 persons from the countries in the catchment area participated in the course.

In 2006, Mozambique and Zimbabwe, which share the Pungwe River, approved a joint strategy for integrated management of the shared watercourse that has been developed with support from Sida. With the joint strategy as the foundation, decisions have been made on further support, which also includes support for minor investments and a number of critical development projects of great importance for poor people living beside the river.

All in all, Sida would make the assessment that its support has played an important role in the establishment and development of democratic cooperation structures to share, protect and develop watercourses shared by several countries. Sida is of the opinion that Sweden, as a non-aligned country with long-term programmes of development cooperation, has a unique position for working with these issues.

Objective: Support the work to combat HIV and Aids.

The number of new HIV infections is beginning to level out in several countries in Africa and is even decreasing in Kenya, Zimbabwe and Burkina Faso. The number of persons who have access to treatment in Africa doubled in 2005 and the work of giving even more infected people access to treatment continued in 2006. The political determination in low-income countries in the region to allocate

resources for work on HIV and Aids has increased. This is an example of positive results in the region that Sida has contributed to, for example in the form of support and policy dialogue.

In Africa, Sida has worked to combat HIV and Aids both at regional level and through bilateral programmes. In 2006, within the framework of regional cooperation, Sida gave support to some 40 NGOs, UN agencies and inter-governmental organisations working in different fields to develop capacity to extend the work with HIV and Aids. In 2006, Swedish regional support amounted to SEK 198.7 million.

One result of the regional support is the programme of cooperation with the Red Cross, which has made possible a rapid increase in the projects for the care of Aids patients in their homes. By combining better food—through the cultivation of traditional crops—with medication, care has improved both in the home and at clinics. Another example is that 78 organisations in 13 countries have developed their capacity to improve psychosocial support to a million children with Aids.

An important role for the regional work on HIV and Aids is participation in the policy dialogue with intergovernmental organisations. At SADC's consultative conference in Namibia, a Sida initiative had the effect that the importance of HIV and Aids issues for all sectors was given prominence in the final communiqué issued by the meeting.

There are links between the effects of the HIV epidemic and the development of democracy in the region. The result of Sida-supported applied research into ways in which the epidemic affects democratic systems, and analyses of ways in which HIV and Aids are taken into consideration in national budget systems and in different forms of aid, can now contribute to a dialogue in the region that is based to a greater degree on facts.

In programmes of bilateral cooperation, there are many links between HIV and Aids and the development of democracy. In Zambia, Sida is giving support to strengthen the national coordinatory body for HIV and Aids, which increases democratic insight into the work. In South Africa, HIV/Aids-related contributions are an important component in support for democracy.

In the bilateral programmes, there are both direct contributions to combat HIV and Aids, and contributions that take up issues relating to HIV and Aids as a natural aspect in other parts of Swedish support. In Tanzania, Swedish support contributed during the year to making care services available to 103 000 patients and to providing treatment for 49 000 Aids cases. Young people are a particularly important group to reach with preventive information and with care and support. Special contributions for young people are included, for example, in the Lake Victoria Initiative, in Uganda and in Tanzania. These contributions have helped to meet the special needs of an important group.

In order to reach the grassroots level, support in, for example, Kenya, Mozambique and Ethiopia, is channelled

via civil society. In Ethiopia, 45 organisations working with HIV and Aids at grassroots level receive Swedish support. Examples of results at grassroots level in Ethiopia are that 250 women who were formerly prostitutes have now been given assistance to find other ways of earning a living, and that 370 children infected with HIV are now receiving care and treatment.

Preventive measures have been integrated into the agriculture and education programmes in Tanzania. Support to the health sector via sector programmes in, for example, Zambia and Uganda, contributes to extending the care and treatment of people infected with HIV and Aids.

Within the framework of broader cooperation, HIV and Aids issues are still topical. In Namibia, the issue was discussed in a private sector training programme with an association of Namibian businessmen and in several countries, for example South Africa, Sida is supporting workplace programmes in both the private and public sector.

ANALYSES OF OUTCOMES AND EVALUATIONS

Four analyses of outcomes were made in 2006 within the framework of cooperation strategy processes in Uganda, Tanzania and Mozambique and for regional support. Conclusions drawn in these analyses were used in the section above in which Sida presented outcomes of central objectives. Six evaluations were published during the year. The main conclusions from these evaluations are presented below.

Pangani Falls Redevelopment Project in Tanzania

The evaluation was made ten years after the programme of support was phased out—in 1995. Where the technical aspects are concerned, the Pangani Power Plant has performed well. No special effects in respect of HIV/Aids have been established. The environmental and social effects of the plant are small but, despite this, they have been handled in an unsatisfactory way.

HIV/Aids Outreach Programme in Southern Africa

Support to the Social Transformation and Empowerment Projects (STEPS) was phased out in April 2006. The programme has focused on adults. When the programme grows there may be a need of also including children as a target group. Despite positive efforts, emphasis is given to the need of more regular contacts between the partner organisations in the countries involved and STEPS to enable the method to become well established.

End of programme support evaluation:

Regional Psychosocial Support Initiative (HIV/Aids)

Considerable results have been achieved during the first phase of the programme, despite organisational changes. More than 65 partners that work with approximately one million children in 13 countries have been given support to develop their capacity to meet the needs of the children. Much remains to be done to spread know-how in the

region. At the same time, the needs are becoming greater and greater.

Promoting Women's Human Rights and Enhancing Gender Equality in Kenya

The evaluation team considers that the programme is highly relevant, modern, and firmly established in Kenya's political, social and economic context. The programme should draw up short-term and long-term goals. The long-term goals should focus on changing attitudes while the short-term goals should be more flexible. The financing mechanism should include the possibility of making rapid responses to new initiatives.

The National Agriculture and Livestock

Extension Programme (NALEP) Kenya, Phase I

In comparison with similar programmes, NALEP stands out as being highly effective, particularly in the long-term perspective. Its focus on the expansion and integration of agriculture in state structures makes the programme an important contribution to economic growth and poverty reduction.

Evaluation of the Aids and Rights Alliance of Southern Africa

Four years after its inception, this is still the only network in the region that brings together human rights organisations working with HIV-related issues and is therefore highly relevant. The organisation has not become systematically engaged in organisations with people living with HIV, nor has it developed targeted strategies to include these organisations in its work.

CONCENTRATION OF COOPERATION

In Tanzania, Zambia, Kenya, Uganda and Mozambique, work is being done to concentrate cooperation to fewer sectors. In all countries, the process of concentration is taking place within the framework of broad coordination within the donor community, where the aim is to increase the division of labour between donors and thus to achieve greater effectiveness in development cooperation as a whole.

According to the new country strategy for Tanzania, which the Government approved in June 2006, cooperation during the strategy period, i.e. 2006–2010, will be limited to three to five sectors. Cooperation in seven sectors will be phased out. In parallel with this, there will be a process of transition from project support and programme support to general budget support for poverty reduction. On the basis of the agreements reached in 2006 between the donors and representatives of the Zambian government, Swedish cooperation in Zambia will be concentrated to the sectors of health, energy and agricultural development during the forthcoming five-year period. Development cooperation in Rwanda, Mali and Burkina Faso is already highly concentrated, with support in three to four of Sida's main sectors. In Malawi, Swedish support is channelled in its entirety via Norway.

ANALYSIS OF OUTCOME

The total outcome for the operational area of Africa amounted to some SEK 4.7 billion, which constitutes some 30 per cent of Sida's total outcome. Compared with the allocation in the Government's letter of appropriations for 2006, the outcome represented more than 99 per cent of the allocated amount.

The outcome for Africa in 2006 was some 22 per cent higher than in 2005. Tanzania and Mozambique continue to be the main partner countries in Africa with some 30 per cent of the total outcome for Africa. They are followed by Kenya, Zambia and Uganda, while the outcome for Ethiopia was substantially lower due to the uncertain political situation in the country.

When broken down by sector, the largest proportion of support in the operational area went to democratic governance, followed by health, budget support for poverty reduction and natural resources, which are also the sectors which increased most between 2005 and 2006. Also cooperation in respect of conflicts, peace and security increased substantially between 2005 and 2006, albeit from a low level. In the sector of budget support for poverty reduction, an increasing proportion of support for the education sector has now been re-channelled as non-earmarked budget support with links to the education sector in assessments and monitoring. The proportion for project support continues to diminish at the same time as programme support is increasing, in accordance with the intentions of the Paris Agenda. Programme support now represents 35 per cent of the outcome. In this respect, sector programme support has increased most while general budget support has only increased marginally in comparison with 2005.

The proportion of support channelled via organisations in the partner countries increased substantially between 2004 and 2005, to some 57 per cent but, in 2006, the proportion fell to about 54 per cent. The proportion of support channelled via multilateral organisations has increased by a corresponding degree, while the proportion channelled through Swedish organisations remains at the same level. The increase in the proportion of multi-bi contributions is probably due to strengthened donor coordination. This sometimes has the effect that multilateral organisations assume a leading role in a sector and other donors channel their support via them.

The number of valid contributions decreased, as did the number of new contributions, and the number of contributions larger than SEK 15 million increased in 2006, which shows that the ambition to concentrate support is having an impact.

In 2006, the proportion of support that has the aim of having a direct effect on the poverty situation continued to increase substantially.

SIDA'S ASSESSMENT

During recent years there has been a considerable increase in the volume of development cooperation with

Africa. In 2006, it was largely possible to implement activities according to plan despite the increase in volume, with a high degree of utilisation of the appropriation. Among the major deviations in relation to planned activities during the year, there is the cancelled budget support to Ethiopia and the reduction in budget support to Uganda, both due to setbacks in democratic development. Suspicions of improprieties in the use of funds have, in certain cases, had the effect that Sida has taken measures that have delayed activities.

Sida would make the assessment that the outcome of operations in 2006 was generally positive. All in all, aid to Africa is considered to have contributed to positive development tendencies in a number of partner countries in the form of reduced poverty, high levels of economic growth, further steps towards the establishment of democratic rules, and a positive trend towards peace and security, which has been reported under the objectives above. The prospects of achieving the Millennium Development Goals vary from country to country and, despite considerable progress, it is assessed that no partner country will be able to achieve all the goals. The second generation of poverty reduction strategies are, in general, considered to be more realistic, better supported, possible to implement, and have clear ownership in the partner countries. However, Sida would make the assessment that the capacity to implement the strategies is often weak and that capacity development should therefore continue to be in focus.

Recurrent multi-party elections, a larger degree of media freedom, and greater confidence in democracy on the part of ordinary people are expressions that show that democratic processes have advanced in 2006. The increasingly developed mechanisms for general budget support have led to an increase in focus on results and have had the effect that good governance and corruption have been given a great deal of attention in a more effective dialogue. Sida would make the assessment that Sweden is in the front line in Africa where the Paris Agenda and the trend towards more effective forms of aid are concerned. In four partner countries, the proportion of programme support is more than 50 per cent of the total support. At the same time, Sweden has often adopted a critical role in the donor harmonisation groups and has thus contributed to maintaining a high level of quality in the dialogue, not least where issues concerning democracy are concerned. Sida would make the assessment that, in 2006, the field of good governance, including corruption, was generally the weakest link in respect of results in the partner countries. This has had the effect that Sida has maintained a high profile in the dialogue on these issues.

Where peace and security are concerned, there are elements in the trends that give hope. Democratic elections were held for the first time in DRC and progress has been made to solve the conflicts in southern Sudan, Liberia and northern Uganda. In many cases, African leadership and regional organisations have played a leading role. Sida would make the assessment that the dynamism in African

regional cooperation, not least in respect of peace and security, has increased. Sida's support is considered to have contributed to promoting these positive trends.

Sida would make the assessment that Swedish support has contributed to the progress that has now been noted in the struggle against HIV and Aids, with a reduction in the number of newly infected persons in several countries and greater availability of treatment in general in Africa. At the same time, the epidemic has humanitarian and economic consequences in those countries most severely affected with, among other things, a considerable reduction in average life expectancy as one of several obvious effects.

Table 4.

Africa, outcome in SEK '000

The five main partner countries in 2006	2004	2005	2006
Tanzania	424 377	610 494	744 341
Mozambique	358 514	552 054	637 789
Kenya	188 086	274 858	352 484
Zambia	181 957	194 373	345 451
Uganda	182 731	183 234	309 639
Other countries/regions	1 429 975	2 009 293	2 280 988
Total costs	2 765 640	3 824 306	4 670 692
Forms of support			
Project support	1 983 747*	2 214 170	2 557 665
Technical assistance incl. contract-financed technical cooperation	35 069	33 575	48 091
International training programmes	2 471	8 548	25 841
Credits	13 351	- 588	7 107
Guarantees	0	0	0
Programme support	478 622*	1 150 237	1 612 772
<i>whereof general budget support</i>		665 000	792 000
<i>sector programme support</i>	458 622	485 237	820 772
Humanitarian assistance	52 112	196 985	193 061
Research	24 312	18 142	23 609
Grants to NGOs	175 956	203 236	202 546
Total costs	2 765 640	3 824 306	4 670 692
Channels			
Multilateral organisations	341 694	448 082	746 810
Swedish organisations	464 888	544 233	640 699
Organisations in partner countries	1 381 955	2 196 470	2 476 734
Organisations in other countries	484 792	511 344	637 622
International NGOs	92 311	124 177	168 826
Total costs	2 765 640	3 824 306	4 670 692
Overall goal of development cooperation			
Direct effect	548 492	782 556	1 102 961
Projects and programmes that include the poor	711 475	1 070 689	1 140 116
Indirect effects through policies and institutions	1 018 962	1 231 589	1 669 912
Indirect effects through national support	456 523	713 186	715 152
Other effects	30 188	26 287	42 551
Total costs	2 765 640	3 824 306	4 670 692
Main sectors**			
Health		711 795	879 794
Education		269 506	272 454
Research		5 110	3 836
Democratic governance and human rights		803 547	954 210
Conflicts, peace and security		68 443	111 687
Humanitarian assistance		33 596	40 620
Infrastructure		468 580	467 147
Trade, industry and financial systems		112 348	164 129
Natural resources and the environment		515 672	713 171
Budget support for poverty reduction		665 000	792 000
Other sectors		170 709	271 644
Total costs		3 824 305	4 670 692
Number of valid contributions	1 416	1 409	1374
<i>whereof > SEK 15 m</i>	36	40	58
<i>Number of new contributions</i>	289	296	255

* Figures for 2004 have been corrected compared to the annual report for 2004

** Figures for 2005 have been corrected compared to the annual report for 2005

N.B. "Economic reforms" are included in the figures for 2005 and 2006. In 2004, this figure was included under the operational area "Economic Support".

Negative amounts are due to repayments.

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, concessionary credits and NGOs.

Sida's activities shall be governed by the goals contained in current country, regional or corresponding strategies for cooperation and by the Government's communication "A Swedish Policy for Asia" and the "Study of North Africa and the Middle East".

REPORT ON OUTCOMES BASED ON GOALS IN THE COUNTRY, REGIONAL AND COOPERATION STRATEGIES

Cooperation with Asia, the Middle East and North Africa is governed by eleven country strategies and two regional strategies, one for parts of South-East Asia which also contains bilateral sections for five countries, and one for the Middle East and North Africa. An analysis of the objectives of all strategies and a comparison of the total outcome for the sectors show that the most prominent objectives in the strategies for the region are:

- democratic governance based on respect for human rights
- promotion of sustainable use of natural resources and protection of the environment
- support for economic and social development and gender equality (the main sectors of health, education and infrastructure)

Of the disbursements in the operational area, almost 90 per cent can be referred to these objectives. Other sectors constitute such a small proportion that Sida has chosen not to include them in this report.

Objective: Democratic governance based on respect for human rights

Together with a group of other donors, Sida provided support for the legal aid system in Vietnam. The project is under the Ministry of Justice and is being implemented by the National Aid Agency, a legal aid organisation, and legal aid offices in the provinces. The programme has increased awareness among those entitled to legal aid as a result of information campaigns from different legal aid programmes. This work is reflected, among other things, in the increase in the number of cases at the legal aid offices in the provinces. Mobile legal aid offices have proved to be effective in reaching citizens in rural areas and in areas populated by ethnic minorities.

The Vietnamese Chia Se programme is a local initiative that supports rights-based poverty reduction at municipal and village level. Local participation and influence increased in 2006. Above all, the possibility and capacity of women and poor people to use and exercise controls over public resources for poverty reduction have been improved, for example since they participate in the production of local development plans and in setting priorities for investments.

Israel's continued occupation of the West Bank, Gaza and Jerusalem has an extremely negative effect on the observance of human rights and respect for international humanitarian law. The Palestinian constitution prescribes that international human rights norms shall be respected but the Palestinian Authority has not been able to live up to this. Attention has been drawn to human rights violations by civil society organisations, which document them, give those affected legal aid, and work actively to strengthen respect for human rights at the national and international level. Most of the organisations supported by Sida, together with other donors, take up cases of human rights violations, mostly with Israeli institutions but also with Palestinian institutions.

As a result of strategic decisions taken by Sweden together with Switzerland, Austria and Denmark, a joint secretariat, Muassasat, was established in January 2006 to work with human rights and good governance in Gaza, the West Bank and eastern Jerusalem. This has also had the effect that the donors have been successful in harmonising their support to NGOs. During the year, a total of 16 Palestinian and Israeli organisations received support.

Sida also provided support for the elections to the legislative assembly in January 2006, via the central election committee.

Together with other donors, Sida has contributed to Cambodia's decentralisation programme, Seila. Funds for local investments have been channelled via elected councils

at the commune level and through government institutions at district and provincial level. An independent evaluation commissioned by the Ministry of the Interior confirmed Seila's efficiency and competence. This had the effect that, in 2006, the development plans of the local communes gave priority to gender equality in a satisfactory manner.

In Laos, support to the legal sector has started to show more specific results than before, for example the number of lawyers stationed outside the capital, Vientiane, has increased from 0 to 14, and the number of district courts has increased from 46 to 63.

Sida contributed to the Afghanistan Reconstruction Trust Fund (ARTF), which is administered by the World Bank. Through this support, Sida makes it possible for official Afghan institutions to pay salaries and expenses for their employees.

In Afghanistan, Sida and other donors have supported parliament via a UNDP project: Support to the Establishment of the Afghan Legislature (SEAL). The major challenges during the year were the lack of experience and know-how of both parliamentarians and people working at parliament, in combination with low salary levels, and shortcomings in communication between the different units in the project. After the parliamentarians identified anti-corruption, transparency and accountability as the most important components, they have been included in the project. There has also been a focus on security issues. The information part of the project has functioned well, among other things journalists have been trained and civil society has been active. Without exception, the project has functioned in a satisfactory way with an effective parliament as the result.

During the year, the Sri Lanka Press Institute further developed its work with a press ombudsman and with the training of journalists working with both the printed media and with radio/tv. One result of the Institute's work was an increase in the number of complaints to the press ombudsman and mediation through its mechanisms. Students who have completed their education in journalism are very attractive on the labour market and are often employed directly after their education by the major daily newspapers.

The programme of police cooperation, which started in 2005, has already made an impression on the legal system in Sri Lanka. Over 100 scene-of-the-crime detectives have been trained and adequately equipped police stations are now to be found in large parts of the country. Cooperation between the police, forensic medicine authorities, prosecutors and the courts system has started to strengthen the chain of justice and misunderstandings and bottlenecks between different authorities are avoided.

In Sri Lanka, Sida also financed a youth programme which has trained young leaders in democratic leadership, human rights and conflict management. Thousands of young people have been trained and strengthened in their awareness of democracy. One concrete result in 2006 was the newly established national network of youth

organisations, which continues to work actively for democratic leadership, respect for human rights and a peaceful solution to the armed conflict between the government and the Tamil separatists.

Despite good results in respect of the contributions mentioned above, Sida would make the assessment that the flaring up of the civil war during the year has exacerbated the situation for democratic governance and human rights in Sri Lanka.

The Dramatic Institute (DI) has received support from Sida to work with freedom of expression, gender equality and the promotion of democratic values in the Middle East and North Africa. DI works with 13 local cooperating partners with an emphasis on strengthening the position of dramatic art in the region, making it possible for cultural workers to work and develop and, with the aid of theatrical performances, festivals and seminars, to reach a broad public with a message that can stimulate debate on political and social issues. Dramatic art has a long tradition of working with subjects that are experienced as sensitive or taboo, for example gender roles and injustices, and can thereby expand the range of subjects that can be discussed openly. The programme of support has reached some 75 000 people, with a focus on children and young people outside the major cities.

Greater equality between women and men is essential to reduce poverty and social and economic gaps. In the regional support to South-east Asia, Sida has supported a women's organisation, Asia-Pacific Forum on Women, Law and Development (APWLD), which draws its members from Central Asia to the Pacific Ocean. Women's issues in the region are given prominence through the network, which contributed to strengthening women and organisations that work for gender equality in different countries. APWLD has also exerted an influence on national laws to ensure that they give greater consideration to women's rights. Attention has also been drawn to violence against women, as well as the caste system.

Objective: Promotion of sustainable use of natural resources and protection of the environment

The Strengthening Environmental Management and Land Administration (SEMLA) programme has contributed to developing Vietnam's legislation in respect of protecting the environment and the government ordinance on compensation for degradation of the environment and environmental protection fees. The support has also contributed to the work of developing guidelines for strategic environmental analysis and assessments of effects on the environment of different activities. A combined computer system for environmental and land survey information was developed during the year at provincial level and it is expected that it will come into operation in 2007. A network of informants has been established and the programme has given support to the ministry to disseminate information on environmental and land survey laws to the general public.



CAMBODIA The Mekong River is one of the most important rivers in the world. Only the Amazon has greater biological diversity. Some 85 million people are dependent on the river for their livelihoods. At the same time, emissions from industries and other human activities are considerable. Sida is participating in a major regional programme to improve the environment in and around the Mekong River.

In Laos, Sida has contributed support for institution and capacity development at the National Agriculture and Forest Research Institute (NAFRI). The contribution has resulted in greater consensus and closer, more trustful cooperation between staff at NAFRI and provincial and district authorities in two selected districts and provinces. They have also been the subject of research into farming methods. A large number of households and villages have been included in the research programme. Through the introduction of new technology, it has been possible to implement a more sustainable and environmentally adapted utilisation of natural resources.

The Swedish Environmental Secretariat for Asia (SENSA) in Bangkok has participated in a broad regional programme of cooperation on the use of chemicals in agriculture with the Swedish Chemical Inspectorate, FAO,

and a university and NGOs in the region. Together with the Asian Development Bank as its regional partner, SENSA has also participated in the production of the Core Environmental Programme (CEP) in the Mekong region. The programme contains a number of components intended to strengthen regional cooperation in respect of biodiversity and the future harmonisation of environmental indicators.

Objective: Economic and social development and gender equality

Israel's bombing of the transformer station in Gaza in the summer of 2006 resulted in the loss of approximately half of Gaza's power supply. The subsequent rationing of electricity contributed to exacerbating the humanitarian situation and made it difficult to maintain basic services such as education and medical care for the population.

The first phase of the Sida-financed contribution to restore power supplies has been implemented. According to the Palestinian energy authority, at the end of October the power station could be run at 60-megawatt capacity, which means that the supply of electricity once again functions continuously in Gaza.

A programme to create employment opportunities in local authorities in northern Gaza, which was co-financed with Norway, was finalised in May 2006. By then, the programme had generated 162 655 working days and had improved the infrastructure and the environment. It also contributed to strengthening capacity in the local authorities, for example by paving the streets and improving water and wastewater management.

The sector programme for primary education in Bangladesh has the aims of universal schooling at primary school level and of enhancing the quality of teaching. The programme made progress during the year and hitherto 14 200 new teachers have been recruited and 67 000 teachers have received further training. The policy work and institutional reforms that have been implemented have laid the foundation for work with quality issues and the promotion of universal schooling. Work still remains to be done in respect of enhancing quality, institutional development, decentralisation to the local level, the Education for All programme, and the follow-up of results.

Sida and other donors have contributed to the Basic Education for Hard to Reach Urban Working Children Project (BEHTRUWC) in order to give working children in urban areas basic schooling. In 2006, 20 NGOs were selected to implement the project and 2 000 learning centres were opened.

It has been possible to implement the programme of support for the education sector in Afghanistan according to plan despite the security situation and the fact that several girls' schools were attacked during the year. In Afghanistan, Sida has given support for primary education, principally with a focus on education for girls. Among other things, support is being given to secondary schooling, to literacy programmes for women and for the further education of teachers. The partners in cooperation are the Swedish-Afghanistan Committee (SAK), UNICEF and the Bangladesh Rural Advancement Committee-Afghanistan (BRAC). Since distances to state schools are considerable and the children, particularly girls, cannot go far to school, village schools where the children live have played an important role. In 2006, SAK established 366 schools of this type with slightly less than 20 000 students of whom more than half were girls. Unicef established some 2 400 village schools and 94 515 children started school. Under the auspices of BRAC, 824 schools were run with a total of 24 374 students, of whom 94 per cent were girls.

OUTCOME ANALYSES AND EVALUATIONS

Within the framework of the preparation of the cooperation strategy for Cambodia, an outcome assessment was made.

The assessment showed that the identified Swedish goals and areas for cooperation in the strategy were well in line with Cambodia's poverty reduction strategy and clearly corresponded to fundamental needs in the country. The largest contributions were support for a decentralisation programme and for primary education. Sida's support to the decentralisation programme contributed to the establishment of popularly elected commune leadership. The communes have developed the capacity to manage public activities and to cooperate with local authorities in accordance with democratic principles that meet the needs and priorities of poor people. Support to primary education contributed to providing better access to education for poor girls and boys. Rates of enrolment at primary level increased from 87 to 92 per cent. Support for civil society resulted in enhancing general awareness of principles related to human rights and democracy, as well as popular participation in the production of new laws. One conclusion was that support to civil society should be given to a combination of organisations based in Phnom Penh and in rural areas in order to give the best results for the poor. Most of the Swedish support was channelled through other multilateral and bilateral donors. Through this approach, Sida contributed to greater harmonisation and reduced transaction costs for Cambodia.

The outcome analysis for development cooperation with Bangladesh shows that support focuses primarily on the health and education sectors. Sida was one of the principal parties behind the production of the health sector programme and played an important role in its implementation, particularly in respect of maternal care, vaccinations and family planning. The programme suffered from poor quality and a lack of effectiveness, particularly for poor people. Reforms are proceeding in the right direction, even if they are taking time. Progress has been made in the education sector. The availability of education has increased considerably and the number of children attending school has doubled. However, the quality of schooling has not improved. The government is aware of this and established, in 2004, with strong support from Sida, among others, an education sector programme (PEDP II) with enhanced quality as its goal. The conclusions from both sectors show the need of improving the range and quality of social services and the importance of poor people participating in the programmes and being aware of their rights.

In Vietnam, the health sector programme was evaluated in 2006. The evaluation showed that support for the preparation of policies and strategies in the health sector had had a positive effect. The programme has been relevant and has strengthened Vietnamese ownership of policy development. The criticisms raised in the evaluation concern, for example, capacity development contributions where, among other things, the long-term advisers have not functioned effectively in their roles at the Ministry of Health.

In Vietnam, the programme of support to the General Statistics Office (GSO) was evaluated during the year. The

goal of the programme has been to deliver economic statistics of suitable quality at a suitable time, and the evaluation considers that these goals have been achieved. Decision-makers and social service planners can base their work on the statistics and can also analyse their own problems and find solutions to them. Furthermore, experts have been used in the project for capacity development. This has had the effect that GSO can now continue to use the new statistical methods without external assistance.

In Vietnam, a comparative evaluation was made in 2006 of two contributions that have the aim of contributing to the reform of the public administration, one at national level and one at provincial level. The evaluation shows that positive effects have been achieved, for example the contribution in the Quang Tri province has had the effect that almost 80 per cent of the population can obtain title deeds to their land much more rapidly than before. Title deeds are of great importance to poor people for their livelihoods, the development of agriculture or other business activities. Sida's contribution has also generated important experience that has had an influence on Vietnam's legislation in respect of land rights. Over 3 000 public servants in Vietnam, at central and local level, have participated in human resource development activities in respect of personnel policies and organisation development. The contributions are assessed to contribute in the long term to the modernisation of the entire country's public administration. The present structures in the public administration in Vietnam restrict the possibilities to apply new skills fully.

During the year, an evaluation was made of an Indian organisation, the Lawyers Collective (LC). LC works with promoting the rights of people in India who are living with HIV and Aids, primarily through legal support, advocacy work, research and education. The aim of the evaluation was to ensure that the project was progressing according to plan, with an emphasis on management and structures as well as the implementation of activities. The evaluation was highly positive to LC's work and the results that had been achieved. LC has, for example, been commissioned by the Indian government to produce a draft version of national legislation on HIV and Aids which, among other things, regulates trafficking in humans and prostitution. LC also pursues effective advocacy work through, for example, the media, in order to decriminalise homosexuality.

An evaluation of support to Bethlehem Peace Centre (BPC), which was made during the year, was critical of its activities and management. The activities have not achieved the expected goals due to the political situation which, for example, has had the effect that the Centre has not been able to generate intended income from tourism. Management and administration of the Centre have not functioned as expected. The evaluation was made with the participation of a number of interested parties in Bethlehem. The conclusions are intended to lead, among other things, to greater acceptance of the activities by the target groups and thereby to a better focus on poverty reduction. The evaluation will therefore influence the

formulation of future Sida support. Sida's response to the evaluation, which was submitted to BPC, specifies the points of departure for new undertakings.

In Sri Lanka, Sida and the ILO made an evaluation of the Sida-financed programme JobsNet in May 2006. The aim was to assess goal fulfilment and to produce information for future assessments. The project was intended to build up, over a period of three years, a national network of employment offices that would offer labour market services to both job applicants and employers. Furthermore, the ambition was that JobsNet would be financially self-supporting after three years. According to the evaluation, the project has focused excessively on the registration of job seekers and systems development while far too little work has been done on developing services for employers which could generate both work and income. The evaluation shows that long-term financial sustainability can be achieved in 2007 if a greater focus is placed on income-generating services.

CONCENTRATION OF COOPERATION

In Bangladesh, there is a strong concentration of support to the health and education sectors and, since the current agreement runs to 2010, this focus will be maintained. In Cambodia, support is concentrated to democratic governance—including human rights—and education. As a result of the strategy process, cooperation in the field of land and natural resources will come to an end.

DIALOGUE ON THE NATIONALLY OWNED PROCESSES OF THE PARTNER COUNTRIES

In Vietnam, in the dialogue prior to the production of the national poverty reduction plan, Sida contributed, among other things, written comments in cooperation with the EU and other donors. The plan was adopted in May 2006.

The dialogue in Sri Lanka is mainly conducted with other donor organisations in order to identify and pursue joint, harmonised positions. This work is hampered, for example, by the fact that the World Bank does not have the mandate to pursue issues that are politically sensitive.

In Cambodia, Sida and other donors have jointly submitted points of view on the recently adopted national development plan.

In Laos, Sida and other donors have actively participated in discussions on the new, five-year National Socio Economic Development Plan (NSED), which was adopted in March 2006. The national poverty reduction plan is now an integral part of NSED. The dialogue on human rights is conducted primarily through the informal group for human rights. This working form has contributed to a high degree to ensuring that human rights issues have been put on the agenda.

ANALYSIS OF OUTCOME

The total outcome for the operational area Asia, Middle East and North Africa can be seen in table 5. In 2006, use

was made of 103 per cent of the funds made available in the Government's annual directives and letter of appropriations. This represents an increase of eight percentage points on 2005. The outcome was SEK 386 million higher than in 2005. The high degree of utilisation of available funds can be explained by, among other things, active planning work. Compared to previous years, the distribution of disbursements over the year shows an uneven picture. On the one hand, 37 per cent of the disbursements were made during the first six months, compared to 28 per cent in 2005. On the other hand, the proportion was higher during the last three months, 43 per cent compared to 36 per cent in 2005. In particular, disbursements were high in December, with considerable disbursements for reconstruction in Lebanon, Iraq, Pakistan and Indonesia, and support to the Afghan Reconstruction Trust Fund.

The five main partner countries were almost the same as in 2005. Afghanistan, Vietnam and Bangladesh together received approximately one-third of the total disbursements and West Bank and Gaza were, as in previous years, among the main recipients. Where Laos is concerned, disbursements returned to a normal level after earlier delays in assessments led to agreements and implementation in 2006. Also for regional contributions in Asia, the level of disbursements remained high, almost SEK 250 million. The disbursements referred mostly to environment-related contributions.

The democratic governance and human rights sector accounted for approximately 25 per cent of the disbursements and the education and health sectors together for just as much. Around 20 per cent of the disbursements went to the infrastructure sector and 16 per cent to natural resources and the environment sector. In the Middle East and North Africa (MENA), concentration to infrastructure was higher, 38 per cent. In comparison with plans, the proportion for the social sectors was lower, while the proportions for infrastructure and democratic governance were somewhat higher.

The proportion for project support decreased somewhat, while the programme support form increased, from 6 to 12 per cent of the disbursements. A considerable part of the increase consisted of sector programme support to the social sectors in Bangladesh. No budget support was disbursed during the year.

Disbursements via multilateral organisations continued to increase, among other things as a result of a greater degree of cooperation with the Asian Development Bank (ADB). Cooperation with the World Bank and the UN system in Lebanon, Pakistan, Iraq, Indonesia and Afghanistan was another explanation.

The proportion of contributions that were classified as having a direct effect on achieving the goal of development cooperation increased by 50 per cent, from SEK 400 million to SEK 600 million. They now constitute 25 per cent of all contributions.

The number of valid contributions was almost exactly the same as in 2005, as well as the number over SEK 15

million. On the other hand, the number of new contributions decreased substantially.

SIDA'S ASSESSMENT

Since 2001, the budget for development cooperation with Asia, Middle East and North Africa has increased by over 50 per cent. In 2006, activities could be generally implemented in accordance with financial planning and they exceeded the appropriation for the year. Unexpected contributions for early reconstruction after earthquakes and war in Pakistan and Lebanon respectively contributed to the high level. Among the major negative deviations from the plans, mention can be made of East Timor, where the political crisis in the spring stopped the preparation and implementation of new contributions.

The operational area covers a very large and disparate area, geographically, economically and politically. Development trends for economies, development of democracy, and peace and security are therefore highly mixed, both between and within the various sub-regions. Overall generalisations are thus of necessity simplifications of reality.

Particularly in South-East Asia, which has recovered after the economic crisis of the 1990s, development is making rapid progress and several of the Millennium Development Goals appear to be within reach, for example in respect of income poverty and education. Even in South Asia, income poverty has decreased and considerable progress has been made, for example in respect of a reduction in infant mortality. In the Middle East and North Africa, income poverty is considerably lower but the continued political crises constitute serious obstacles to long-term positive development. Considerable contrasts and differences based on religion, caste, class, ethnicity and gender can be found in various degrees over the entire region and obstruct development, or make development and development cooperation difficult.

Despite these inherent problems, Sida would make the assessment that the outcome of activities during the year was generally positive. Development cooperation has contributed to economic growth in the region and to the positive trends in respect of several of the Millennium Development Goals. Reconstruction work after natural disasters /tsunami rehabilitation continued, particularly in Aceh—and conflicts—for example support to the reconstruction fund in Afghanistan in order to support the Afghan government and thus contribute to a stabilisation of the political situation in the country—constituted important elements in the overall programme.

Major contributions were made, above all in East and South-East Asia, to prevent, or to mitigate the effects of, the extensive degradation of the environment which is the downside of the rapid economic growth in many countries. Sida would make the assessment that these contributions, in which it has been possible to make considerable use of Swedish know-how and expertise, have been important, not least to contribute to greater

Table 5.

Asia, Middle East and North Africa, outcome in SEK '000

The five main partner countries in 2006	2004		2005		2006	
Afghanistan	343 210		262 669		284 717	
Vietnam	161 197		270 469		281 760	
Bangladesh	149 857		161 269		265 728	
West Bank and Gaza	160 369		145 868		183 383	
Laos	144 036		101 898		158 913	
Other countries and regions	790 751		897 925		1 051 969	
Total costs	1 749 420		1 840 098		2 226 472	
Forms of support		whereof Middle East and North Africa		whereof Middle East and North Africa		whereof Middle East and North Africa
Project support	1 284 733*	235 888	1 348 560	210 896	1 568 489	264 400
Technical assistance incl. contract-financed technical cooperation	95 020	20 082	81 264	15 197	102 833	27 618
International training programmes	1 640	0	17 217	4 945	30 332	13 397
Credits	41 594	25	114 139	132	85 921	75
Guarantees	0	0	0	0	0	0
Programme support	179 469*	47 073	113 754	4 228	277 688	44 200
whereof general budget support	0	0	0	0	0	0
sector programme support	179 469	47 073	113 754	4 228	277 688	44 200
Humanitarian assistance	77 606	-160	86 447	4 775	71 909	5 000
Research	8 296	0	4 482	0	3 944	0
Grants to NGOs	61 063	5 855	74 235	14 393	85 356	20 878
Total costs	1 749 420	308 764	1 840 098	254 566	2 226 472	375 568
Channels		Middle East and North Africa		Middle East and North Africa		Middle East and North Africa
Multilateral organisations	757 164	100 006	847 831	66 128	925 019	89 825
Swedish organisations	517 272	89 497	517 591	101 636	622 596	155 748
Organisations in partner countries	366 407	111 591	348 428	61 792	498 674	94 722
Organisations in other countries	73 737	3 115	80 022	19 352	98 525	32 607
International NGOs	34 840	4 555	46 225	5 658	81 658	2 666
Total costs	1 749 420	308 764	1 840 098	254 566	2 226 472	375 568
Overall goal of development cooperation		Middle East and North Africa		Middle East and North Africa		Middle East and North Africa
Direct effect	240 650	47 683	409 053	39 823	600 990	107 332
Projects and programmes that include the poor	236 791	20 124	255 400	30 956	392 564	73 156
Indirect effects through policies and institutions	710 634	151 932	780 905	136 200	894 341	127 354
Indirect effects through national support	273 612	60 495	343 561	24 086	278 416	25 524
Other effects	287 733	28 531	51 178	23 502	60 160	42 202
Total costs	1 749 420	308 764	1 840 098	254 566	2 226 472	375 568
Main sectors**				Middle East and North Africa		Middle East and North Africa
Health			188 784	21 927	300 745	73 937
Education			226 051	0	290 831	2 325
Research			2 709	0	3 113	0
Democratic governance and human rights			578 781	128 354	531 785	104 579
Conflicts, peace and security			57 167	13 855	64 125	8 953
Humanitarian assistance			22 395	0	9 089	0
Infrastructure			311 808	48 809	452 190	141 180
Trade, industry and financial systems			101 887	22 966	87 567	16 683
Natural resources and the environment			226 205	8 719	353 687	14 904
Budget support for poverty reduction			0	0	0	0
Other sectors			124 310	9 937	133 340	13 007
Total costs			1 840 097	254 566	2 226 472	375 568
Number of valid contributions	769	136	781	153	780	150
whereof > SEK 15 m	18	0	25	1	26	3
Number of new contributions	165	46	194	75	122	43

* Figures for 2004 have been corrected compared to the annual report for 2004

** Figures for 2005 have been corrected compared to the annual report for 2005

N.B. "Economic reforms" are included in the figures for 2005 and 2006. In 2004, this figure was included under the operational area "Economic Support".

Negative amounts are due to repayments.

understanding of the problems in the region. Further major contributions in the environmental field are necessary and support for regional cooperation, which was intensified in 2006, is expected to increase. In particular, the above-mentioned programme of cooperation with the Asian Development Bank for the environment in the Mekong region, which was agreed upon at the end of the year after long preparations, is assessed as an important step forward towards transboundary management of the environmental problems.

Compared to previous years, the Paris Agenda and the new aid architecture are starting to have an impact. Even if the largest countries do not show a special interest in these issues, harmonisation and alignment are being seriously pursued in many countries and, during the year, it was possible for Sida to play a positive role in, for example, Laos, Vietnam and Cambodia. However, the budget support form is not yet of interest as far as Sweden is concerned, but sector programme support is increasing in scope, with Bangladesh as the prime example.

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 ON OUTCOMES BASED ON GOALS IN THE COUNTRY, REGIONAL AND COOPERATION STRATEGIES

Development cooperation with Latin America is governed by a regional strategy for Central America and the Caribbean, with special sections for Guatemala, Honduras and Nicaragua, and by a regional strategy for South America and country strategies for Bolivia and Colombia. For the operational area of Latin America, the development of democracy and social and economic equality are particularly important objectives.

The strategies give priority to Bolivia, Honduras and Nicaragua, which are among the very poorest countries in the region in terms of GNI per capita, and at the same time Colombia and Guatemala are also given priority since they are the countries with the most serious conflicts in Latin America. There is a certain amount of development cooperation with other countries in the region and through regional cooperation. In the report on the outcome for 2006, Sida would make the assessment that four areas are particularly relevant:

- democratic governance based on respect for human rights
- peace processes, reconciliation and reconstruction in conflict and post-conflict countries
- promotion of sustainable use of natural resources and protection of the environment
- economic and social development and equality

Over 80 per cent of the funds disbursed in the operational area have been used in these fields.

Infrastructure and education are sectors that Sida has chosen not to include in this year's report since they account for a small proportion of the funds disbursed.

Objective: democratic governance based on respect for human rights

Where development cooperation with Latin America is concerned, democratic governance has been the largest

sector for a number of years, accounting for approximately 40 per cent of all Swedish development cooperation. In 2006, more than 40 per cent of the disbursements in the operational area were used for this sector.

Greater access to democratic systems—to be able to vote, to participate in political work and to be elected to a position of trust—gives poor people more power and influence. In 2006, Sida provided support to organisations in Guatemala working with institutional development of the congress and the party political system. Among other things, these organisations have contributed to new legislation in respect of elections, and new legislation on political parties has been coordinated. In combination, this new legislation actively increases the participation of citizens in political life. The work has involved supervising the registration of 18 political parties according to new rules that have the aim of increasing membership of political parties and promoting their internal democracy. The organisations have provided technical support for the production of new legislation in respect of a personal register that has been passed by congress. This register will partly provide a better legal guarantee for the citizens and partly constitute a new basis for the electoral register.

Prior to the election of a constituent assembly in Bolivia, the participation of women increased since they were offered more information about the goals and content of the process. At the same time, more women have registered and been included on the electoral register.

Sida would make the assessment that the support provided during the year for the work on democratic systems contributed to giving poor people greater access to the systems and thereby more power to exert an influence on decisions that concern them.

In Nicaragua, the state's administrative and financial systems now cover around 70 per cent of the state budget, which makes control and insight into public finances possible. Progress has also been made with merit-based

appointments to posts in the state administration, instead of political affiliation or friendship as a basis for recruitment.

Sida's assessment is that a combination of dialogue linked to budget support and technical and financial support has improved the state administration. The result has been greater insight and professionalism in the state administration, which enhances the possibilities available to the poor to participate and exert an influence.

Objective: peace processes, reconciliation and reconstruction in conflict and post-conflict countries

The possibility to manage conflicts in societies is closely linked to democracy and human rights. Support for peace building takes place to a large extent through a combination of Swedish political dialogue and Sida's support for special contributions designed to strengthen peace processes, reconciliation and reconstruction. In Colombia, a UN programme (REDES) has been an important component in the work of finding solutions to problems and obstacles to sustainable development and peace. REDES has created scope for the participation of vulnerable and marginalised groups by promoting organisation and capacity development. The focus on structural changes to public policies and activities at local, regional and national level has been of decisive importance for the creation of local networks that can contribute to sustainable development and peace. At the same time, it gives the UN an important role in the Colombian context since REDES is the only UN agency working for peace and development in poor regions deeply affected by conflicts. Sida would make the assessment that this very work of creating local networks between civil society parties is a very good example of strategic development cooperation in an armed conflict. This work supplements very well other Swedish engagements for peace building in Colombia.

Objective: promotion of sustainable use of natural resources and protection of the environment

The problems associated with the environment and natural resources are, in many respects, common to all countries in Latin America. Therefore, Sida has chosen to cooperate with a number of institutions and organisations that are active in this field at the regional level. One example is the funding of some 60 scholarships for young people from families with small means in Nicaragua, Honduras and Guatemala for studies at the Earth University in Costa Rica. The effect of these scholarships has recently been evaluated with extremely positive results. According to the evaluation, on graduation 81 per cent of the scholars have returned to their home towns to work, in different ways, with sustainable development in the fields on agriculture, protection of the environment and entrepreneurship.

Another example is the institutional support given to a think-tank, Prisma, based in San Salvador, which runs study and information activities on the relationship between poverty reduction and sustainable natural resource management in Central America. Some ten

publications were produced during the year and were spread through national, regional and international seminars. An evaluation of Prisma's activities predicts that knowledge in the region of Prisma and the institution's thematic focus will increase.

Objective: economic and social development and equality

In Bolivia, Honduras and Nicaragua, the poverty reduction strategies have been an important platform for several years for the overall dialogue between the countries and the planning of Swedish development cooperation. To make full use of the opportunities offered by these strategies for dialogue, learning and advocacy, Sida has received support from a research institute, Institute for Social Studies (ISS), since 2003. Annual reports have been produced that have constituted the foundation of Sida's dialogue, as well as that of other donors, with the countries. The reports have attracted attention in the countries and through presentation seminars they have contributed to enhancing knowledge of work with poverty reduction strategies and support to these strategies.

In Nicaragua, Sida is leading the harmonisation of the donor community and the Nicaraguan government as chairperson of the 43 donors in Mesa Global. Sida has also undertaken a similar role in the health sector and has been very active in both the government's working group for the Paris Agenda and in the budget support group's dialogue with the government, the national assembly and the national audit office in Nicaragua.

Through contributions to promote employment and income, and contributions to the countries' social investments, economic and social development and equality are promoted. The effects of these contributions can first be seen after a number of years. In Nicaragua, FONDEAGRO, a rural development programme with activities in the northern part of the country, has succeeded in reaching its goal of increasing the income of farmers by increasing productivity and the quality of products (mainly coffee and milk). The programme reaches about 10 000 smallholder farmers. In 2006, an evaluation registered that, during the period 2001 to 2005, the proportion of extremely poor people (those with an income of less than one USD per day) among the participants in the programme decreased by approximately 30 per cent in Matagalpa province and 25 per cent in Jinotega province. The daily income of women participating in the programme increased from 0.42 to 1.32 USD in Jinotega and from 0.59 to 1.67 USD in Matagalpa.

Sida would make the assessment that this programme, which was originally directed towards victims of the hurricane Mitch in 1999, has contributed to increasing the incomes of its target group. At the same time, this increase in income among the poor has the effect that they have more power and greater possibilities to exert an influence.

Latin America is a region with a great number of inequalities and with a large proportion of poor people, despite the fact that the countries themselves are not among the poorest in the world. Access to basic rights

such as education and health is lacking for large groups. In Guatemala, Sida is supporting a reform of the health ministry's work. One of the aims is to extend the coverage of primary health care to the poorest people in the country. In 2006, access to health services was improved in the three poorest areas. Several health care centres with a special emphasis on maternal and child care services were opened; the existing health care centres were given better equipment, longer opening hours and the employees were given training. Furthermore, a special programme was implemented for the vaccination of children in these areas.

The overall programme, which is being implemented in cooperation with the Pan American Health Organisation, has also persuaded municipalities to participate in the planning and implementation of health work and has strengthened cooperation between the different administrative levels in the health care service.

Sida would make the assessment that better access to public health care services in the poorest parts of the country contributes to making it possible for poor people to improve their standard of living and for Guatemala to fulfil the Millennium Development Goals in respect of maternal mortality and infant mortality. Closer proximity to care services and decentralisation also creates greater insight and a possibility for the recipients of the care services to exert an influence on the service in the long term so that it better meets their needs.

In Bolivia Sida has coordinated the donors' comments on the government's proposed national development plan, which was presented in June. During the autumn, the dialogue on the implementation of the plan was concretised at sector level and in overall coordination forums, and relations with the Bolivian government have been strengthened. The international donors still have the ambition for deeper discussions of action plans, concrete proposals, and overall economic trends.

OUTCOME ANALYSES AND EVALUATIONS

Outcome analyses have been produced in the work on a new cooperation strategy for Central America.

In Guatemala, Honduras and Nicaragua and in the regional programmes, all contributions are assessed to lie within the framework of the overall and specific goals of democratic development and social and economic equality.

In Guatemala, Swedish development cooperation has, according to the analysis, provided important contributions to several strategic thematic areas linked to the implementation of the peace agreements, for example democratic participation and greater respect for human rights.

In Honduras, special emphasis is given to contributions in the infrastructure sector at the start of the strategy period. They have contributed to increasing the possibilities available to poor people for development. Support to the National Institute for Women's Affairs is considered to have contributed to increasing the importance of gender equality in the entire state apparatus.

In Nicaragua, several local development programmes led to such good results that they have been used as models in other sectors.

The regional institutions and organisations that Sida has cooperated with have, without exception, showed good implementation capacity and the expected results have been achieved to a great extent.

One conclusion mentioned in the results analysis is that the complex situation in Central America and the priority countries—with an unstable political context and a high degree of vulnerability—has made the implementation of programmes of development cooperation difficult.

Furthermore, it is stated that to achieve concrete and sustainable results, close alliances are required with national movements as well as strategic cooperation with key institutions in the public sphere. One lesson learned is that, in its programmes of development cooperation, Sida should give even greater consideration to the unstable political situation and that a successful outcome is often based on the degree to which several local stakeholders, in both the public and private sector, can cooperate to reach the same goals.

In the analysis, the conclusion is drawn that the process of concentration and integration of sectors, programmes and projects will be important in the future. Focusing the work in strategic groups is an important way of increasing the effectiveness of aid. Finally, the analysis states that contributions at the national and central level are most effective if they are linked to explicit requirements and needs at the local level.

An evaluation was made in 2006 of a foundation, GAIA Amazonas, and the project to strengthen the development of the original population's territorial units in the Amazonas province. According to the evaluation, the project has proved to be very important for establishing and strengthening the rule of law in Amazonas through the creation of territorial units for the original population as well as traditional authorities consisting of public bodies and authorities with a special character. For the very first time, parts of the original population are politically represented and recognised by the provincial authorities. Furthermore, initiatives have been taken to have round table conferences, Mesas Permanentes de Coordinación Interadministrativa, which have the aim of coordinating the original population and its societies and of creating scope for negotiations between representatives of the original population and the local leadership.

The project can be regarded as a good example of a vision for the realisation of a multi-ethnic and intercultural state, and for decentralisation processes and advocacy for greater popular participation. The results and progress made through the original population's authorities and round table conferences comprise important examples, models and experience for other organisations and projects. Despite the great deal of progress made, much remains to be developed at local government level.

The evaluation points out that there was no specific



GUATEMALA Jorge Villagran, who works for Guatemala's Ombudsman for Human Rights, scans documents into a database. The documents are used in the work of investigating violations of human rights that were perpetrated during the civil war in Guatemala.

gender perspective and effective communication strategy. These aspects will be given prominence by Sida prior to the implementation of the new proposal for the period 2006–2009.

Sida's support to land survey work in Guatemala was also evaluated. The Guatemalan peace agreements, signed in 1996, include special inputs for long-term solutions to conflicts related to ownership and use of land. Therefore, in 1997, a special authority was established to start work on developing a Guatemalan land survey system. At that time, Sida started to provide support for the work, partly through UNDP and partly through the Swedish land survey agency (Swedesurvey). Up to 2006, Sida's support had amounted to SEK 43 million. In summary, it can be said that the Swedish support has contributed to strategic and measurable results. Among other things, there is now an effective institution in place with the capacity to deal with

extensive land survey activities. The support has also contributed to the adoption by Guatemala's congress of new legislation on a modern land survey system. The combination of financial and technical support has proved to function well. Finally, the evaluation indicates possibilities for future Swedish support.

Sida's support to the Ombudsman for Human Rights in Guatemala has been evaluated. The taking over by the Ombudsman's office of certain responsibilities for monitoring fulfilment of the peace agreements from the UN project, MINIGUA, strengthened the office. At the same time, it was a difficult process since MINIGUA had not previously prepared this work.

The present ombudsman has extended the work of defending the rights of the original population and has a presence in rural areas as a result of support from Sida. Unfortunately, the Ombudsman's office does not have a

plan to take over these costs when the Swedish support is phased out.

Support to the planning unit did not lead to better donor coordination but, partly as a result of the evaluation, the ombudsman is now seeking better coordination among the donors.

CONCENTRATION OF COOPERATION

Within the framework of producing the new cooperation strategies in Latin America, preparations were made for sector concentration in several countries during the year. In Honduras, Guatemala and Nicaragua, Sida plans to be active in only three sectors in the future. These will be natural resources, democratic governance, and either health or education.

In the current regional strategy, Sida would phase out bilateral support (apart from contract-financed technical cooperation and support via Swedish NGOs) to El Salvador. This support was phased out in 2006.

ANALYSIS OF OUTCOME

The total outcome for the operational area Latin America can be seen in table 6. The outcome amounted to SEK 903 million, i.e. 77 per cent of the funds that were allocated in the Government's annual directives and letter of appropriations.

Democracy has been strengthened in Latin America. General and relatively correctly held elections are held regularly in countries in the region and new governments take office every fourth year. In Sida's partner countries, new governments want to set their stamp on politics. However, at the same time the countries suffer from weak institutions. This has the effect that the capacity of countries to implement planned activities diminishes considerably in connection with elections and during the first year of new governments. Disbursements of development cooperation funds decreased substantially in Bolivia and Honduras as a result of new governments during the year. This is largely the explanation for the low utilisation

Table 6.

Latin America, outcome in SEK '000

The five main partner countries in 2006	2004	2005	2006
Nicaragua	195 907	261 877	199 762
Guatemala	107 019	94 973	186 240
Honduras	132 762	140 053	117 476
Colombia	68 497	66 593	103 951
Bolivia	106 269	126 075	90 169
Other countries and regions	232 749	233 843	205 049
Total costs	843 203	923 413	902 646
Forms of support			
Project support	524 369	456 047	532 051
Technical assistance incl. contract-financed technical cooperation	96 964	127 263	115 942
International training programmes	0	10 653	25 292
Credits	7 843	27 712	-28 894
Guarantees	0	0	0
Programme support	54 465	195 998	181 106
whereof general budget support		60 000	70 000
sector programme support	54 465	135 998	111 106
Humanitarian assistance	22 286	5 622	5 728
Research	- 491	2 067	73
Grants to NGOs	137 767	98 052	71 349
Total costs	843 203	923 413	902 646
Channels			
Multilateral organisations	213 990	202 282	229 838
Swedish organisations	264 947	227 531	212 833
Organisations in partner countries	279 119	404 808	358 942
Organisations in other countries	45 159	53 254	51 705
International NGOs	39 989	35 539	49 328
Total costs	843 203	923 413	902 646
Overall goal of development cooperation			
Direct effect	176 322	258 924	228 604
Projects and programmes that include the poor	156 594	178 657	241 484
Indirect effects through policies and institutions	456 489	452 159	369 375
Indirect effects through national support	19 296	13 655	37 649
Other effects	34 501	20 019	25 533
Total costs	843 203	923 413	902 646
Main sectors*			
Health		105 353	125 203
Education		87 430	43 636
Research		2 704	525
Democratic governance and human rights		390 153	363 503
Conflicts, peace and security		19 833	65 436
Humanitarian assistance		1 510	27 638
Infrastructure		77 653	24 513
Trade, industry and financial systems		30 945	27 381
Natural resources and the environment		105 538	122 095
Budget support for poverty reduction		60 000	70 000
Other sectors		42 294	32 716
Total costs		923 413	902 646
Number of valid contributions	497	448	423
whereof > SEK 15 m	9	9	10
Number of new contributions	148	126	83

*Figures for 2005 have been corrected compared to the annual report for 2005
N.B. "Economic reforms" are included in the figures for 2005 and 2006. In 2004, this figure was included under the operational area "Economic Support".
Negative amounts are due to repayments.

of the budget. There was a substantial increase in cooperation in Guatemala and Colombia. The five countries with the highest priority received 75 per cent of the outcome. Of the remaining funds, most were allocated to regional projects and programmes.

The proportion of programme support remained at almost the same level as in 2005 when it was three times the amount for 2004. Likewise, the organisations in the partner countries continue to be the most important channel. However, Swedish organisations and UN agencies are important channels, each with 25 per cent.

Cooperation in the sector of democratic governance and human rights has a special position, which contributes to explaining why a relatively large proportion of the costs relate to poverty reduction via indirect effects through policies and institutions. At the same time, the proportion of support to projects and programmes that have a direct effect on poverty or that include the poor has increased.

SIDA'S ASSESSMENT

In Latin America, Sida works in countries with a great deal of inequality and thus a high risk for conflicts.

Democratic governance with human rights has been the main focus of Swedish development cooperation during

the last decade. Democratic processes and institutions are stronger today and the countries respect human rights to a greater extent than before. Sida's long-term work for peace and democracy has contributed to Sweden being regarded as a constructive and reliable actor.

On the other hand, the situation of the very poorest people is changing very slowly. Hitherto, improvements in democracy have not led to changes in other fields. During recent years, economic, social and cultural rights have been given higher priority by Sida and we see positive results in several countries.

Sida would make the assessment that the well-considered combination of support to the public sector in the countries concerned, to multilateral organisations and to civil society contribute to enhancing the possibilities available to the poor to change their situation. Support for democracy and human rights has provided good results. The support has not contributed to enhancing the possibilities of the poorest people to the extent expected. On the other hand, direct contributions to increase the incomes of the poor have provided good results.

The lack of explicit political determination and clear programmes for poverty reduction in several of the countries has had the effect that it has not been possible to use budget support to the extent planned.

Eastern Europe and Central Asia

This operational area includes countries geographically close to Sweden's eastern border, the Western Balkans, the Southern Caucasus and Central Asia. Sida's operations shall be governed by the goals contained in current country strategies, regional strategies and cooperation strategies and by the Government's communication on development cooperation with CIS countries and the Western Balkans.

REPORT ON OUTCOMES BASED ON GOALS IN THE COUNTRY, REGIONAL AND COOPERATION STRATEGIES

Development cooperation with Eastern Europe and Central Asia is governed by nine cooperation strategies and two regional strategies: for the Southern Caucasus and Central Asia.

Sida has divided its report on the outcome for 2006 into four regions: Western Balkans, Black Sea region, Russia and Belarus, and Central Asia. Conditions are different in these regions but they have certain common features.

The objectives that are most representative for the operational area are EU integration and donor harmonisation, and democratic governance based on human rights. They are included in most strategies. The last objective accounts for a considerable proportion of funds disbursed in 2006. Sida would make the assessment that the selected objectives are of the greatest importance for the possibilities to achieve the overall goal of development cooperation. The report on objectives is made for each sub-region.

Another substantial objective where disbursements are concerned is in respect of natural resources and the environment. Disbursements made in 2006 mostly refer to a few major investment projects for the environment in the Baltic Sea region and are reported on under the heading Other Reports.

Concentration of support in the region is increasing and it is therefore being phased out in three countries in Central Asia, Rumania and Bulgaria, and gradually in Croatia. The number of sectors is decreasing in the cooperation strategies. The number of contributions is decreasing continuously and the size of contributions and duration of agreements is increasing. The Paris Agenda is being implemented in the region but sluggishly since the region has little experience of being a recipient of aid.

WESTERN BALKANS

All the countries in the Western Balkans have future EU membership as a framework and driving force for develop-

ment. Most of the development problems are linked to the former Yugoslavia and the dramatic conflicts that followed its dissolution. During the year, one country became two: Serbia and Montenegro. Kosovo's future status has not been defined.

The new country strategies that have been approved for Bosnia and Herzegovina and for Macedonia means a specific concentration of Sida's support to fewer sectors. The number of ongoing contributions in the Western Balkans is decreasing steadily. An increase in the allocation of funds during the year had the effect that it was possible to increase support to the Western Balkans from the planned SEK 633 million at the start of the year to the disbursed SEK 799.8 million at the end of the year.

Objective: EU integration and harmonisation

Sida has supported the work of developing systems for harmonisation to enable the goals for EU integration to be included in development plans and correspond with the strategies for poverty reduction. In several cases, Sida has cooperated with Great Britain's aid agency (DFID). In Serbia, support has been given to a project of this type at the ministry for international economic relations. The results achieved hitherto show that these harmonisation processes are difficult since there are so many interested parties.

In Macedonia, Swedish support is being concentrated to agriculture. EU integration in the agricultural sector is making slow progress. In May 2006, the ministry of agriculture, together with the secretariat for European issues and Sida, arranged a donor conference on support to agriculture and rural development in the country. In Sida's opinion, this was the starting point for more rapid and coherent development.

Sweden is a major donor to the Western Balkans and it is assessed that during the year Sida played an active and positive role in the region to promote greater harmonisation of aid.

Objective: Democratic governance based on respect for human rights

Sida has provided support for election observers for the elections that took place in Bosnia and Herzegovina and Montenegro. Elections are an important component in the development of democratic governance in the region. Sida would make the assessment that the elections in the Western Balkans have become increasingly correct.

Sida has also supported efforts to establish a greater degree of national ownership, participation and democratic decision-making processes in development planning at both local and central level. Among other things, Sida has given support to the Governance Accountability programme in Bosnia and Herzegovina, which is being co-financed by USAID. During the year, successful work took place in 41 local authorities and a number of these authorities have been able to provide better services for their citizens.

One important field for Sida's support to the Western Balkans is to achieve rule of law and effective national legal systems that combat discrimination and corruption.

In Serbia and Montenegro, Sida has provided support for the ongoing police reforms. With the assistance of the Swedish National Police Board, three projects are now being implemented. The contribution for the establishment of modern scene-of-the-crime investigations with new methods and technology is showing good results. Guidelines and handbooks have been produced, personnel have been trained, and new equipment has been acquired.

The Programme Against Corruption and Organised Crime in South Eastern Europe has been implemented by the Council of Europe to strengthen the rule of law through preventive projects and controls of corruption. Evaluations made during the year show that the project can be seen as a first important step in the work to combat corruption. Laws, rules and structures to limit corruption have been established in the countries. The project has also created greater awareness in the public administrations and contributed to exchanges of experience on anti-corruption work in the region.

An evaluation of the activities of the Olof Palme International Center in the Western Balkans was made in 2006. The evaluation shows that the projects that are supported locally are mostly relevant from a poverty and democracy perspective. Certain weaknesses in the selection process, in monitoring and in financial management were identified. An action plan has been produced and the Center has undertaken to monitor this.

A Sida-financed project with the aim of creating an office for the registration of companies in Serbia was finalised during the year. As a result of this project, Serbia is now considered to be a model country where creating appropriate conditions for company investments and growth is concerned.

Sida would make the assessment that the contributions made in the Western Balkans to increase transparency and

promote the rule of law have contributed to improvements that are necessary steps on the way to EU membership.

BLACK SEA REGION

The goal of Swedish development cooperation with the Black Sea region is poverty reduction based on a EU perspective. Turkey's status as a candidate country has focused work there on promoting broad contacts with Sweden. Ukraine, Moldova and the countries in the southern Caucasus are the EU's neighbours. They want to have closer relations with the EU and support to these countries has taken these ambitions into consideration.

During the year, support to the countries in the Black Sea region increased substantially. In 2006, Ukraine had an outcome of SEK 113 million which is an increase of SEK 47 million in comparison with 2005. Moldova had an outcome of SEK 80 million, an increase of SEK 21 million, and Georgia an outcome of SEK 67 million, an increase of SEK 37 million. Turkey and Armenia also had small increases. This reflects the increase in Sweden's interest in Europe and the EU's immediate surroundings.

Objective: EU integration and harmonisation

Together with DFID, Sida has worked to facilitate Ukraine's closer association with the EU by preparing the public administration and other stakeholders in society for the requirements for internal reforms that will be made in connection with the integration process. Through support from Sweden, Sigma—an OECD organisation—produced six reports during the year on the central functions in Ukraine's public administration. The reports have laid the foundations for obtaining consensus prior to necessary reforms and Sida makes the assessment that the reports will facilitate cooperation between donors in the country.

A local Ukrainian research institute, Institute for Economic Research (Kyiv), has been established in cooperation with Stockholm School of Economics. It shall promote the process of transition to a more highly developed market economy and has started with twelve Ukrainian researchers in the first phase. The intention is to support policy development in the country and to give Ukrainian researchers with foreign degrees the possibility to do research in their own country.

Moldova's need to link its future to the EU is an important driving force for development in the country. Sida is supporting this process, for example by supporting various reforms together with other donors. In 2006, Swedish support resulted in the production of a national strategy for the implementation of Moldova's central administration reform.

Sweden is the largest donor of the EU's member states in Moldova and the Swedish support increased further in 2006. In June 2006, a number of donors and Moldova's government adopted a joint partnership framework which includes an action plan to implement the Paris Agenda. Sida has also taken the initiative to form a working group

on gender equality issues with representatives of the donors and the government.

By financing contributions for the management and renegotiation of Moldova's foreign debt, Sida contributed to helping Moldova reaching an agreement in the so-called Paris Club under which Moldova was given debt relief corresponding to SEK 600 million.

Sida would make the assessment that Sida has contributed positively to Ukraine's closer association with the EU and has played an important role in donor harmonisation activities, particularly in Moldova.

Objective: democratic governance based on respect for human rights

As a result of a new national electoral register and improvements to the rules which were made prior to the parliamentary election in March 2006 through the Organisation for Security and Cooperation in Europe (OSCE), with support from Sida among others, Ukraine implemented a peaceful transfer of power after an internationally approved democratic election.

Sida has supported the Ukrainian government's production of a communication strategy to spread information on reforms and the role of civil society in the reform process. The programme was developed in tripartite cooperation with Estonia where study visits were made to study so-called e-governance, which is intended to give ordinary people the opportunity to participate in political processes via multimedia.

During the first six months of 2006, 106 victims of human trafficking received assistance from the International Organisation for Migration (IOM) in Ukraine, with support from Sida. The figure is lower than in previous years but there is a new tendency that a growing proportion are men who are used as manpower. Despite the measures taken to remedy the situation, a permanent proportion of the female victims of trafficking are still minors.

In Georgia, Sida has financed a programme of cooperation between the Raoul Wallenberg Institute (RWI) and the ombudsman institution for a long time. An evaluation made in 2006 shows that the institution's capacity has increased as a result of the project and that the ombudsman institution has developed into a professional and respected force in society.

In Turkey, Sida is financing IOM's work to help victims of trafficking. With the aid of the emergency telephone line that has been established by IOM, it was possible to help 98 women during the year. Together with two NGOs, IOM has been able to help 190 women to return to their home countries.

Sida is also supporting a women's organisation, KA-MER, which is working in south-east Turkey with women who, among other things, have been subjected to violence in their homes or to violence related to honour. During the first six months of 2006, KA-MER implemented 1 430 group activities in which 1 373 women in the region participated. Sida would make the assessment that KA-MER's work with

increasing the independence of women and improving their prospects of earning a livelihood has an important function for strengthening the roles and opportunities for women in Turkey.

Sida would make the assessment that it has promoted human rights in the region through, among other things, programmes to support women's rights.

RUSSIA AND BELARUS

Cooperation with Russia will be phased out. It is not financed with development funds since OECD does not regard Russia as a developing country. Disbursements to Russia in 2006 amounted to SEK 290 million. The largest disbursements were in the fields of the environment and for making energy efficient. Thereafter comes support for social reforms and health reforms. Support for human rights and NGOs increased during the year.

In 2006, Sida produced a proposed strategy for development cooperation with Belarus. The outcome assessment shows that contributions in Belarus have usually been successful. They promote European values through exchanges of experience with Sweden and other countries, cover several sectors, and reach different groups in the population. However, the contributions have exerted little influence where getting actual changes at policy level in place are concerned. The outcome assessment also says that an increase in support for economic development and the private sector can play an important role as a force for change in the Belarus of today.

Objective: EU integration and harmonisation

Russia has a special relationship with the EU that does not affect the implementation of Swedish development cooperation. Nor is closer association with the EU topical for Belarus at the present time. Where Belarus is concerned, the relationship with the EU is partly that a closer association with European values is an important goal in the proposed cooperation strategy, and partly that extended cooperation with Belarus has taken place in particular with the new EU member states and their aid agencies. A concrete example of joint work is the support given to the Belarusian university in Vilnius, which received students from Belarus during the year.

Objective: Democratic governance based on respect for human rights

In Russia, Sida's support to the ongoing public administration reform has resulted in a number of sustainable results. For example, a federal three-year budget with a ceiling on expenditure was presented for the first time in Russia, and the management of agencies by the Russian Federal Government Office has now taken the form of directives and letters of appropriations of the type that have existed in Sweden since the end of the 1980s. The Russian tax department at the Ministry of Finance has also clarified that it is due to Sida's support that it has been able, on several

occasions, to learn lessons from experience gained from Swedish tax policies. Important experience of this type was the Swedish tax reform of 1990/91, which broadened tax bases and, at the same time, reduced tax rates.

An important result of the cooperation project between the Swedish Helsinki Committee (Action Programme for the Baltic Sea) and the Russia Justice Initiative is that in July, for the first time, Russia was found guilty at the European Court in respect of a case from Chechnya in which the project gave legal aid to relatives.

Child rights have been the point of departure for reforms in the social sector in Belarus. The work has contributed, among other things, to the placement of fewer children in institutions through the development of alternative forms of care.

Sida would make the assessment that its contributions in Russia have been able to promote sustainability in previously supported activities, which is important when the support is phased out. The support to Belarus is assessed to have promoted contacts with, and exposure to, European values, but has not led to practical reforms in several areas.

CENTRAL ASIA

In line with the regional strategy, focus has been placed on the two poorest countries: Tajikistan, with GNP per capita of USD 280, and Kyrgyzstan with GNP per capita of USD 475. Work in Kyrgyzstan has focused on concentrating support to fewer and larger programmes in order to make Sida's support more effective.

Objective: EU integration and harmonisation

All the countries in the region have partnership and cooperation agreements with the EU but none of them is a member of the Council of Europe. Central Asia is only partly affected the European Neighbourhood Policy, an EU instrument.

Donor harmonisation is considered to be satisfactory in Kyrgyzstan, and in Tajikistan a harmonisation process has started with active Swedish participation.

One major advance during the year is that Sida and Swiss Development Cooperation (SDC) have instituted joint working methods in Kyrgyzstan in which SDC assists Sida in monitoring activities and in the dialogue with both the donor group and representatives of the country. This is entirely in line with Sweden's undertaking within the framework of the Paris Declaration. In Tajikistan, Sida had a leading role in the donor group in 2006 and initiated a donor council, which makes more effective cooperation possible.

During the year, three contributions were approved for Tajikistan which have the aim of strengthening the state's relatively weak institutions, which is a precondition for possible programme support in the future.

Sida would make the assessment that it has made considerable progress during the year in participating in and promoting donor harmonisation.

Objective: Democratic governance based on respect for human rights

As part of a Sida-financed project for combating corruption in Tajikistan, a preliminary report on corruption has been published. The report has had a great impact in the media and has been acknowledged by the president.

During the year, Sida made an evaluation of IOM's projects to combat trafficking in Kyrgyzstan and Tajikistan. Both countries now have organisations with the responsibility for combating trafficking and legislation has been improved. Kazakhstan has the possibility to contribute financially and Kyrgyzstan contributes premises for crisis centres and a free telephone line with one single number throughout the country. Awareness of the problems has been enhanced. The legal system is weak in both countries, which has made it difficult to obtain convictions in the legal processes that have been implemented.

Sida would make the assessment that support to transparency and the development of the state financial system has contributed to a certain amount of progress in a difficult environment in Tajikistan and Kyrgyzstan.

OUTCOME ANALYSES AND EVALUATIONS

Two outcome analyses were made in 2006. The outcome analysis for Belarus shows that the projects have been implemented with the effect that Belarusian organisations have increased their contacts with Swedish and European values. However, the reform situation has proved to be so negative that it has not been possible to implement planned reforms with the aid of Swedish contributions. The outcome analysis for Moldova shows good results at project level but the new focus on coherent, donor-harmonised programmes has greater prospects of achieving more extensive changes. In addition to the evaluation mentioned in the previous section, one evaluation has been published. Its conclusions are as follows:

First Cadastre Project in Moldova:

The evaluation report states that the project activities have been implemented professionally and according to plan and that the sub-goals have largely been achieved. The project is also considered to have contributed substantially to the implementation of the World Bank project it was intended to complement, and thus to the positive results achieved in the development of a land survey system in Moldova. However, the report recommends that it is important to continue providing support, i.e. to ensure the long-term effects are achieved, and to put a greater focus on working with sustainability in the system.

OTHER REPORTS REQUIRED

Sida shall submit a report on the ways in which activities have contributed to preserve, protect and improve the environment in and around the Baltic Sea.

Environmental cooperation supplements the environ-

ment policy work in the region with the aim of preserving, protecting and improving the environment in and around the Baltic Sea and north-west Russia. Sida gives priority in particular to contributions within the framework of the Swedish Helsinki Committee (Action Programme for the Baltic Sea) and contributions under the Northern Dimension Environmental Partnership (NDEP). There is close cooperation with international finance institutions such as the Nordic Investment Bank (NIB), World Bank, European Development Bank (EBRD) the European Investment Bank (EIB) and the Nordic Environment Finance Corporation (Nefco).

After the completion of the south-west treatment plant in St Petersburg in 2005, cooperation has continued with the aim of further reducing the emission of substances that cause eutrophication. A plan for further investments which, when implemented, will lead to considerable reductions in phosphorus and nitrogen have been produced. Otherwise no new projects have been started or ongoing projects finalised. The implementation of water and wastewater projects in Leningrad Oblast, Archangels in Russia, Lviv in Ukraine, Jurmala in Latvia, Panevezys in Lithuania and Pladiski, Otepää and Marduu in Estonia continue largely as planned. These projects result in better resource management in the form of lower water and energy consumption, and reductions in emissions, principally of phosphorus, nitrogen and organic substances from some 1.5 million people. Sida has contributed by financing Swedish equipment. Several of the projects will be completed in 2007. The water and wastewater project in Kaliningrad, which has the aim of taking care of emissions of more or less totally untreated wastewater from 450 000 persons, has been further delayed and will be implemented in three years' time at the earliest. In addition to this, Sida gives support for institutional components to district heating projects in Murmansk, Kaliningrad and Pskov. These projects have the aim of improving energy efficiency and reducing emissions of, for example, greenhouse gases.

The Swedish National Environmental Protection Agency (SNV), working with Sida funding, has continued to strengthen the work being done on the environment, particularly at agency level, in north-west Russia. In accordance with recommendations from the evaluation made in 2005, the SNV is continuing to work in order to extend Russian ownership and to develop larger and more coherent programmes. An agreement has been concluded with the Swedish University for Agricultural Sciences (SLU) on further cooperation in the fields of agriculture and the environment.

Sida shall submit a report on the scope and focus of contributions in the Western Balkans that support regional integration, for example within the framework of the stability pact.

Sida has provided support for a regional project for technical advisory services in the field of public financial management. Support is channelled through the Interna-

tional Monetary Fund (IMF) and the project is taking place at the Center of Excellence in Finance in Ljubljana, Slovenia. A long-term consultant offers advisory services and training for the development of financial management systems to central functions in Albania, Bulgaria, Croatia, Macedonia, Montenegro, Moldova, Rumania, Slovenia and Serbia. The contribution is being co-financed with the IMF, Italy, Slovenia and Norway. The cost of the Swedish support amounts to some SEK 1.2 million.

A second phase of the programme of support to the regional transfrontier project in cooperation with the East West Institute was implemented during the year. The project has the aim of normalising cooperation in three border regions in the Western Balkans. The East West Institute works at both local level with concrete cooperation activities in the border regions, and at policy level in cooperation with, among others, the Stability Pact, the EU and the Council of Europe.

Sida's regional programme of cooperation with IOM, under which support is provided for the victims of trafficking for sexual purposes, continued during the year. In addition to providing direct support for the victims, the contribution is assessed to have contributed to greater exchanges and cooperation between the countries' governments and agencies.

In respect of cooperation with the Western Balkans, Sida shall submit a report on the ways in which its support has improved the possibilities for return of refugees, asylum seekers and internally displaced persons, including the Roma, to and within the region.

In 2006, the project for returning refugees, including the Roma, made it possible

- to give approximately 400–500 internally displaced families, who had previously returned to their homes in Bosnia and Herzegovina, the possibility to participate in income-generating agricultural activities, which has increased their possibilities to be permanently resident
- to enable some eighty families who are internally displaced families in Kosovo or Serbia, of whom most are Roma, to return to their homes in Kosovo
- to enable, on average, 22–52 returning refugees and asylum seekers per week to return to Serbia.

The majority of these people are Roma.

Sida shall submit a report on the measures it has taken to support national action plans for the integration of minorities, particularly the Roma, in the Western Balkans

In December 2006, Sida entered into an agreement with UNDP on the implementation of a project during the period 2007–2009 to reduce the vulnerability of the Roma in Serbia, Montenegro and Kosovo. The project will, among other things, assist the governments concerned to implement national action plans for the Roma.

Support to the Roma Education Fund is a form of direct support to national action plans in all countries in the region, apart from Kosovo, since education is given



BOSNIA AND HERZEGOVINA: Refugees who have received help to grow vegetables through a Sida-financed project

highest priority in all national action plans for the integration of the Roma.

The active monitoring of the rights of the Roma, which is financed through the European Roma Rights Centre, is also a form of support for the implementation of the national action plans through the independent monitoring of progress in the countries. In addition to this, Sida has supported projects for returning Roma that have been reported on above.

Where the Swedish NGOs' activities in non-ODA countries are concerned, Sida shall submit a report which shows the breakdown of grants by frame organisations, sectors and number of foreign partners in cooperation per organisation. The report shall include the number of Swedish organisations included in the frame organisations' activities.

Reported in tables 7 and 8.

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

Reported in table 7.

ANALYSIS OF OUTCOME

The total outcome for the operational area Eastern Europe and Central Asia can be seen in table 9. Sida contributed SEK 1 693 million in 2006, of which SEK 1 309 million refers to ODA countries and SEK 384 million to non-ODA countries. Support to the ODA countries increased by SEK 270 million compared to 2005, while support to non-ODA countries decreased by SEK 134 million. The main reason for this is that, from 2006 onwards, Ukraine and Russia are included among the ODA countries.

Due to the high level of planning in respect of the

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		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Swedish NGO Centre for Development Cooperation (Forum Syd)	15 518	17 500	6 764	46	41	27	47	53	25
LO/TCO Council of International Trade Union Cooperation	10 000	9 000	7 930	48	28	30	39	15	12
Olof Palme International Center	17 000	12 000	7 825	3	25	21	34	17	15
PMU Interlife	1 050	1 000	900	8	9	8	8	8	5
Swedish Save the Children Federation	1 250	1 000	1 000	2	4	4	0	0	0
Church of Sweden	432	432	450	1	1	1	0	0	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	2 519	2 500	1 972	33	11	11	11	11	10
Swedish Mission Council	1 015	1 000	373	7	4	2	4	4	1
Swedish Cooperative Centre	6 000	4 500	1 133	18	8	3	0	0	0
Swedish Society for the Conservation of Nature	4 000	3 500	2 541	61	23	22	0	4	4
Total	58 784	52 432	30 888	227	154	129	143	112	72
Non-requisitioned funds	0	-2 330	-2 005	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Repayments of previous years' grants	-5 372	-1 184	-4 923						
Other contributions				Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Information contributions via Swedish NGOs	4 180	3 983	3 036						
Swedish NGO Centre for Development Cooperation (Forum Syd)	171	167	165	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Swedish Fellowship of Reconciliation	100	100	-23						
Kvinna till Kvinna (Woman to Woman) Foundation	175	100	0	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
National Council of Swedish Youth Organisations	200	200	40						
LO/TCO Council of International Trade Union Cooperation	100	197	200	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Olof Palme International Center	200	200	199						
PMU Interlife	0	0	200	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Swedish Save the Children Federation	-79	0	0						
Studieförbundet Vuxenskolan (adult education association)	600	600	615	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Swedish Sports Movement Study Association	24	100	0						
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	300	300	100	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Church of Sweden	-100	0	0						
Swedish Mission Council	70	90	320	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Swedish Society for the Conservation of Nature	150	50	130						
Swedish Red Cross	564	-21	400	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Swedish Cooperative Centre	175	300	250						
World Wildlife Fund	300	200	40	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Other organisations	1 230	1 400	400						
Support for youth organisations	500	0	0	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Other support, audits etc	0	0	0						
Grant to the Swedish Red Cross	900	900	0	Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000					
Total	58 992	53 801	26 996						

Table 8. NGOs by main sector, Non ODA, expenditure in SEK '000

Broken down by main sector	2005	2006
Health	2 378	129
Education	3 766	-33
Democratic governance and human rights	24 356	24 627
Conflicts, peace and security	108	0
Trade, industry and financial systems	6 863	89
Infrastructure	145	-73
Humanitarian assistance	900	0
Natural resources and the environment	7 844	3 535
Other sectors	7 442	727
Total	53 801	29 002

* from 2006 contributions in Ukraine and Belarus are reported under operational area 8:1.5 NGOs

Western Balkans and Central Asia, the budget item for non-ODA countries received an additional SEK 140 million from other operational areas during the year. In addition, it was also possible to use unspent balances from 2005 amounting to SEK 30.9 million.

Among the ODA countries, the main partner countries are Serbia and Montenegro and Bosnia and Herzegovina. However, it should be noted that in 2006 Serbia and Montenegro were split into two separate countries: Serbia (Kosovo's future status has not yet been defined)

and Montenegro. However, they are regarded as one country in the annual report and budget for 2006. Changes will be made in 2007. Support to Ukraine has increased substantially—from SEK 66 million in 2005 to SEK 112 million in 2006.

Russia accounts for almost 85 per cent of the total amount disbursed to non-ODA countries. The outcome for Russia increased from SEK 317 million in 2005 to SEK 323 million in 2006, which can appear surprising since the phasing out of support to Russia has started. The main reason is the large disbursements for environmental projects that were agreed on earlier and which are now being implemented. Among other non-ODA countries, support has mainly referred to final contributions in the Baltic States and Bulgaria and Romania.

Project support is the predominant form of support, 65 per cent of all funds disbursed. Grants to NGOs and personnel assistance, including contract-financed technical cooperation contributions, also have large proportions.

Much of the support to the region is channelled via Swedish institutions and companies. For non-ODA countries (i.e. mainly Russia), the proportion is 83 per cent. Cooperation with multilateral organisations increased considerably—from SEK 170 million in 2005 to SEK 300 million in 2006.

Most of the activities can be referred to the goals for direct effects and indirect effects on policies and institutions.

In line with Sida's ambitions, the number of contributions has decreased, despite a larger volume, while the increase per contribution is pronounced. Concentration to fewer sectors also affects assessment and implementation capacity and thus the rate of disbursements positively. Almost 80 per cent of the total disbursements refer to the following sectors: Democratic Governance and Human Rights, Natural Resources and the Environment, and Infrastructure.

SIDA'S ASSESSMENT

As can be seen from the above report on the operational area, Sweden, via Sida, has participated in very important processes. Closer association with the EU is a main goal for

many countries and, in the countries concerned, Swedish development cooperation has collaborated closely with the EU's various agencies. Direct support has been provided for closer association with the EU, for example in Ukraine. Since the countries in the region have limited experience of being recipients of aid, their capacity to coordinate their plans for closer association with the EU and other development plans, for example poverty reduction strategies, has been low. The work on donor harmonisation and the Paris Agenda has been particularly difficult in this region. Sweden has been an active participant in donor harmonisation (including the EU Commission and the European Agency for Reconstruction (EAR) and the partner country. Sida has also provided support to special projects designed to strengthen the capacity of recipients for coordination purposes. Sida has had a specific leading role in donor harmonisation in countries such as Bosnia and Herzegovina, Moldova and Tajikistan. Sida has also adopted a deliberate unobtrusive role in, for example Kyrgyzstan.

Many states in the region are undergoing a process of transformation and it is considered that Swedish support has contributed positively to this process. This applies for example, to support for public administration reforms in Bosnia and Herzegovina and Moldova, to the development of civil society in the Western Balkans, to the struggle against corruption in the Western Balkans, to police reforms in Serbia and Montenegro, to debt relief in Moldova, to the ombudsman institution in Georgia, and to the private sector as a force for change in Belarus.

Sida would make the assessment that Sweden and the Swedish resource base has a good reputation, not least through positive development cooperation contributions which are appreciated by the countries concerned.

In Sida's assessment, aid effectiveness in the region has increased through the concentration that is gradually being made in cooperation strategies to fewer sectors, through the dialogue, and due to the fact that development cooperation with new EU member states and countries in Central Asia and Croatia is being phased out.

Table 9.

Eastern Europe and Central Asia, outcome in SEK '000

The five main partner countries	2004		2005		2006	
Russia*	318 672		316 902		323 484	
Serbia and Montenegro	199 817		219 092		290 659	
Bosnia & Herzegovina	212 607		317 632		272 738	
Ukraine**	59 746		66 264		112 592	
Albania	41 106		63 589		91 524	
Other countries/regions	610 365		573 614		601 621	
Total costs	1 442 313		1 557 093		1 692 618	
Forms of support		whereof non ODA**		whereof non ODA**		whereof non ODA**
Project support	769 073	267 827	981 775	292 693	1 113 702	222 249
Technical assistance incl. contract-financed technical cooperation	347 296	218 005	265 184	156 226	273 390	126 242
International training programmes	3 001	1 622	15 634	0	20 566	0
Credits	27 797	8 252	62 124	-35	3 249	770
Guarantees	0	0	0	0	0	0
Programme support	3 147	-112	5 771	0	13 600	0
whereof general budget support	0	0	0	0	0	0
sector programme support	3 147	-112	5 771	0	13 600	0
Humanitarian assistance	2 866	900	18 725	2 370	10 959	1 404
Research	5 000	0	15 000	0	4 794	0
Grants to NGOs	284 134	77 017	192 881	67 238	252 357	33 580
Total costs	1 442 313	573 511	1 557 093	518 492	1 692 618	384 243
Channels		whereof non ODA**		whereof non ODA**		
Multilateral organisations	140 060	49 932	170 156	21 817	299 482	23 701
Swedish organisations	966 695	489 792	957 854	440 884	945 848	317 357
Organisations in partner countries	53 038	21 445	75 637	29 891	136 610	24 837
Organisations in other countries	211 969	1 172	296 972	15 195	152 213	14 880
International NGOs	70 551	11 170	56 474	10 705	158 465	3 470
Total costs	1 442 313	573 511	1 557 093	518 492	1 692 618	384 243
Overall goal of development cooperation		whereof non ODA**		whereof non ODA**		
Direct effect	309 984	45 183	279 811	40 360	369 585	68 313
Projects and programmes that include the poor	121 962	41 396	277 879	61 042	328 627	11 182
Indirect effects through policies and institutions	484 472	146 175	488 907	138 225	654 761	155 453
Indirect effects through national support	100 208	15 321	138 412	9 501	120 942	3 739
Other effects	425 687	325 437	372 084	269 363	218 703	145 557
Total costs	1 442 313	573 511	1 557 093	518 492	1 692 618	384 243
Main sectors***						
Health			148 379	58 014	184 459	63 205
Education			45 947	9 753	49 440	13 404
Research			124	0	2 641	757
Democratic governance and human rights			581 680	142 614	719 781	117 024
Conflicts, peace and security			22 288	4 121	22 992	5 395
Humanitarian assistance			2 880	900	4 785	0
Infrastructure			218 574	17 268	224 851	16 661
Trade, industry and financial systems			112 094	19 371	78 127	28 454
Natural resources and the environment			374 282	169 860	366 807	137 230
Other sectors			50 846	10 954	38 734	2 114
Total costs			1 557 093	432 856	1 692 618	384 243
Number of valid contributions	1 169	773	1 051	636	938	359
whereof > SEK 15 m	15	2	16	8	14	2
Number of new contributions	357	236	310	220	251	75

*Non-ODA countries

**In 2004 and 2005 Belarus and Ukraine were included as non-ODA countries. In 2006 they are included as ODA countries

***Figures for 2005 have been corrected compared to the annual report for 2005

N.B. "Economic reforms" is included in the figures for 2005 and 2006. In 2004 this figure was included under the operational area "Economic Support".

Negative amounts are due to repayments.

Global development programmes

Sida shall contribute to learning about 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 the outcome of activities.

The breakdown of the appropriation by subject areas can be seen in table 10, Global development programmes by subject area.

Table 10. Global development programmes by subject area, outcome in SEK '000		
	2005	2006
Democracy/human rights freedom of expression/access to information and cultural diversity	173 148	233 445
Education	69 591	210 489
Health	396 176	367 465
Environment (incl. climate) and natural resources	257 839	359 628
Labour market and employment	19 341	10 025
Information and Communications Technology (ICT) and infrastructure	60 386	144 715
Trade	104 364	122 789
International training programmes	151 969	196 024
Resource base programmes	115 859	151 615
Other areas	114 772	102 048
Total	1 463 442	1 898 243

Democracy and human rights, freedom of expression and access to information, and cultural diversity

The International Federation for Human Rights (FIDH), an organisation in receipt of support from Sida, was evaluated in 2006. FIDH is a federation of 141 human rights organisations in some 100 countries. According to the evaluation, FIDH contributes, among other things, to

developing the capacity of its member organisations. The organisation plays a leading and constructive role in international coalitions and working groups and presents reliable information on, for example, the situation of human rights activists around the world.

Sida's global support to International Pen, the International Freedom of Expression and Exchange (IFEX), and to Article 19 has the aim of strengthening democratic media structures. International PEN's normative and policy-promoting work has exerted an influence on legal processes in different countries. One activity that attracted much attention was its support for the Nobel Prize laureate in literature in 2006, Orhan Pamuk, in connection with his legal disputes with Turkish authorities.

The support given by IFEX to its members, for example in Nepal, Thailand and Tunisia, has had synergy effects at the national and international level and has influenced decision-makers to safeguard freedom of expression. During the year, IFEX had more than two million visitors to its informative website and distributed more than 500 appeals from its members in three languages.

During the year, Article 19 produced a policy document on ways in which public TV and radio broadcasts should be designed in Africa in order to increase cultural diversity and to widen the scope of freedom of expression, and a manual on ways in which legislators can work to achieve this. The dissemination of information takes place in cooperation with local and regional institutions. The organisation works with similar assignments in Palestine, other parts of the Middle East and North Africa.

Education

During the year, Sida provided support amounting to SEK 20 million to Unicef's programmes for the education of girls.

Sida's thematic support to Unicef is flexible and it consolidates the support given by other donors. Sweden



According to Article 19 in UN's Universal Declaration of Human Rights, "everyone has the right to freedom of opinion and expression". Sida provides support for contributions that promote press freedom. Tut Win Tut, who works for Democratic Voice of Burma, participated in one of the training programmes for journalists supported by Sida. The course was arranged by the International Freedom of Expression Exchange (IFEX) in cooperation with the South East Asian Press Alliance (SEAPA).

continues to cooperate with other donors, principally Norway, Great Britain and Canada.

Child-friendly schools, based on children's rights, have won ground and are included in several countries' education plans. During the year, cooperation between education projects and projects in several other sectors such as water, HIV/Aids and hygiene, has been further strengthened.

In 2006, SEK 100 million was disbursed to World Bank Funds within the framework of the so-called Fast Track Initiative (FTI), which has the aim of contributing to the implementation of the education plans drawn up by countries with an emphasis on primary education. In 2006, the FTI spent some USD 148 million in 14 countries, including Madagascar, Niger and Ghana. The support provided by Sweden has contributed to improving the quality of edu-

cation, developing the capacity of ministries, and improving conditions and the learning environment for both teachers and students.

In 2006, Sida disbursed SEK 6 million for the production of Education For All Global Monitoring Report (GMR 2007) which shows, among other things, that enrolment in primary schools increased by 27 per cent in sub-Saharan Africa and by 19 per cent in southern and western Asia between 1999 and 2004. The number of children that have not yet been enrolled in primary school is estimated at 77 million, (a reduction of 21 million in five years). Today, 94 girls attend school for every hundred boys. Every fifth adult (781 million) is still illiterate. Of these two-thirds are women.

During the year, Sweden contributed an amount of

some SEK 15 million to various institutes at UNESCO. An evaluation of all institutes and education centres within the framework of UNESCO was presented to its executive board at the beginning of 2006. The evaluation shows, among other things, that several of the institutes that Sweden supports have contributed very positively to capacity development in ministries and educational institutions in UNESCO's member states.

Health

Sida has worked for several years to strengthen the midwife function in the partner countries as part of the struggle against maternal mortality and in order to enhance sexual and reproductive health and rights (SRHR).

As part of the implementation of the Swedish policy for SRHR, Sida has provided SEK 100 million in support for the International Planned Parenthood Federation (IPPF). IPPF offers services to some 32 million people each year with the aid of several hundred thousand volunteers, 37 000 clinics and 151 member organisations.

Sida evaluated IPPF during the year together with Norad. The evaluation, which has the situation in Bangladesh, Ethiopia and Uganda as its point of departure, shows among other things that, to a large extent, the member organisations reach poor people and groups. IPPF's clinics maintain high levels of quality, have low charges for their patients, and also offer to protect the identity of their patients.

In accordance with Sweden's action plan for infectious diseases, Sida has supported, among others, the Global Alliance for Vaccines and Immunization (GAVI), which has contributed to vaccinating 118 million children with newly introduced vaccines against yellow fever, hepatitis B and haemophilus influenza type B.

Support has also been given to the WHO, which has produced a strategy for reproductive health in Ethiopia. Support to UNFPA has been allocated to a thematic fund that intends to ensure access to contraceptives in 51 countries, and to an integrated project designed to prevent and treat fistula injuries after childbirth. Both these global projects have been implemented in close cooperation with the national ministries of health in countries where Sida contributes support to the health sector; for example Bangladesh, Burkina Faso and Kenya.

Environment and natural resources

Support to the International Institute for Environmental Development (IIED) has contributed, among other things, to greater attention being given to the possibilities available to smallholder farmers to gain access to markets for their agricultural products. This is a market that is being increasingly dominated by international chain stores with very high demands in respect of standards and quality. IIED's work is reflected in the extensive work on agriculture and poverty-oriented growth being performed by OECD's Development Assistance Committee (DAC) and in connection with Sida's regional and bilateral contributions in rural areas in Africa.

During the year, the national programmes of the International Union for the Conservation of Nature and Natural Resources (IUCN) in Laos and Vietnam—with close links to other Sida-supported activities in these countries—were evaluated with positive results. The new form of cooperation, in which earmarked funds to specific projects have been replaced by untied budget support to the national IUCN offices, has had positive effects. The offices have evolved from a consulting role and project dependence to a more strategic and innovative role with a greater focus on communication, support for national processes and opinion-shaping activities. The important results include capacity development for, and the strengthening of, the National Environment Committee (NEC), a cross-sector committee that has the responsibility for coordinating the integration of environmental considerations into government decision-making and planning.

The programme of cooperation between Sida and the Environmental Economics Unit at Gothenburg University was the subject of an external evaluation in 2006. The most important conclusions drawn in the evaluation were that the programme has been conspicuously productive, of excellent quality and much appreciated by all concerned. The support function has been involved in most of Sida's cooperation strategy processes to ensure that strategic environmental dimensions have been taken into consideration.

Sida supports the work done by the World Resources Institute (WRI) to give poor men and women a stronger voice in decisions that affect them and a place at the negotiating table where the decisions are made. In April 2006, WRI and the partner countries launched a web-based tool which can be used to monitor the access of poor people to natural resources from a rights perspective, and for strengthening capacity to integrate the needs of the poor in the decision-making processes.

Trade and finance

Where trade is concerned, Sida works to strengthen the capacity of developing countries to identify and formulate their trade policy interests and to participate actively in international negotiations, particularly in the World Trade Organisation (WTO). (See further under specific reporting requirements on trade-related support.)

Sida is supporting two major initiatives with funds from the global appropriation: the Financial Sector Reform and Strengthening Initiative (FIRST) and the Consultative Group to Assist the Poor (CGAP).

FIRST is a programme of cooperation between the World Bank, IMF and six bilateral donors that has the aim of developing and strengthening the financial sector in developing countries on the basis of the recommendations contained in the so-called Financial Sector Assessment Programmes. In 2006, an evaluation was made of phase one of FIRST with positive results. The recommendations given prominence for phase two were principally to intensify harmonisation with the work done by the World Bank and the IMF in this field.

The Consultative Group to Assist the Poor (CGAP) is a network organisation with 33 donors which works with the development of the financial sector, and particularly with matters that concern microfinance. CGAP has played a very important role in shedding light on the significance of financial services for poverty reduction. At present, an evaluation is being made of CGAP III, which will provide proposals for the future focus of CGAP's work. Earlier phases have also been evaluated and the results have shown that CGAP's work has been highly relevant and of high quality.

Employment and the labour market

In 2006, Sida conducted an active dialogue with the World Bank on the importance of employment for poverty-oriented growth, and has also given financial support to the so-called growth commission.

Sida has also developed methods for integrated economic analysis (IEA) in which the analysis of employment is linked to the analysis of the private sector and macroeconomic issues. Advisory services and country analyses based on IEA were made in Cambodia, Uganda and Albania in 2006.

In 2005, Sweden, through Sida, entered into a partnership agreement with the International Labour Organisation (ILO) with a focus on employment particularly for young people, rights in working life, and the development of ILO's analytical capacity. In 2006, Sida disbursed SEK 25 million for this work.

Infrastructure and information and communication technology (ICT)

For some years, Sida has been supporting an international network organisation, Energia. Energia works with gender matters and sustainable development in the energy sector. Energia was evaluated in 2006 with positive results.

In the transport sector Sida gives priority to road safety. With reference to traffic injuries as a public health problem, a Swedish road traffic expert was recruited. The expert is stationed at the WHO as a coordinator of the UN system's work with road safety. Sida has also decided to give further, and extended, support to the International Forum for Rural Transport and Development (IFRTD). This is a global network for information, dialogue and human resource development with a focus on the needs of access to important social functions for persons with few resources living in rural areas in developing countries.

In 2006, Sida continued its focus on using digital information and communication technology (ICT) for the development of developing countries. The largest contribution was the support provided for the newly established resource centre for ICT in developing countries, SPIDER, which is being run by the Royal College of Technology in Stockholm, in collaboration with several other universities.

Sida is an active partner in the international policy and methods dialogue in respect of ICT for Development (ICT4D). During the year, Sida was engaged in close collaboration with other bilateral donors and the World Bank in policy discussions on infrastructure for data and telecom-

munications traffic in Africa. This refers, in particular, to international basic networks, where the most topical issue is the most appropriate form for the design of the fibre cable investment planned for eastern Africa (from Sudan in the north to South Africa in the south).

In 2006, Sida worked to make good use of the opportunities for synergy effects that exist between its bilateral support to ICT development in Rwanda, its regional support for telecommunications infrastructure in the East African Community (EAC), and its policy work on the organisation of the fibre cable project (global appropriation).

International Training Programmes (ITP)

During the year, Sida held 63 international training programmes with, on average, 25 participants per programme, i.e. a total of some 1 575 participants. The focus of the programmes was trade, industry and financial systems, and infrastructure.

Judging from the assessments of the participants, goal fulfilment of the programmes improved in 2006 compared to 2005. Moreover, views on the relevance of the programmes in relation to the professions of the participants and their cooperation with other participants were given high scores in evaluations.

Sida has made reviews of several training courses, for example conflict management and the training programme World Trade, Conformity Assessment and Quality Infrastructure Development. During the year, a review of the field of public administration was also initiated.

The focus and design of the programmes were developed during the year. Work has started on making it easier for ITP participants to apply the knowledge they have acquired in their home countries—linked to ongoing reform processes at different levels.

Resource base programme

The resource base programmes have the aim of enhancing expertise in important special fields for Swedish development cooperation. Sida does this by giving young graduates the opportunity for advanced practical work at selected multilateral, regional and bilateral organisations, and at Swedish government agencies, institutions and consulting firms active in Swedish programmes of development cooperation.

The Junior Professional Officer (JPO) programme is governed by goals based on Swedish priorities in multilateral development cooperation. During the year, the JPO programme included 112 persons, 79 women and 33 men, serving at various UN agencies and other international organisations. The development banks have been given special priority: at present seven persons are serving at the World Bank—which is twice as many as in 2005.

A programme of cooperation has been started with UNDP. Seven candidates have been recruited as Special Assistants to the Resident Coordinator (SARC) with the task of coordinating the UN's contributions in countries given priority by Sida and the UNDP. The goal of the programme

is to increase the Swedish presence through new posts at the intermediate level in UNDP.

The Junior Experts to the Delegation (JED) programme offers young graduates posts at EU's delegations. The programme has doubled in size and 20 persons are participating in the period 2006–2008. Swedish JEDs serve in the Balkans and Central Asia, Africa, Asia and Latin America.

The Bilateral Associate Expert (BBE) programme is governed by Sida's future needs of expertise to enable Sweden to participate successfully in international development cooperation. In 2006, 52 persons held BBE posts. Of these, 35 were women and 17 were men; 18 persons served at embassies, 13 at regional or national institutions, and 21 were employed by Swedish consulting firms and linked to the implementation of projects financed by Sida.

The interest in Sida's young consultants programme (YK) has increased considerably among consulting firms, government agencies and institutions. The programme has the aim of giving young graduates international project experience in order to qualify them to be engaged as consultants by Sida or other organisations active in international development cooperation. In 2006, 22 young consultants participated in international assignments. This is almost twice as many as in 2005.

In 2006, Sida arranged seven preparatory courses for JPOS, SARCS, JEDs, BBes and YKs and their spouses prior to their taking up assignments abroad.

OTHER SECTORS

Urban development

In 2006, Sida gave priority to the production of a policy for development in urban areas, Fighting Urban Poverty; to actively participate in various international forums, for example the World Urban Forum 3; and to extend cooperation with multilateral organisations, principally the United Nations Human Settlements programme (UN-Habitat) and the World Bank.

Sida's support to UN-Habitat's Water and Sanitation Trust Fund has contributed to the planning of an extension of water and sanitation plants in towns around Lake Victoria in Africa, which is seriously polluted, and for local capacity development in the area.

The safety and security of people living in cities is essential for economic growth. Sida has therefore co-financed an evaluation of UN-Habitat's Safer Cities programme as part of the assessment of support to the programme.

Within the framework of an agreement with the World Bank, Sida has provided support for urban research and has conducted a dialogue with the World Bank, other donors and research organisations on closer cooperation to strengthen urban research on, among other things, urban indicators.

Sida is working actively to coordinate the work done at national, regional and global level through international organisations. Sida does this, for example, through the

Cities Alliance, an international alliance of donors and developing countries. Cities Alliance chiefly strengthens networks between local authorities and other stakeholders at city level and initiates strategies to promote sustainable, poverty-oriented urban development in a large number of cities in different regions. In 2006, Cities Alliance approved grants amounting to USD 30 million. Of 48 projects financed in 2006, 15 were global and 13 focused specifically on sub-Saharan Africa.

Sweden has a long tradition of local self-government and Swedish local authorities have important know-how for Swedish development cooperation. During the year, with support from Sida, 29 Swedish local authorities have initiated programmes of cooperation with 33 local authorities in nine countries in the South, mainly in South Africa, China and Mongolia. The programmes cover everything from the production of municipal services to issues that concern the political and administrative dimension of local democracy.

Evaluations

The Department for Evaluation and Internal Audit (UTV) completed four evaluations and two studies during the year.

In 2005 and 2006, a consortium consisting of some 45 aid organisations—Tsunami Evaluation Coalition (TEC)—made an evaluation of the contributions of the international community in connection with the tsunami disaster in South East Asia. UTV was responsible for a study on Linking Relief, Rehabilitation and Development. The evaluation shows that the response to the tsunami disaster was the largest and most rapid ever undertaken. The rapid response led to a situation in which it was possible to start reconstruction work at an early stage almost everywhere. A great deal functioned well in the disaster projects after the tsunami. However, the study also points out that the important, immediate rescue work was done by the local people. One of the most important conclusions of the evaluation is that aid organisations must be considerably better at giving information to, and cooperating with, local people in areas affected by disasters.

In addition to evaluations, UTV has made a review of the operational area Research, in accordance with Sida's annual directives and letter of appropriations for 2006. The review supports the approach of supporting long-term capacity building but also points out that there is a need to clearly define the role of research cooperation in development cooperation, that the goals of activities need to be reviewed, and that clarification is needed of the responsibility of Sida and other research financiers for funding Swedish development research.

International cooperation in the evaluation field is becoming increasingly important. During the year, Sweden, through UTV, was the chair of OECD/DAC's Network on Development Evaluation. Furthermore, UTV has played a leading role in and participated in several major international evaluations, of which some were finalised during the year. They include an extensive evaluation of budget

support and the above-mentioned evaluation of projects after the tsunami disaster. Furthermore, UTV has been the chair of the so-called Triple C evaluation of the EU's development cooperation.

ANALYSIS OF OUTCOME

Support for contributions in the field of democracy and human rights has increased as a consequence of the government's annual directives. These, in turn, reflect intentions in other directives such as the Policy for Global Development and the central component elements. Likewise, support to the education sector through multilateral organisations has increased considerably. This can partly be attributed to Sida's support for the World Bank's Education for All—Fast Track Initiative and partly to smaller, but strategically important, contributions via, among others UNESCO and Unicef.

There has been a considerable increase in both the operational area and for the main sector "Natural Resources and the Environment". This is due, among other things, to the government's decision to initiate a special environmental programme, which started in 2006. The increase is somewhat smaller than it could have been since SEK 30 million was transferred to the operational area Europe.

Where the main sectors "Infrastructure" and "Trade, Industry and Financial Systems" are concerned, it is above all "Infrastructure" that has increased considerably. Most of this increase consists of contributions in the field of urban development and administration, which, as a result of the emphasis on sustainable development, has had a prominent place during the year. In the main sector "Trade, Industry and Financial Systems", it is above all support to contributions in the trade sector that has increased.

Most of Sida's contributions under the appropriation contribute to the overall goal of development cooperation via indirect effects through policies and institutions. Compared with 2005, the proportion for this type of effect

Table 11.

Global development programmes, outcome in SEK '000

Forms of support	2004	2005	2006
Project support	659 298*	897 758**	1 318 113
Technical assistance incl. contract-financed technical cooperation	190 161	171 083	152 762
International training programmes	203 538	148 927	194 769
Credits	35 036	50 149	100 100
Guarantees	197	588	0
Programme support	109 803*	922 560**	47 041
<i>whereof general budget support</i>	0	0	0
<i>sector programme support</i>	109 803	92 260	47 041
Humanitarian assistance	5 236	0	0
Research	26 789	18 235	24 077
Grants to NGOs	93 288	84 442	61 382
Total costs	1 323 347	1 463 442	1 898 243
Channels			
Multilateral organisations	476 198	566 575	885 764
Swedish organisations	505 739	483 074	617 166
Organisations in partner countries	91 792	146 018	58 192
Organisations in other countries	49 637	55 454	90 870
International NGOs	199 980	212 321	246 252
Total costs	1 323 347	1 463 442	1 898 243
Overall goal of development cooperation			
Direct effect	75 440	226 506	421 219
Projects and programmes that include the poor	197 819	217 973	172 550
Indirect effects through policies and institutions	710 631	751 321	1 123 817
Indirect effects through national support	137 993	161 799	95 834
Other effects	201 463	105 842	84 823
Total costs	1 323 347	1 463 442	1 898 243
Main sectors**			
Health		403 917	379 341
Education		76 501	226 241
Research		7 002	33 342
Democratic governance and human rights		222 749	259 784
Conflicts, peace and security		1 669	957
Humanitarian assistance		0	0
Infrastructure		89 691	189 740
Trade, industry and financial systems		144 630	172 611
Natural resources and the environment		290 300	383 774
Budget support for poverty reduction		0	0
Other sectors		226 984	252 451
Total costs		1 463 442	1 898 243
Number of valid contributions	905	817	832
<i>whereof > SEK 15 m</i>	11	15	21
<i>Number of new contributions</i>	280	278	292

*Figures for 2004 have been corrected compared to the annual report for 2004.

**Figures for 2005 have been corrected compared to the annual report for 2005.

has also increased. A considerable increase has taken place in the proportion of contributions that contribute to the overall goal through direct effects. The large increase in support for direct and indirect effects on the overall poverty goal is the result of Sida's deliberate ambition in this respect.

The total number of contributions has increased somewhat and this can partly be explained by the fact that the operational area has had a number of financial conditions to deal with. However, the emphasis on larger contributions has led to an increase in the number of contributions with agreed amounts exceeding SEK 15 million.

SIDA'S ASSESSMENT

The guidelines that govern the global development programmes emphasise the importance of endeavouring to achieve synergy effects between the support given to international and regional organisations and the contributions made nationally and locally in Sida's partner countries. Sida has analysed the outcome of support to global programmes and the analysis shows that these can have the following types of effects:

- have direct effects at national and local level
- function as a supportive network for national activities

- contribute to the development of international standards and rules that affect the actions of states.

As shown in the report above, there are good examples of all these types of effects from the support provided to global development programmes.

Sida would make the assessment that support for, and participation in, global programmes is becoming increasingly important. This is related to the fact that joint initiatives to achieve the Millennium Development Goals are increasing and that more policy and methods development work must be done jointly in order to enhance the overall impact and effectiveness of development cooperation.

Stakeholders in Swedish society are important resources in development cooperation. Sweden's policy for global development emphasises the importance of increasing their participation and supporting their human resource development activities. Sida would make the assessment that the resource base programmes function well and that they are strategically important for enhancing the expertise of Swedish stakeholders to participate in programmes of development cooperation. Likewise, the International Training Programmes play an important role in creating contacts with a broader circle of Swedish stakeholders, as well as between participants from different developing countries.

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.

CONCLUSIONS AND LESSONS LEARNED

The cooperation strategies for Mozambique, Tanzania and Uganda shed light on experience gained from Sida's research cooperation to strengthen the countries' capacities to make their own analyses and to perform their own human resource development. Sida is the only donor in Mozambique and (together with Norway) in Uganda and Tanzania, that supports research in a structured manner in line with the institutions' strategic plans. The Swedish dialogue on the countries' poverty reduction strategies has contributed to giving research a prominent position. The three countries give priority to research and innovation in their current development plans: Poverty Reduction Strategy Papers (PARPA, PEAP and MUKUTA respectively). In these papers, research is mentioned partly as an important element for poverty reduction in various sectors, and partly as a cross-sector investment in independent debate and in capacity of importance for growth and social development. Mozambique has established a new research ministry and Tanzania has initiated a reform of its research systems.

In the cooperation strategies, research is regarded as an important contribution to capacity development in the programme of cooperation with Mozambique and Uganda and, together with education, as a concentration sector for Sida in Tanzania.

RESULTS OF EVALUATIONS

On behalf of the Government, Sida has made a review of the operational area Research based on a number of studies

- a summary of follow-up evaluations of bilateral development cooperation programmes in Bolivia, Nicaragua, Mozambique and Tanzania
- a special study of support for information and communication technology
- a study of support for thematic research programmes at regional and international level
- studies of support for Swedish research
- an organisation study.

The reports are, without exception, positive, and make the assessment that the mandate and task of research cooperation is specific, and motivated as a special operational area. The selection of contributions corresponds well with stipulated goals, relevance is satisfactory, and the quality assurance mechanisms are also good. As an example of successful bilateral research contributions, mention is made of the education programme in Bolivia of ten doctors of philosophy in 2006. Six of these PhDs, as well as eleven students gaining masters degrees, passed their examinations in the fields of social science and the humanities. Their research has taken up the language, culture and history of the Aymara people. In Nicaragua, the results of research cooperation have improved considerably during the last four years, with a larger number of students passing through research programmes and improvements in research administration. All the research programmes in the evaluations have developed contacts with other social sectors, and research workers participate as experts in national endeavours. Research has also led to enhanced quality in university programmes. In Mozambique, research cooperation has contributed to the formulation of a national research policy. The evaluation gives prominence to the programme of support in Tanzania for technical faculties and their regional cooperation to promote innovations in cooperation with small companies. The support to IT at universities is assessed to have been successful and, in many cases, effects of IT development throughout society have been noted. Here it is recommended that Sida investigates the possibility of making follow-up contributions.

The review of research cooperation notes that the effects of research support on poverty reduction are indirect and long-term and recommends that Sida works actively to intensify the poverty focus in discussions on priorities that are held in the organisations and universities that receive support.

The evaluators consider that the scope of aid contributions for Swedish research is reasonable but that Sida should contribute to a greater emphasis on research that is relevant



VIETNAM Sida provides support for the development of research in partner countries.

for development within the framework of its financing of Swedish research. Cooperation with the Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning is mentioned as a positive example.

A number of other evaluations have underlined the value of Sida's support for the possibilities available to organisations based in developing countries to formulate and implement research projects with local ownership in environments that have limited access to public research funds. This applies to support to research funds at universities in partner countries, support for the establishment of an African network for archaeological research (AAN), and support for a network for social science in Central America (FLACSO). In all cases it is emphasised that the contributions positively contribute to research skills but that support for research administration needs to be strengthened.

Sida's support to the United Nations Research Institute for Social Development (UNRISD) has been of decisive

importance for making it possible for the Institute to plan and implement studies with a long-term perspective. The evaluation, entitled "Too Good to be True?", shows that the programme has been successful. Five years' studies of social development have resulted in ten books and the conclusions have already been disseminated. Both Sida and Finland's aid agency, Finnida, have arranged seminars on the conclusions.

The review of Sida's research cooperation has led to extensive analysis with the aim of making activities effective and concentrating them to areas where Sida's work can be considered to have comparative advantages and dissemination effects.

CONCENTRATION OF COOPERATION

In 2006, the phasing out of research cooperation with Sri Lanka and Vietnam in its present form was announced

and started. The countries have attained a level of capacity, which, in a few years, will give them the possibility to have future contacts with Swedish research through the Links programme or other programmes.

A review of the regional research programmes has been started. It is intended that it will provide information for a discussion on merging activities into more stable and well-established structures for the financing of research in the region. A research programme on biodiversity in arid areas in Africa was finalised in 2006.

Sida has decided to give final grants to two organisations that promote health research: Council on Health Research for Development, which works at country level, and the Global Forum on Health Research, which works globally. The decision has stimulated discussions on a possible merger of these initiatives. After a dialogue with, among others, Sida, a third initiative, the Alliance for Health Policy and Systems Research, has been taken up in the World Health Organisation (WHO).

During the year, Sida has coordinated and cooperated with other donors in a number of contributions in order to distribute work and make it more effective. This applies to UNRISD, where Sida was responsible for the work in consultations with Finland, the evaluation of Facultad Latinoamericana de Ciencias Sociales (FLACSO), and the audit of the Organisation for Social Science Research in Eastern and Southern Africa (OSSREA), for which Norad assumed responsibility. The Swedish Research Council has been responsible for the evaluation of Swedish Research Links.

Sida has taken several initiatives to increase cooperation and harmonisation among financiers of research. Among other things, Sida was the host for the meeting, in Mozambique, of the International Forum of Organizations Financing Research for Development (IFORD), and chaired donor discussions at UNESCO's world conference on social science in Argentina. One depressing conclusion is that development cooperation research financiers still focus on projects and are a long way from the working methods laid down in the Paris Declaration.

ANALYSIS OF OUTCOME

The outcome for the operational area Research can be seen in table 12. The total outcome for 2006 increased by more than SEK 82 million compared to 2005, and 97 per cent of the available funds were used, the same outcome as in 2005. Where bilateral support was concerned, most was allocated to countries in Africa and, as in 2005, Tanzania and Uganda were the main recipients. Disbursements to the partner countries increased during the year. This partly reflects an increase in the direct support given to research in poor countries and partly that the administrative capacity of the recipients has been strengthened.

The outcome in respect of Swedish organisations comprises some 40 per cent of the support for participation in bilateral research cooperation. Otherwise, Sida

contributes to research workers in Sweden through Sida's research council, Swedish Research Links, and the special research programme into HIV and Aids. There has been a steady increase in support to regional, international and multilateral organisations, while support to Swedish organisations has remained almost constant.

Research has, above all, an indirect effect on the overall goals of development cooperation.

The total number of contributions increased somewhat during the year at the same time as the number of new contributions decreased. The number of contributions over SEK 15 million increased by 50 per cent in comparison with 2005.

SIDA'S ASSESSMENT

In recent years, thoughts on knowledge-driven economic growth have reached the aid debate, which is giving increasing prominence to the value of research and development. Sida's experience of implementing programmes of support in this field is unique thanks to its systematic and long-term support to research institutions. Sida's thesis that each country needs at least one university with the capacity to educate research workers and teachers for the university sector has been accepted by the countries which have formulated a policy for higher education (for example Ethiopia and Mozambique). However, in most partner countries, work remains to be done on formulating a strategy for the development of research. Mozambique's initiative has aroused positive interest among several donors.

The increase in the number of persons qualified to do research also contributes, in the short-term perspective, to increasing capacity for local analysis. It is not just through their own research that research workers contribute to poverty reduction and development. With their contacts with the international development of knowledge, they can also contribute to values, analyses and syntheses of value for policies and decisions as well as to independent criticism and debate.

Unfortunately, the increasing use of open appropriations and basic support appears to have increased the risk of abuse. During the year, Sida made a number of audits to follow-up suspicions of this type. In a university environment, where decision-makers of the future are educated, it is particularly important to take action in cases where corruption is suspected. In one case this has led to the repayment to Sida of support that had been used incorrectly. In another case it led to a university making salary deductions for repayments from research workers for expenditure for which there were no vouchers.

OTHER REPORTS

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.

The contributions that are primarily directed towards strengthening the focus of research are partly the bilateral research programmes which, in 2006, amounted to some 30 per cent, and partly a further 10 per cent, regional and international research programmes, that focus on post-graduate studies. Among the regional programmes there are the African Economic Research Consortium (AERC), which provides programmes in economics at postgraduate and doctoral level; the Central American FLACSO, and the programme for integrated agricultural systems in South East Asia. The international organisations that support the basic sciences, i.e. physics, chemistry, biology and mathematics: International Foundation for Science (IFS); International Science Program (ISP); International Centre for Theoretical Physics (ICTP); Third World Academy of Sciences (TWAS) and the Third World Organisation for Women in Science (TWOWS) are also primarily capacity-oriented. Partners in cooperation are sought in each organisation's network of senior researchers.

Where bilateral cooperation is concerned, the partner in cooperation is selected through a process in which the institution in the developing country has a decisive influence. Most partners in cooperation are chosen at Swedish institutions, but researchers in each region can also be chosen.

The development relevance of contributions for research capacity has been treated above. These activities also generate new knowledge, which, in this context, can be described as a positive secondary effect.

Activities to strengthen capacity can also be found in the thematic research programmes, which have the primary aim of developing new knowledge in defined areas. Thus, for example, the International Centre of Insect Physiology and Ecology (ICIPE) has a well-developed programme for postgraduate studies linked to its research institute. The WHO's research programmes allocate 30 per cent of their resources to strengthen institutes in developing countries; CODESRIA and Consejo Latinoamericano de Ciencias Sociales (CLACSO) arrange summer courses for young research workers, and so on. In other cases, processes are supported that have their origins in capacity support. As capacity is developed, the support is used increasingly for research activities. Examples of this are the Central American research network for tropical diseases (NETROPICA), and the African programme for biotechnology (BIOEARN).

The total amount of support for primarily capacity-oriented contributions amounted in 2006 to more than SEK 370 million, i.e. about 40 per cent of the total outcome of the appropriation. The predominant thematic

programmes are research into natural resources including the environment and rural development, approximately 40 per cent, health research, 25 per cent, and social sciences, 35 per cent. The priorities in respect of sectors are determined in two stages: partly in the selection of research organisations and networks, and partly in processes and research councils that stipulate the organisations' research agendas. At both levels, great importance is attached to relevance for poverty reduction. With the aid of basic support, Sida promotes opportunities for organisations and networks to formulate their own research agendas. In addition to thematic contributions via established institutions and networks, Sida has supported research associated with HIV and Aids for a number of years. This is a field in which Swedish researchers are prominent and are predominant among those receiving grants. A breakthrough in the search for a HIV vaccine was noted in 2006 but the future process to an effective vaccine is long. The total amount of support for research into infectious diseases, including HIV and Aids, was more than SEK 140 million.

Sida shall describe the methods it has used to fulfil the goal of strengthening 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.

The programme that has the primary aim of strengthening research in Sweden of relevance for development is Sida's Research Council. The programme is, in principle, open to applications within the framework of general relevance for development. Certain sector priorities are based on initiatives received from sector departments at Sida, mainly in areas that are considered to be under-represented in the open application process. In 2006, these were biodiversity, democracy and human rights, and health systems. Applications can also be made for support for networks of researchers which, among other things, shall be responsible for stimulating synthesis and debate of interest to development cooperation. Full support was given to networks for South Asia studies, gender research, and research into peace and conflicts; and indicative budgets to five more networks, for example in the fields of economics, the environment and health systems.

In 2006, 548 applications were received of which 107 (20 per cent) received grants. In 2006, an amount of some SEK 130 million was approved of which 18.9 per cent went to health research, 37.6 per cent to social sciences and the humanities, 19.3 per cent to research into natural resources and the environment; and 24.0 per cent to science and technology.

The results indicators used for the Research Council's activities include the number of grants approved, budget amounts, and number of publications and doctoral theses.

Indicators for Swedish Research Links are the number of institutions and researchers with programmes of cooperation in the programme. For the results of support to networks, use is made of indicators such as number and

quality of the networks, opinions of researchers involved, and activities in the networks in the form of seminars and information meetings on policies. As is common practice at other research councils, the follow-up is performed in connection with applications for renewed support.

Table 12.

Research, outcome in SEK '000

The five main partner countries in 2006	2004	2005	2006
Tanzania	37 651	49 795	46 881
Uganda	20 123	39 444	46 230
Nicaragua	27 500	27 127	33 353
Bolivia	19 050	15 965	26 761
Rwanda	15 300	22 089	22 972
Other countries/regions	653 592	692 360	751 702
Total costs	773 216	846 780	927 899
Forms of support			
Project support	0	495	0
Technical assistance incl. contract-financed technical cooperation	0	0	0
International training programmes	0	0	0
Credits	0	0	0
Guarantees	0	0	0
Programme support	0	0	0
<i>whereof general budget support</i>	0	0	0
<i>sector programme support</i>	0	0	0
Humanitarian assistance	0	0	0
Research	773 216	846 285	927 899
Grants to NGOs	0	0	0
Total costs	773 216	846 780	927 899
Channels			
Multilateral organisations	70 514	79 627	97 119
Swedish organisations	291 061	307 467	318 833
Organisations in partner countries	154 839	178 286	198 747
Organisations in other countries	94 328	113 814	121 841
International NGOs	162 474	167 586	191 359
Total costs	773 216	846 780	927 899
Overall goal of development cooperation			
Direct effect	8 541	8 059	0
Projects and programmes that include the poor	600	11 060	0
Indirect effects through policies and institutions	751 591	803 273	926 880
Indirect effects through national support	3 500	11 000	0
Other effects	8 985	13 389	1 019
Total costs	773 216	846 780	927 899
Main sectors*			
Health		-275	0
Education		0	0
Research		843 656	926 107
Democratic governance and human rights		0	0
Infrastructure		0	0
Trade, industry and financial systems		0	0
Natural resources and the environment		0	0
Other sectors		3 399	1 793
Total costs		846 780	927 899
Number of valid contributions	224	212	241
<i>whereof > SEK 15 m</i>	12	12	18
<i>Number of new contributions</i>	31	43	37

*Figures for 2005 have been corrected compared to the annual report for 2005
Negative amounts are due to repayments

Humanitarian contributions and conflict-related activities

Sida shall contribute to saving lives, mitigating suffering and maintaining 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.

Sida shall support conflict prevention and conflict-related activities in cases of threats to the security of people in connection with humanitarian crises, such as humanitarian mine clearance/light weapons and dialogue processes at grassroots level. These contributions shall be made to complement programmes of long-term development cooperation and can also be implemented in areas in which there are ongoing armed conflicts and in which armed conflicts have recently ended. A gender perspective shall be taken into consideration in the contributions, which shall have the aim of strengthening women's roles, participation, and their enjoyment of rights and protection.

CONCLUSIONS AND LESSONS LEARNED

Outcome analyses of Sida's programmes were produced during the year in connection with the cooperation strategy processes for Uganda, Zimbabwe and the Occupied Palestinian Territories (OPT). In Zimbabwe, the consequences of Operation Murambatsvina resulted in thousands of people being made homeless and without an income. At the same time, the Zimbabwean government refused to accept humanitarian assistance. Humanitarian assistance in Zimbabwe has given those people affected by the land reform and the urban cleaning-up campaigns the possibility to recover. The most important lesson learned for humanitarian work was that the humanitarian organisations must never lose their focus on saving lives and mitigating suffering, and must ensure that the humanitarian work is not influenced by political considerations.

Similar conclusions were drawn in the analysis of the Occupied Palestinian Territories. When the Hamas-led government took over in Gaza and the West Bank, the effect was that development cooperation with the occupied territories was more or less broken off. This contributed to exacerbating the humanitarian situation and an increase in pressure on humanitarian assistance. Duties that had previously been performed by the Palestinian Authority, such as education and medical care, could no longer be performed and the capacity of the people to cope

diminished drastically. Humanitarian assistance to OPT increased considerably in 2006 in order to counteract the consequences of a total collapse of the Palestinian society. At the same time, contributions were made to inform the parties to the conflict about their responsibilities under international law towards the civil population, in particular Israel's responsibility as the occupying power. The conclusions for humanitarian work were that humanitarian contributions should proceed in accordance with needs but must never become an alibi for political initiatives or the lack of such initiatives.

The work on the strategy for Uganda also shed light on the importance that humanitarian work is independent and based on needs. Humanitarian work cannot be used as a tool for advocacy vis-à-vis a government and cannot be made conditional in the same way as development cooperation.

The outcome analysis for Sida's support to regional and sub-regional cooperation in sub-Saharan Africa shows that Sida has given a limited amount of support to regional humanitarian assistance in the region. One reason for this is that regional African institutions play a small role in humanitarian crises.

During the year, a proposed strategy was produced for ways in which Sida can extend its activities for the prevention of natural disasters. By giving special attention to the

risk of natural disasters in Sida's cooperation with countries and regions where there are risks for recurrent natural disasters, Sida can contribute to reduce the vulnerability of people to natural disasters.

RESULTS OF EVALUATIONS

During the year, an international evaluation was made of the humanitarian support provided in connection with the tsunami disaster in December 2004. It was made by the Tsunami Evaluation Coalition (TEC) in which Sida participated and was responsible for one of the studies: Linking Relief, Rehabilitation and Development. The most important conclusions drawn by the evaluation was that initial contributions are always made by the people affected themselves; that external assistance efforts often lack understanding of the local context; and that international assistance was most effective when it was linked to national and local initiatives. TEC also poses the question of whether the distribution of assistance was really based on needs. Among the main recommendations made by the evaluation, there is a proposal that international humanitarian contributions should focus on providing support to national and local organisations instead of being implemented by the international organisations themselves. There is also a proposal on certification—in one form or another—for foreign organisations.

Three new partners in cooperation have been studied after each had received a grant for a humanitarian contribution: Islamic Relief Sweden, Plan Sweden, and SOS Children's Villages. The capacity of the organisations has been studied and an assessment made of whether they can be possible implementing partners for Sida's humanitarian work in the future. According to the evaluation, the contributions have been effective and the conclusion is drawn that the organisations have the capacity to implement humanitarian contributions, if under certain conditions. Sida has acquired better knowledge of the organisations' working methods and of their strengths and weaknesses. Good knowledge of the organisations involved is particularly important for humanitarian assistance, since there is usually little time to prepare contributions when disasters occur.

Sida has provided support for an evaluation of the joint funds in the Democratic Republic Congo and Sudan. The preliminary results show that coordination and setting priorities for humanitarian work has improved. In addition, it has been possible to note that allocation of finance has increased after the establishment of the joint funds. Furthermore, a large proportion of the donors' resources have been channelled within joint implementation plans, which improves the possibilities of achieving better results and a greater humanitarian impact.

CONCENTRATION OF COOPERATION

Humanitarian activities are governed by the humanitarian imperative, i.e. to save lives and mitigate suffering. Thus,

humanitarian work is not covered by the same requirements for concentration, sectoral or geographical, as development cooperation. On the other hand, in 2006 Sida concentrated the number of its agreements with partners in cooperation in humanitarian activities, and concluded a smaller number of overall agreements instead. One example of this is the framework agreement with the Swedish Rescue Services Agency, which was extended in 2006 to an overall agreement amounting to SEK 95 million. Likewise, the emphasis on basket funding in Sudan and Democratic Republic Congo had the effect that the total of 14 agreements with different implementing partners within the framework of the consolidated UN appeal in the two countries has been replaced by two framework agreements, one for each country.

During the year, the directions for humanitarian assistance and the guidelines for minor humanitarian contributions were revised in order to make Sida's cooperation with NGOs for humanitarian assistance specific and effective.

ANALYSIS OF OUTCOME

The total outcome for the operational area can be seen in table 16. The appropriation for humanitarian contributions and conflict-related activities amounted in 2006 to SEK 1 970 million. The need for humanitarian support amounted to SEK 2 012 million. The difference was made up by the use of unspent balances from previous years.

During the year, SEK 514 million (25.5 per cent) of the humanitarian appropriation referred to contributions arising from the consequences of natural disasters, and SEK 1 228 million (61 per cent) to contributions during or after violent conflicts. Most of Sida's support in conflict situations includes health and protection components and specific support for refugees. This shall not be confused with the use of SEK 135 million for conflict-related contributions, i.e. contributions of the type that have the main goal of promoting peace and security.

In 2006, the world was spared major disasters such as the tsunami in 2004 and the earthquake in Pakistan in 2005.

At the end of May, the area around the town of Yogyakarta in Indonesia was struck by an earthquake which was given considerable initial attention by the media. Sida approved a total amount of SEK 31.2 million for the people affected by this natural disaster. Despite the fact that the earthquake was not relatively very powerful—6.3 on the Richter scale—the material destruction was enormous: over 150 000 houses were totally destroyed, which is more than the number destroyed in Indonesia after the tsunami. The violent conflicts in Africa and the severe drought in many places in the world, for example in East Africa, continued to cause great suffering.

The crisis in the Palestinian territories occupied by Israel and the war in Lebanon led to considerable humanitarian hardship and, in August, Sweden hosted two international conferences in support of these two crisis areas. Sida's support to the West Bank and Gaza amounted to SEK 153

million. In addition, there is SEK 13 million in the form of acute humanitarian global support (in the table showing the main countries this is reported under other countries/regions.)

The humanitarian situation in Democratic Republic Congo is still alarming after a conflict that is estimated to have cost almost four million lives since the mid 1990s. Even if elections could be held in 2006 and the situation in the eastern part of the country has improved, conflicts flare up all the time and a large number of people are dying of violence, hunger and diseases as consequences of the conflict. Both the militia and regular troops commit crimes against human rights, and acts of cruelty and sexual assault continue to be perpetrated by both the militia and regular forces. The number of internally displaced people is considerable (estimated in the region of 1.5 million people). The experiment with basket funding that was started in 2005 continued during the year and, of Sida's support of SEK 170 million, SEK 105 million was channelled to the UN's joint humanitarian fund.

Also in Sudan, a large proportion of the financing was channelled via the UN's joint fund—SEK 120 million of a total of SEK 230 million was disbursed to the fund.

The situation in northern Uganda has improved since a ceasefire was agreed between the government of Uganda and the guerrilla force, Lord's Resistance Army (LRA). LRA has now withdrawn to agreed positions in southern Sudan, where peace talks have started. Apart from providing support amounting to SEK 87 million for humanitarian contributions in northern Uganda, Sida is also supporting the implementation of the peace talks.

The most important channel for Swedish humanitarian assistance is still the multilateral organisations, principally UN agencies. In addition to this, in 2006 support amounting to SEK 330 million was channelled to the International Committee of the Red Cross and SEK 172 million to the Swedish Red Cross for their international work through the International Federation of the Red Cross and Red Crescent. Sida's humanitarian support is also channelled through a number of NGOs, both Swedish and foreign, and through the Swedish Rescue Services Agency, which received SEK 95 million in 2006 for its humanitarian projects in cooperation with the UN.

Sida has the explicit goal of supporting all the UN's humanitarian appeals and has the policy of providing support in crises that are designated as "forgotten" crises. This has, for example, had the effect that Sweden is the fourth largest humanitarian donor to the UN's consolidated appeal in the Central African Republic. Of the five main recipient countries of Sida's humanitarian assistance, Democratic Republic Congo, Sudan, Somalia and northern Uganda can be designated as "forgotten".

In 2006, personnel assistance was provided to UN-OCHA in the form of eleven persons, of whom three were women. The short-term assignments were located in Sri Lanka, Pakistan, Somalia/Kenya, southern Sudan and Sudan/Darfur.

The work with mine clearance after violent conflicts continues. See the report in the section on conflict management—security, conflict prevention, crisis management and peace building.

In 2006, Sida participated regularly in EU's executive committee for humanitarian affairs and contributed to pursuing above all technical issues vis-à-vis the European Community Humanitarian Office (ECHO). Sida has submitted points of view on planned contributions and proposals for contributions from the Commission. In 2006, Sida worked to increase the Swedish presence in ECHO by proposing that ECHO should receive Swedish experts at its office in Brussels.

SIDA'S ASSESSMENT

In 2006, Sida encountered a number of difficult and complex problems and disasters around the world from aspects of both finance and policy. Contrary to what is often believed, it is the long and drawn-out, less visible disasters, for example the drought in east Africa, the consequences of violent conflicts in central Africa, and the floods and drought in the Horn of Africa, that have cost most lives and caused the greatest suffering. Climate changes lead to increasingly extreme weather phenomena, which has increased the importance of working to prevent natural disasters and to mitigate their effects. As a result of this, in 2006 Sida intensified its preventive work and produced an integrated strategy for the prevention of natural disasters. In this respect, Sida is in the forefront internationally and, during the year, many other countries consulted Sida about this work (for example Norway and Great Britain).

In the summer, the interest of the world focused on the drastic deterioration in the situation in the occupied Palestinian territories after Israel's military offensive against Gaza, and the reduction in external support for development after the Hamas-led government took office at the start of the year. Despite this complex situation, Sida was successful in maintaining its activities and in considerably expanding its humanitarian support to the area and thereby contributed to safeguarding the situation and dignity of the people affected by the conflict. The war in Lebanon had the effect that Sida and Sweden implemented considerable humanitarian contributions there at extremely short notice, both during and directly after the war. Through well-developed contact networks, Sida succeeded in maintaining the dignity of the civil population in Lebanon and contributed, among other things, to ensuring that the International Committee of the Red Cross and UNHCR had the possibility to provide humanitarian protection. The Swedish support was exceptionally large and was disbursed immediately to organisations active there.

Sida used basket funding for the first time on a large-scale for the consolidated humanitarian appeal in Sudan and Democratic Republic Congo (DRC). In accordance with the guidelines for good humanitarian donorship, which Sida participated in producing, Sida abolished earmarking



INDONESIA Sida provides support to IFRC for the construction of temporary houses after the earthquake on central Java in May 2006. The houses are built of bamboo using traditional building technology to enable them to resist future earthquakes.

in its support to the appeals in these two countries. Sida has established that this has led to strengthening the humanitarian coordinator's role in both countries and that Sida has thus contributed to improving and speeding up the funding of humanitarian priority needs in the field. In addition, generally better coordination and an increase in funds to the chronically under-funded humanitarian appeal for DRC have been achieved. Finally, Sida's non-earmarked contributions have also contributed to improving the financing situation of sectors such as health, protection, and water and sanitation, since the humanitarian coordinator has been able to decide on the distribution of the support on site, which makes the form of support both more appropriate and predictable.

The revisions of Sida's directions for humanitarian

assistance were the results of changes that have taken place in international humanitarian assistance in recent years, for example the guidelines for "Good Humanitarian Donorship" and Sweden's policy for global development. Therefore, the new directions clarify the principles and foundations of humanitarian assistance and attach greater importance to the need of coordination with the UN and other organisations in the humanitarian field. In addition, the new directions shed light on the need of specific target group analyses. One result demonstrated during the year is that gender equality issues have been given a greater focus in the directions for humanitarian assistance. Sida's focus on gender equality, for example through the review of the gender equality policy and its work in gender equality networks, has given greater

Table 13. Disaster prevention and preparedness, emergency assistance, support for refugees, and methods development and evaluation, outcome in SEK '000

	2005	2006
Disaster prevention and preparedness	19 028	39 328
Emergency assistance *	1 472 808	1 649 561
Support for refugees	145 032	152 158
whereof methods for development and evaluation	3 058	895
Total	1 636 868	1 841 047

The sector structure (which was used to produce the information above) was changed in 2005 and therefore there is no information for 2004.

* Does not correspond with the Annual Report for 2005 due to partly changed report requirements.

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

	2005	2006
Support for civil peace-building, conflict prevention and conflict resolution	63 476	85 132
Mine clearance for development purposes	49 423	30 506
Prevention of the recruitment of child soldiers and support for demobilising, disarming, and rehabilitating child soldiers	18 368	0*
Support for the UN's peace-building programmes in post-conflict situations	4 049	9 544
Rehabilitation of demobilised military personnel and reduction in the proliferation of small arms and light weapons	4 272	10 250
Reform of the security sector to improve democratic governance and civil control	478	0**
Total	140 066	135 432

* Contributions for these purposes are included in the UN humanitarian appeals and have been coded under other sector codes in conflict-related activities.

** Contributions for these purposes are financed under the regional operational areas

The sector structure (which was used to produce the information above) was changed in 2005 and therefore there is no information for 2004.

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

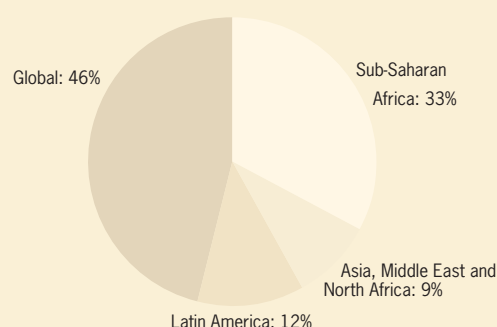
Organisation	2005	2006
American Friends Service	2 333	2 333
Arias Foundation Costa Rica	1 500	1 500
Civis	4 000	3 025
Collaborative for Development Action	2 150	0
Conciliation Resources	4 000	4 000
Danish De-mining Group (DDG)	11 175	-1 442
Diakonia	27	0
European Center for Conflict Prevention (ECCP)	0	2 000
FEWER	0	1 275
Geneva International Center Humanitarian Demining	503	500
International Alert	8 620	10 000
Swedish Fellowship of Reconciliation	2 499	4 250
Life and Peace Institute, Sweden	19 773	14 041
Mines Advisory Group	14 370	14 315
Norwegian People's Aid	0	3 500
Oxfam	0	6 000
Saferworld	3 200	3 200
Save the Children	5 900	3 538
Search for Common Ground	2 600	10 250
Swedish Rescue Services Agency	14 375	-5 242
Stockholm International Peace Research Institute (SIPRI)	478	0
Christian Council of Sweden	0	-609
UNICEF	18 000	3 875
UNDP	2 000	19 400
UN Mine Action Centre	5 000	5 000
UN	9 000	17 000
University of British Colombia	0	3 499
UNLiREC	4 000	4 000
Uppsala University	1 579	0
Swedish Ministry for Foreign Affairs	2 000	0
World Health Organisation	0	3 000
Other organisations	984	3 224
Total	140 066	135 432

In 2004 it was not compulsory to record partner organisations and therefore information for 2004 is not shown here.

Table 15a Conflict-related activities, broken down by region, outcome in SEK '000

	2004	2005	2006
Sub-Saharan Africa	109 087	65 872	44 484
Asia, Middle East and North Africa	25 262	8 175	12 428
Latin America	14 474	23 500	16 025
Europe	175	0	0
Europe ODA countries	-7	0	0
Europe non-ODA countries	182	0	0
Global	49 396	42 519	62 494
Total	198 393	140 066	135 432

Diagram 1. Conflict-related activities by region, % of total



weight to gender issues in the dialogue with the partner organisations. Even if it is still early to show the concrete results of the last mentioned work with change, Sida considers that it can see a positive trend. However, it will take a year or two before it is really possible to assess how effective these changes have been.

OTHER REPORTS

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

Shown in Table 13.

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.

The use of funds for the purposes and main content of the contributions is shown in table 14 and implementing organisations in table 15. The use of funds by country and region is shown in table 15a, in diagrammatic form, and in the tables in appendix 1.

Table 16.

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

The five main partner countries in 2006	2004	2005	2006
Sudan	174 692	205 362	200 666
Democratic Republic Congo	109 969	112 480	170 270
West Bank and Gaza	97 941	92 690	155 081
Uganda	26 097	115 252	86 592
Indonesia	12 282	31 891	53 700
Other countries/regions	1 189 589	1 319 322	1 345 270
Total costs	1 610 570	1 876 997	2 011 579
Form of support			
Project support	12 401	179 824	78 742
Technical assistance incl. contract-financed technical cooperation	0	0	0
International training programmes	0	0	0
Credits	0	0	0
Guarantees	0	0	0
Programme support	0	25 000	0
whereof general budget support	0	0	0
sector programme support	0	25 000	0
Humanitarian assistance	1 598 169	1 672 173	1 932 838
Research	0	0	0
Grants to NGOs	0	0	0
Total costs	1 610 570	1 876 997	2 011 579
Channels			
Multilateral organisations	659 352	858 183	1 020 673
Swedish organisations	412 664	322 363	286 909
Organisations in partner countries	26 237	-1 625	0
Organisations in other countries	6 436	13 162	31 639
International NGOs	505 881	684 914	672 358
Total costs	1 610 570	1 876 997	2 011 579
Overall goal of development cooperation			
Direct effect	812 141	784 303	926 376
Projects and programmes that include the poor	484 982	525 569	651 847
Indirect effects through policies and institutions	107 261	409 328	403 879
Indirect effects through national support	140 381	106 875	29 032
Other effects	65 804	50 922	445
Total costs	1 610 570	1 876 997	2 011 579
Main sectors*			
Health		0	0
Conflict, peace and security		150 566	135 432
Humanitarian assistance		1 626 368	1 875 947
Infrastructure		0	0
Natural resources and the environment		0	0
Other sectors		100 064	200
Total costs		1 876 997	2 011 579
Number of valid contributions	438	416	365
whereof > SEK 15 m	19	24	16
Number of new contributions	177	155	117

* Figures for 2005 have been corrected compared to the annual report for 2005.

Concessionary credits

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

CONCLUSIONS AND LESSONS LEARNED

In Bangladesh, Sida has participated in projects for energy, public transport and water supply. These projects have mainly focused on urban areas and have been financed by the appropriation for concessionary credits. In 2006, infrastructure investments in Bangladesh were the subject of a results analysis in connection with the production of the new cooperation strategy. The three projects that were finalised during the year have all achieved their goals. Since the planned contributions are directed towards improvements in the urban environment, there are possibilities for a future focus on this area. Poor women and men are those most seriously affected by a poor urban environment. This is also a field in which Sweden has significant comparative advantages and has a high international reputation.

OUTCOME OF EVALUATIONS

An evaluation has been made of independent guarantees. The aim of the evaluation was to see whether Sida's independent guarantees, which, according to a decision of the Swedish Government in March 1999, were intended to be a temporary experimental activity, should be made permanent for Sida. It was also intended that the evaluation would find the reason why so few guarantees have been issued since the experiment started, make an inventory of ongoing assessments and rejected applications, and analyse the reasons for rejection.

The evaluation showed that few guarantees were issued during the six years of the experimental activity. This is due, among other things, to a change in the market situation, Sida's reactive stance, complicated and slow decision-making processes, and the requirements for a premium that reflects the risk of the guarantees, which makes them expensive.

The result of the evaluation also shows that, with the aid of guarantees, it is possible to achieve several development goals despite limited resources. Among other things, the guarantees can contribute to increasing flows of private capital for investments in infrastructure, particularly when

the risk is assessed to be high, over and above what existing finance markets are able to do. In addition, guarantees can initiate development of local capital markets for long-term financing and stimulate the development of new financial instruments, for example bonds. Guarantees can also indirectly influence the institutional environment for private investments towards better regulations, which leads to lower transaction costs for companies and investors.

The evaluation recommends that guarantees are made into a permanent tool in development cooperation, that the setting of premiums is made more flexible, and that Sida is proactive in issuing guarantees. Furthermore, it is stated that few guarantee institutes can issue guarantees for mobilising financing in local currencies and that Sida possesses unique expertise in this field, which should be encouraged.

The evaluation report was completed at the same time as the Government arrived at its decision to make a review of the credit and guarantee instruments in Swedish development cooperation. The report has therefore been used as part of the material for the Government's review. Sida has refrained from taking action pending the results of the Government's review and directives.

CONCENTRATION OF SUPPORT

During the year, Sida focused on financing infrastructure investments in a small number of countries in order to make better use of existing capacity. The countries and areas in question during the year were: countries in the Balkans, Bangladesh, Ghana, Greater Mekong Sub-region, Mozambique, Sri Lanka, Tanzania, Vietnam and Uganda.

In these countries, activities in the infrastructure sector and for the development of finance markets have been followed closely and it has been possible to take initiatives together with other sector divisions and embassies. Where other countries are concerned, Sida has adopted a reactive stance and assessed enquiries from case to case.



BANGLADESH Poor women and men are those most seriously affected by a poor urban environment. Sida has contributed to several projects in Bangladesh with the objective of improving the environment in cities in one way or another. The projects have concerned energy, public transport and water supplies.

ANALYSIS OF OUTCOME

The total outcome for the operational area Concessionary Credits can be seen in table 18. The use of the appropriation for credit-financed projects remained low in 2006. The reason why the outcome is low is mainly due to structural causes. This is associated with the requirements of the credit ordinance in respect of the degree of tying, which is higher in Sweden than in other countries. However, the degree of binding for tied credits was reduced in October to 30 per cent. It is too early to see any effects of this reduction since there is an inherent sluggishness in the system and it takes a long time from the moment when the countries concerned and Swedish exporters are informed about the change until the moment when procurements, assessments and financing can take place. In addition, the

preparation and assessment process for credits is complex and major infrastructure projects in Mozambique and Bangladesh have been delayed due to extensive project formulation and preparation.

However, the demand for credit-financed contributions increased once again in 2006, 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 thus 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, Sida also needs to make certain changes to the conditions and the forms for the administration of credits. These issues are being taken up in the ongoing review of credits and guarantees.

Table 17.
Concessionary credits, outcome in SEK '000

The five main partner countries in 2006	2004	2005	2006
Thailand	0	1 532	5 472
Bangladesh	217	2 000	2 448
Uganda	0	0	1 567
Sri Lanka	27 209	211 389	1 541
Mozambique	0	-1 278	1 185
Other countries/regions	173 377	33 596	-4 530
Total costs	200 803	247 239	7 683
Forms of support			
Project support	9 382	17 743	16 423
Technical assistance incl. contract-financed technical cooperation	21	13	215
International training programmes	0	0	0
Credits	191 400	229 484	-8 955
Guarantees	0	0	0
Programme support	0	0	0
<i>whereof general budget support</i>	0	0	0
<i>sector programme support</i>	0	0	0
Humanitarian assistance	0	0	0
Research	0	0	0
Grants to NGOs	0	0	0
Total costs	200 803	247 239	7 683
Channels			
Multilateral organisations	10 921	32 079	-10 000
Swedish organisations	93 204	3 006	12 426
Organisations in partner countries	93 462	210 723	3 830
Organisations in other countries	4 217	1 431	1 428
International NGOs	0	0	
Total costs	200 803	247 239	7 683
Overall goal of development cooperation			
Direct effect	239	567	553
Projects and programmes that include the poor	4 013	9 304	11 000
Indirect effects through policies and institutions	44 258	26 165	-12 573
Indirect effects through national support	152 161	210 589	2 408
Other effects	133	613	6 294
Total costs	200 803	247 239	7 683
Main sectors*			
Health		0	0
Education		555	491
Democratic governance and human rights		0	0
Infrastructure		2 823	4 695
Trade, industry and financial systems		30 204	-8 389
Natural resources and the environment		212 366	8 872
Budget support for poverty reduction		0	0
Other sectors		1 291	2 014
Total costs		247 239	7 683
Number of valid contributions	39	46	46
<i>whereof > SEK 15 m</i>	4	2	0
<i>Number of new contributions</i>	9	7	9

*Figures for 2005 have been corrected compared to the annual report for 2005
Negative amounts can be due to repayments and realised and unrealised exchange rate losses.

Sida's credit activities meet the need of investments in infrastructure in poor countries where grant-aid financing or market financing is not available or is not deemed suitable. Since grant aid is not sufficient to finance necessary investments, access must also be available to preferential credits and sustainable forms of financing. To increase stability in the financial systems, the local capital markets must be strengthened. Sida is therefore developing new methods and instruments adapted to local capital markets. The focus is on financing in local currency linked to capacity development for the markets. As one step in this work, Sida held a seminar in Sri Lanka during the spring on the theme of financing in local currency. Participants and speakers at the seminar included representatives of Sri Lanka's Central Bank and the private sector in Sri Lanka, the Bank of Sweden, the Asian Development Bank and the World Bank.

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 Tanzania (Makambako-Songea).

Most of the contributions that are financed by the budget for concessionary credits are classified as having indirect effects on poverty since they support the possibilities available to the partner countries to reduce poverty.

No major allocations were made in 2006 for the financing of projects. The budget has mostly been used for financing feasibility studies, which are expected to result in contributions that will be debited against the budget at some stage in the future. Sida's support of SEK 8 million to the Project Development Facility (DevCo), which is part of the Private Infrastructure Development Group, was the largest contribution during the year. DevCo provides consulting support to governments for the development of oppor-

tunities for the private sector to make investments in infrastructure.

OTHER REPORTS REQUIRED

Sida shall submit a report on the use of funds broken down by sectors and countries (table 18) and assess the outcome in relation to the goal.

SIDA'S ASSESSMENT

Sida would make the assessment that the small use made of the appropriation is partly linked to the relative high degree of tying in Sida's tied concessionary credits compared to the corresponding financing systems of other countries. In Sida's experience, the Swedish conditions 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 is difficult 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.

The trend towards untying 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 2006 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 Tanzania and Uganda and for environmental projects in Bangladesh and Vietnam.

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
Cape Verde	0	114	0	0	0	114
Mozambique	0	883	302	0	0	1 185
Uganda	0	1 567	0	0	0	1 567
Regional Africa	0	0	-18 000	0	0	-18 000
Total: Sub-Saharan Africa	0	2 564	-17 698	0	0	-15 134
Bangladesh	0	98	0	2 350	0	2 448
India	0	59	0	0	0	59
Mongolia	0	544	0	0	0	544
Sri Lanka	491	0	0	1 050	0	1 541
Thailand	0	0	0	5 472	0	5 472
Vietnam	0	62	0	0	0	62
Total: Asia, Middle East and North Africa	491	762	0	8 872	0	10 125
Global	0	1 369	9 309	0	2 014	12 692
Total	491	4 695	-8 389	8 872	2 014	7 683

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. Local partner organisations shall be strengthened.

Sida shall ensure that directions and general conditions for frame organisations and other NGOs follow the decision made by Parliament as a result of the Government's bill: Shared responsibilities—Sweden's policy for global development.

Sida's support to NGOs shall also contribute to enhancing interest and engagement in Sweden in issues relating to global development. The NGOs' information activities, disseminating information and promoting a public debate on global development and international development cooperation shall be supported. Sida shall also support NGOs' communication activities on the Swedish policy for global development.

CONCLUSIONS AND LESSONS LEARNED

Swedish NGOs report the results of their activities as part of the cooperation strategy processes. Since it is a question of a number of organisations with differing activities, there are not always clear, common results but, from cooperation strategy processes in 2006, Sida can present some common results from three processes.

Uganda. The seven Swedish organisations that participated in the follow-up point out successes in three sectors:

- democracy and development of civil society: stronger organisations in civil society, particularly at the local level, that can promote democratic development in the future
- conflict management: active organisations in northern Uganda
- poverty-oriented economic growth: above all through cooperative development for smallholder farmers. Some of the organisations also saw positive results in the work to combat HIV and Aids.

In general, advocacy work in the field of gender equality was considered to be less successful.

Mozambique. The five Swedish organisations that participated in the follow-up point out successes in three fields:

- democracy
- conflict management
- poverty-oriented economic growth

Work in respect of HIV and Aids, gender equality and the strengthening of organisations in civil society was less successful.

Central America. Some positive fields given prominence by Swedish organisations were:

- advocacy work done by civil society in respect of the democratic workings of local authorities
- a clearer impact in respect of the issue of light weapons
- greater awareness on the rights of disabled people
- increase in the participation of women in many civil society organisations
- greater knowledge of civil rights

OUTCOME OF EVALUATIONS

In 2006, Sida commissioned a group of consultants to make an evaluation of the activities and partnership relations of the Swedish Organisation of Handicapped International Aid Foundation (SHIA). The evaluation was completed at the end of the year and, for this reason, no analysis of its conclusions has yet been made by SHIA or Sida. One central point made in the evaluation is that SHIA's target group, which consists of disabled people, is particularly relevant for Swedish development cooperation. This relevance is not so clear where the concrete selection of partners in cooperation and the formulation of projects are concerned. One of the explanations of the lack of correspondence between the relevant focus of activities and its weaker implementation is the complicated division of responsibilities that exists between the central organisation that specialises in aid issues, i.e. SHIA, and its Swedish member organisations. Since this is a problem that applies to several Swedish NGOs, Sida will closely analyse the follow-up of the evaluation.



NICARAGUA The activities that Swedish organisations run in Central America, with support from Sida, have led, among other things, to greater awareness about the rights of disabled people.

CONCENTRATION OF COOPERATION

The NGOs' activities are not subject to the general requirements in respect of geographical and sectoral concentration in development cooperation. On the other hand, Sida requires specific concentration to activities that support the development of civil society. In addition, several of the NGOs are pursuing their own concentration processes, which are supported by Sida. This is a question, for example, of SHIA reducing the number of its partners in cooperation, of the Swedish NGO Centre for Development Cooperation (Forum Syd) trying to find forms to coordinate small, independent projects with other projects in a form of programme structure, or of some organisations trying to phase out their activities in countries where they have very few projects.

ANALYSIS OF OUTCOME

The total outcome for the operation area Non-Governmental Organisations can be seen in table 20. The appropriation has followed the general increase in the development cooperation budget, which has had the effect that the outcome for 2003 of SEK 900 million increased to almost SEK 1.3 billion in 2006. The breakdown between the frame organisations can be seen in table 19. Among the organisations that received the highest grants are two umbrella organisations: the Swedish NGO Centre for Development Cooperation (Forum Syd) and the Swedish Mission Council. These organisations channel grants to several hundred small Swedish NGOs.

Where the breakdown into main sectors is concerned, it can be noted that the amount for democratic governance

Table 19. Support via NGOs, ODA

Approved grants*	Approved grants to NGOs, disbursements in SEK '000			Number of foreign partners			Number of Swedish NGOs included in the frame organisation's activities		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Swedish NGO Centre for Development Cooperation (Forum Syd)	149 097	171 609	199 136	462	251	235	331	196	192
Swedish Mission Council	117 130	124 426	127 927	139	154	167	114	22	25
Swedish Save the Children Federation	113 650	120 000	127 817	280	256	228	0	0	0
PMU Interlife	90 000	95 000	100 772	62	130	94	88	34	35
Church of Sweden	73 777	75 097	76 587	78	66	71	0	0	0
Diakonia	72 600	95 600	105 000	247	239	248	4	0	0
Swedish Cooperative Centre	71 060	107 490	132 867	78	83	95	0	0	0
LO/TCO Council of International Trade Union Cooperation	82 254	100 030	96 305	357	245	287	179	22	33
Olof Palme International Center	44 730	64 000	72 236	11	90	112	78	52	65
Africa Groups of Sweden	30 000	35 000	38 620	57	53	65	0	0	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	32 329	37 219	36 116	83	65	69	21	13	17
Plan Sweden	0	0	2 770	0	0	19	0	0	0
Training for Development Assistance (UBV)	17 190	17 000	19 000	37	43	27	9	6	0
Swedish Society for Nature Conservation	0	22 015	23 129	0	61	60	0	3	3
Total	893 817	1 064 486	1 158 282	1 891	1 736	1 777	824	348	370
Non-requisitioned funds	-34 113	-17 345	-4 721	*Including separate decisions made during the year on methods support and HIV/Aids projects **Figures for 2004 have been corrected compared to the annual report for 2004					
Repayment of previous years' grants	-28 257**	-8 409	-31 402						
Other programmes									
Information programmes via Swedish NGOs	105 418	112 850	125 551						
Africa Groups in Sweden	4 400	4 500	4 418						
Workers Educational Association (ABF)	5 122	3 000	2 800						
Diakonia	5 300	5 600	5 700						
Folkuniversitet (Adult education)	1 300	0	0						
Swedish NGO Centre for Development Cooperation (Forum Syd)	15 730	18 156	17 735						
Frikyrkliga studieförbundet (Adult education)	2 900	1 700	2 818						
Swedish Fellowship of Reconciliation	400	350	-44						
Kvinna till Kvinna Foundation	1 400	1 400	2 967						
National Council of Swedish Youth Organisations	1 600	1 200	2 085						
LO/TCO Council of International Trade Union Cooperation	12 596	14 740	15 398						
Educational Activity of the Sobriety Movement (NBV)	3 200	2 344	3 000						
Olof Palme International Center	3 436	3 953	3 783						
PMU Interlife	4 300	4 500	4 342						
Swedish Save the Children Federation	-247	0	1 200						
Sensus	1 005	2 210	4 171						
Study Promotion Association	3 000	2 700	2 500						
Studieförbundet Vuxenskolan (Adult education)	3 350	2 910	3 425						
SISU (Adult education)	2 044	2 100	1 915						
Swedish-Afghanistan Committee	1 800	1 800	1 950						
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	1 950	2 639	2 646						
Church of Sweden	615	2 100	3 231						
Swedish Mission Council	5 000	4 159	7 868						
Swedish Society for Nature Conservation	3 200	3 600	3 600						
Swedish Red Cross	1 573	3 621	4 085						
Swedish UNICEF Committee	1 600	1 420	1 585						
Christian Council of Sweden	1 535	1 400	1 789						
Swedish Cooperative Centre	5 000	5 000	5 800						
World Wildlife Fund	1 890	2 558	3 190						
Other organisations	10 421	13 190	11 591						
Support to international organisations, seminars, studies etc	11 499	5 406	4 060						
Activities at Sida Civil Society Center, SCSC	21 327	19 291	22 899						
Support to youth organisations	9 100	7 500	9 078						
Other programmes, audits etc	1 560	4 462	4 156						
Grant to the Swedish Red Cross	0	2 754	5 760						
Grant to the Swedish Society for Nature Conservation	20 000	0	0						
Total	1 000 351	1 190 995	1 293 663						

and human rights almost doubled in comparison with 2005. The explanation is considered to be that the NGOs see the development of a vibrant and democratic civil society more specifically as the main goal of their projects. This can mean that a project that was previously classified as a health sector or education sector project now has a clearer focus on the civil society development aspect and is therefore assessed, in the first place, to comprise support for democracy.

The activities of the NGOs are widely dispersed in a large number of countries. However, the greatest concentration is in a small number of countries that have traditionally had many contacts with Sweden. Of the five countries that received most support in 2006, there are four with traditionally extensive cooperation with Swedish NGOs: India, South Africa, Kenya and Tanzania. In 2006, a less traditional partner country, Brazil, ended up among the five main recipients of support from Swedish NGOs. One reason for this is that PMU Interlife has two major programmes in Brazil.

SIDA'S ASSESSMENT

1. Sida shall make an assessment of how activities have contributed to achieving the goal

Sida would make the assessment that there is a growing interest in the role of civil society in development cooperation. This can be noted, for example, in the fact that an ever-increasing number of Swedish bilateral programmes contain special support for civil society. It can also be seen in the debate on the Paris Agenda, where many emphasise the necessity of a strong civil society as a decisive factor for the fulfilment of the agenda. All this means that Swedish NGOs, in addition to the activities they run with support from Sida's appropriation for NGOs, are now meeting increasing external demands to be active in broad development cooperation processes.

Activities under the NGO appropriation are run in many countries and sectors. This breadth makes it difficult to summarise the outcome in relation to the goal for the appropriation. Sida's results report project for the NGO appropriation was finalised in 2006 and proposals were presented on ways in which the difficulty can be overcome.

The year 2006 was the last of the three years of Sida's special focus on increasing the work of NGOs with HIV and Aids. It can be noted that the value of direct HIV/Aids projects under the NGO appropriation increased from SEK 28.7 million in 2004 to SEK 66.4 million in 2006. Moreover, HIV/Aids is a sub-component in a considerably larger number of activities. In the future, support for the work with HIV/Aids will be handled under other activities. During the year, an international conference on HIV and Aids was arranged in Cambodia. This was the fourth conference during the special three-year focus on HIV/Aids.

In 2006, Sida integrated the administration of information grants with other support to NGOs. The aim of this is that the NGOs will be able to see more clearly the links between aid and communication with Swedish target groups.

Sida Civil Society Centre (SCSC) in Härnösand arranged an international seminar on civil society in the new aid

Table 20.

NGOs, outcome in SEK '000

The five main partner countries in 2006	2004	2005	2006
India	13 633	27 103	30 668
South Africa	35 413	29 084	30 528
Kenya	21 738	22 656	24 220
Brazil	16 686	17 113	22 836
Tanzania	30 627	19 425	21 839
Other countries/regions	882 191	1 075 614	1 163 573
Total costs	1 000 288	1 190 995	1 293 663
Forms of support			
Project support	669	3 348	3 701
Technical assistance incl. contract-financed technical cooperation	11	0	0
International training programmes	0	0	0
Credits	0	0	0
Guarantees	0	0	0
Programme support	0	0	0
whereof general budget support	0	0	0
sector programme support	0	0	0
Humanitarian assistance	0	0	0
Research	0	0	0
Grants to NGOs	999 608	1 187 647	1 289 962
Total costs	1 000 288	1 190 995	1 293 663
Channels			
Multilateral organisations	0	0	0
Swedish organisations	991 588	1 182 794	1 284 782
Organisations in partner countries	4 500	41	0
Organisations in other countries	0	0	63
International NGOs	4 200	8 160	8 818
Total costs	1 000 288	1 190 995	1 293 663
Overall goal of development cooperation			
Direct effect	589 873	849 436	784 925
Projects and programmes that include the poor	264 683	202 664	359 348
Indirect effects through policies and institutions	23 456	6 695	3 199
Indirect effects through national support	107 083	112 876	125 349
Other effects	15 194	19 324	20 841
Total costs	1 000 288	1 190 995	1 293 663
Main sectors*			
Health		93 025	40 905
Education		141 445	73 179
Research		0	0
Democratic governance and human rights		524 708	984 786
Conflicts, peace and security		15 802	7 799
Infrastructure		11 161	666
Trade, industry and financial systems		34 872	7 081
Natural resources and the environment		121 773	27 216
Other sectors		248 209	152 031
Total costs		1 190 994	1 293 663
Number of valid contributions	165	154	144
whereof > SEK 15 m	14	14	14
Number of new contributions	55	55	65

*Figures for 2005 have been corrected compared to the annual report for 2005

architecture. The result of the seminar was a greater understanding of the consequences of the Paris Declaration for civil society and the importance of civil society coordination prior to the meeting in Accra in 2008.

Seminars have been held in Nairobi and Härnösand on the role of leadership in civil society in a generation shift perspective. The need to include this perspective in the organisations' long-term strategic development work emerged clearly from both Swedish and international partners.

Sida would make the assessment that one essential precondition for achieving the overall goal of development cooperation is that poor people have the possibility to organise in support of their interests. In the new directions that Sida drew up in 2006 for cooperation with NGOs, a clearer link is made between the development of civil society and the possibilities available to poor people to improve their living standards. With this as the point of departure, Sida expects that the possibilities of reporting in terms of the overall goal will be improved. The new directions are thus completely adapted to the decisions made by Parliament as a result of Sweden's policy for global development.

The need to link together local initiatives with international political processes is important and the needs become more visible when poverty reduction activities are run to a greater extent by the countries themselves. Sida's cooperation with two international organisations: World-Wide Alliance for Citizen Participation (CIVICUS) and the International NGO Training and Research Centre (INTRAC) shall give Swedish organisations and their partners better possibilities to act. They shall participate in and exert an influence on national and international decisions to ensure that they lead to poverty reduction.

Young people are in the majority in the populations of the poorest countries and therefore a seminar on the participation of young people was arranged. The aim was to increase the understanding of Swedish NGOs of the importance of inviting young people to participate in the formulation of projects for development that will affect their lives.

2. Where the Swedish NGOs are concerned, Sida shall also submit a report on the breakdown of grants by frame organisations, sectors,

and number of foreign partners in cooperation per frame organisation. The report shall include the number of Swedish organisations included in the frame organisations' activities.

Shown in table 19.

3. 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.

Shown in table 19.

In 2006, a total of SEK 125.6 million was disbursed to a number of Swedish NGOs for their information activities. The NGOs that received the largest grants were the umbrella organisations Swedish NGO Centre for Development Cooperation/Forum Syd (SEK 17.7 million), LO/TCO Council of Trade Union Cooperation, which mainly channels grants to sub-organisations and member organisations, (SEK 15.4 million), Diakonia (SEK 5.7 million), Swedish Cooperative Centre (SEK 5.8 million) and PMU Interlife (SEK 4.3 million).

It is clear that the NGOs are increasingly integrating communication as a method in their development cooperation activities. The understanding of the importance of linking together what is being done in the form of development projects in partner countries with the work being done in Sweden has increased—what is happening at local, regional and national level is influenced by what is happening globally.

Diakonia is one of the organisations that work in this way.

For several years, the World Wildlife Fund (WWF) has received support for its programme Ecological Footprints, a metaphor used to illustrate how we use and overload the environment. The programme has had a large impact and contributed to illustrating the problem of climate change as well as indicating solutions. Support has been given to projects that promote fair trade and fair trade labelling through, for example, the Swedish Fair Trade Association. The support has contributed to a broader dissemination of the concept and to raising the awareness of the Swedish general public.

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.

OTHER REPORTS

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 is stable. In 2005, there was a pronounced increase in the proportion of people who had a positive attitude towards the size of the development cooperation appropriation and those who stated that they had personally given money to the aid programmes of the voluntary organisations. It is highly probable that this was related to the tsunami disaster in South East Asia. Compared with the record high levels in 2005, the figures for 2006 show a marginal fall, but the levels are still high in a historical perspective.

In the questionnaire survey made with the aid of Statistics Sweden (SCB), 61.5 per cent of the respondents considered that the amount of development cooperation was about right or should be increased. In 2005, the corresponding figure was less than one per cent higher; in other words it is a change that is well within the margin of error.

14 per cent wanted the size of the development cooperation appropriation to increase and 48 per cent consider that it is about right, while 20 per cent were of the opinion that the budget should be reduced and 5 per cent wanted to do away with development cooperation entirely.

More than 75 per cent of the respondents stated that they had contributed in one way or another to the aid activities of the voluntary organisations. 55 per cent stated that they had donated money. This is considerably more than two years ago, when the figure was 39 per cent. At the same time, it is less than last year when 63 per cent stated that they had donated money to the aid activities of voluntary organisations.

Swedes had, as in earlier years, an exaggeratedly negative

picture of living conditions in poor countries. 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.

In the survey for 2006, there was a new question on what Swedes think is important to do to reduce poverty in the world. Of seven alternatives the response "work for peace and greater security" came first with an average weight of 4.5 on a scale between one and five. "Aid for health and education programmes" and "sustainable development of the environment and the earth's resources" also received a result in excess of 4.4. In the middle, with a result of 4.2, there was the alternative "better trade conditions for poor countries". Three alternatives ended up between 3.8 and 3.9, namely "reduction in agricultural subsidies and reduction in the dumping of products from rich countries", "aid to strengthen democracy", and, last of all, "debt relief for poor countries".

Which form of aid should be given highest priority: rapid projects in disasters or contributions that combat poverty in the long-term? Two new questions in SCB's survey indicate that it is long-term poverty reduction that is given greatest weight by the respondents. 79 per cent totally or partly agree that most aid should be allocated to contributions that reduce poverty in the long term. This can be compared to 50 per cent who support the idea, fully or partly, that aid should be given in the form of rapid responses to disasters.

Where the Millennium Development Goals (MDG) for poverty reduction are concerned, two of the results of the survey made by Sifo are more or less identical with those recorded in 2005: 56 per cent state that they have heard about the MDGs and 19 per cent believe it is possible to halve poverty in the world by 2015.

However, in this year's survey the proportion of very pessimistic people is larger than in 2005, particularly in



The picture of many Swedes of development levels in the world is far too gloomy. They believe, for example, that less than 30 per cent of people living in poor countries can read and write. According to UN statistics, the figure is actually over 70 per cent.

the age group over 50 years. In the survey in 2005, 24 per cent of people over 50 years stated that they did not believe it was possible to halve poverty at all. In 2006, the corresponding figure was more than 33 per cent.

The determination to contribute personally to the fulfilment of the MDGs has decreased as much as the proportion of people who contributed to voluntary aid organisations. In all probability, this is also the case that the very strong engagement aroused by the tsunami disaster has subsided somewhat.

OUTCOME OF EVALUATIONS

An extensive evaluation of the youth programme, Zenit, was made during the year and will be reported on in February 2007.

ANALYSIS OF OUTCOME

The total outcome for the operational area Information can be seen in table 21. The outcome was approximately SEK 52 million, which is SEK 10 million lower than the funds available. This is due to the fact that Sida has not implemented the programmes that had previously been planned in respect of the Millennium Development Goals.

Support was channelled via Swedish organisations and the contributions have an indirect effect on the overall goal of development cooperation since they support the work being done by the developing countries themselves to reduce poverty.

SIDA'S ASSESSMENT

The goal of activities is to increase interest in, enhance knowledge of, stimulate the debate on, and shape opinion

on Sweden's international development cooperation. In the public opinion polls made during the year and reported on above, it can be noted that public opinion is still stable. Compared to the record figures of 2005 (probably as a result of the tsunami disaster in South East Asia), the outcome for 2006 certainly reflects a marginal decline, but the levels are still high in a historical perspective.

Table 21.

Information, outcome in SEK '000

Forms of support	2004	2005	2006
Project support	60 554	59 553	52 038
Technical assistance incl. contract-financed technical cooperation	0	0	0
International training programmes	0	0	0
Credits	0	0	0
Guarantees	0	0	0
Programme support	0	0	0
<i>whereof general budget support</i>	0	0	0
<i>sector programme support</i>	0	0	0
Humanitarian assistance	0	0	0
Research	0	0	0
Grants to NGOs	0	0	0
Total costs	60 554	59 553	52 038
Channels			
Multilateral organisations	0	0	0
Swedish organisations	60 554	59 553	51 531
Organisations in partner countries	0	0	506
Organisations in other countries	0	0	0
International NGOs	0	0	0
Total costs	60 554	59 553	52 038
Overall goal of development cooperation			
Direct effect	0	0	0
Projects and programmes that include the poor	0	0	0
Indirect effects through policies and institutions	0	0	0
Indirect effects through national support	60 554	59 553	52 038
Other effects	0	0	0
Total costs	60 554	59 553	52 038
Main sectors *			
Democratic governance and human rights		860	561
Infrastructure		0	0
Other sectors		58 693	51 477
Total costs		59 553	52 038
Number of valid contributions	35	22	23
<i>whereof > SEK 15 m</i>	0	0	0
<i>Number of new contributions</i>	26	14	16

*Figures for 2005 have been corrected compared to the annual report for 2005

Other reports required

2006



Infectious diseases, including HIV and Aids

Sida shall submit a report on initiated and implemented contributions in the operational areas concerned in Sida's implementation of the strategic action plan for Sweden's contribution to the global struggle against infectious diseases, and results achieved.

Sida's work with infectious diseases focuses on a national perspective. Strengthening health services through health sector support and a dialogue, and strengthening the capacity of partner countries to analyse and take action to meet their needs is a deliberate strategy. Support for research contributes to both increasing understanding of the spread of infections and of new possibilities and methods to prevent and treat diseases. Through Sida's support to regional and global programmes, we build up our knowledge for the dialogue and for creating policies at the global level. Several programmes were initiated during the year and the reports on the outcome of these programmes are limited.

For further information on Sida's work with HIV and Aids, see the chapter on Africa.

1. STRENGTHENING HEALTH SYSTEMS

Health systems

Sida provides bilateral health sector support to ten countries. The prevalent diseases in these countries are mainly infectious diseases. A large part of the support goes directly to health services and to strengthening health systems. The results can be followed in the countries' annual reports on health indicators, for example trends towards the Millennium Development Goals. Zambia shows, for example, a general improvement in indicators for infectious diseases while Ethiopia has a negative trend for both tuberculosis and malaria.

For some years, Sida has given support to the East Europe Committee of the Swedish Health Care Community. This organisation, which represents medical services in Sweden, supports the development of primary health care services, particularly in the St Petersburg area. The regional primary health care programme not only forms the basis of health and medical work in the region but has also contributed to the formulation of Russia's federal programme for primary health care.

Health workers

Special support is given to the World Health Organisation (WHO) for its work on strengthening health systems and preventing the transmission of infectious diseases. Sida also supports the WHO's work of creating a platform to ensure availability of health workers in low-income countries. In 2006, the WHO launched the "Health Workforce Alliance", which has the goal of ensuring that more doctors, nurses and other health workers enter the health sector, for example in Africa.

In its bilateral programme of cooperation with Zambia,

Sida is putting a special emphasis on health workers. Sida provides separate support for the Ministry of Health's Human Resource Development Plan, which has the aim of producing more staff, and staff with higher qualifications, to the health sector.

Health systems research

Sida has actively contributed to the work relating to a research programme into health systems, the Alliance for Health Policy and Systems Research (AHPsR), which was incorporated into the WHO during the year. This strengthened the expertise for the development of effective health systems at country level and WHO's normative function in this field. The effects of health systems can also be seen on the websites with systems for monitoring public health, which Sida supports in several countries. In Vietnam, for example, studies have shown that self-medication is more common in the towns while trust in doctors is greater in rural areas. In cases of serious diseases, there was often greater trust in public health care than in private health care. Changes in health systems and infectious diseases can also be followed through a network, INDEPTH, which consists of 38 websites for research in Africa, Asia and Latin America. A study has shown that preventive treatment for malaria of children younger than one year, in connection with early contacts with the medical services via the extended vaccination programme, reduces suffering from malaria.

Research into health systems was a special field for Sida's Research Council in 2006. Swedish researchers have been given support for research into health systems in partner countries. Among the projects, there are studies that intend to identify factors that govern antibiotics use and resistance in Latin America, with the aim of improving data on which decisions on health care are based.

Health financing

In most of the countries that receive health support from Sida in Africa, Asia and Latin America, the private sector is a large, or even the largest, care provider in the country. Sida is cooperating with the Karolinska Institute and the Harvard School of Public Health in a research programme entitled the Role of Non Government Health Care. It is a global programme that includes research institutions in China, India, Laos, Vietnam, Uganda and Zambia. At an international research conference in China in 2006 arranged by the programme, the importance of private care providers was emphasised as well as the importance of regulated cooperation between public and private care providers.

Sida is running, in cooperation with the WHO, a standardisation programme, National Health Accounts (NHA). An international conference arranged by Sida in Lund resulted in a strategy for further work on the institutionalisation of NHA. Health Economics and Policy Network in Africa (HENPNet) is a network in Tanzania, Uganda, Zambia, Zimbabwe and South Africa with the Health

Economic Unit (HEU) at the University of Cape Town as the main driving force. In all countries, the health ministry is part of the network in cooperation with one or more research institutes.

In 2006, Sida continued to give support to the Southern African Regional Network for Equity in Health (EQUINET). The network produces research findings and arguments for decision-makers and NGOs with the goal of achieving an equitable distribution of health services. EQUINET works through 18 national institutions in eight countries in southern Africa.

For the last two years, Sida has supported the Global Equity Gauge Alliance (GEGA) which runs programmes in twelve countries all over the world on equity in health. Together with the Peoples Health Movement, GEGA publishes regular issues of the Global Health Watch, which draws attention to inequalities in health and to health from a rights perspective.

2. OTHER TARGETED CONTRIBUTIONS

Medicines

Sida cooperates with Health Action International (HAI) and the WHO in the field of essential drugs. HAI is a global network with over 160 member organisations. The objective of the work is to distribute basic medicines to entire populations and to stimulate rational prescriptions of medicines. In 2006, WHO and HAI published a manual, *Medicines and Prices*, which is intended to facilitate the procurement of medicines at fair prices.

The strong global spread of multiresistant bacteria is a threat to our prospects of treating normal bacterial infections in the future. In 2006, Sida started a programme of cooperation with Action on Antibiotic Resistance (ReAct). This is a network that works against the global spread of multiresistant bacteria and stimulates the production of new types of antibiotics. ReAct's global work is based on positive Swedish experience of the Swedish Strategic Programme for the Rational Use of Antimicrobial Agents and Surveillance of Resistance (STRAMA). ReAct met the EU Commission in June 2006 to compile what we know today about the burden of disease and resistance to antibiotics in a global perspective. This will result in fact sheets on the subject.

Sida gives support to the International Network on Rational Use of Drugs (INRUD), which, in cooperation with the Karolinska Institute, Harvard Medical School and Medical Science for Health, determines scientifically the treatment model that gives the best results when a patient takes antiretroviral drugs in five African countries. The programme is being implemented in direct cooperation with each country's national HIV and Aids programmes.

Immunisation

Sida has given support to the Global Alliance for Vaccines and Immunisation (GAVI) ever since it started operations

in 2000. Sida has been a member of GAVI's board for the last two years and has exerted a great deal of influence on GAVI's programmes. GAVI has concentrated on the introduction of vaccines against yellow fever, hepatitis B and haemophilus influenza type B. Up to 2006, GAVI's health programmes have resulted in the inclusion of a further 13 million children in the basic vaccination programmes and a total of 108 million children have been vaccinated with the newly introduced vaccine. In 2006, GAVI also launched its International Financing Facility for Immunisation (IFFIM), a financing form for aid purposes which Sweden helps to finance. The aim is to attract new donors and to obtain more resources to finance new vaccines in poor countries.

Tuberculosis

Sida gives support to the WHO's implementation of its programme against tuberculosis at the national level in Russia. Furthermore, Sida gives support to the WHO to strengthen its tuberculosis controls in Kaliningrad. The Swedish Institute for Infectious Disease Control, which is one of the WHO's reference laboratories, is taking part in both these programmes in order to contribute its expertise and quality controls. The Russian laboratories have improved the quality of their analyses during the programme of cooperation.

Sida is also supporting a tuberculosis project that is being implemented by Médecins sans Frontières (Holland and Sweden) in Krakalpakistan in Uzbekistan. The programme focuses mainly on multiresistant tuberculosis.

Avian influenza

The WHO has a "Strategic Action Plan for Pandemic Influenza". The plan includes maintaining a monitoring system with a network of laboratories that report to the WHO. The WHO also works individually with each country to establish a contingency plan in the event of an outbreak and conducts exercises on the basis of the plan. In 2006, Sida gave support in the form of capacity development contributions to enable the countries to implement the plan.

The FAO has drawn up a global programme to combat avian influenza, which, at the present time, should mainly be regarded as an animal health issue. Sida is supporting FAO's programmes in Africa and Asia, which have the aim of improving conditions for animals and reducing the risk of transmission of infectious diseases. In connection with Sida's contribution, a special reference group has been formed to follow the FAO's work. This group includes representatives of the Swedish University of Agricultural Sciences, the National Agriculture Board, the Swedish National Veterinary Institute and the Swedish National Food Administration.

RESEARCH AND DEVELOPMENT

Sida is supporting research activities at the WHO through the Tropical Disease Programme (TDR), the vaccine

research initiative, and the programme for child health. The aim is to strengthen WHO's normative work and to promote research in neglected fields. In the field of infectious diseases this is additionally important due to their effects on poor people. A TDR study in Bangladesh, India, Malawi and Colombia has shown that fewer women than men are routinely examined for tuberculosis, and that women with tuberculosis show fewer characteristic symptoms, such as blood in their saliva. This study emphasises that health workers must be trained to diagnose tuberculosis, despite the absence of typical symptoms.

In 2006, the International Vaccine Institute in Korea (IVI) produced for the first time reliable information on the existence of the intestinal bacteria, *Shigella*. A major study of 600 000 people in Bangladesh, Indonesia, China, Pakistan, Thailand and Vietnam showed that 5 per cent of all cases of diarrhoea are caused by *Shigella* and that almost 70 per cent of all strains are resistant to the most common types of antibiotics.

An important component in the treatment of diarrhoea in children is to give them a sugar-saline solution. In 2006 a research centre, International Centre for Diarrhoeal Research (ICDDR-B) in Bangladesh showed that the lower osmolarity of salt-sugar solution that the WHO has recommended since 2002 is completely safe and can be used by all patients regardless of their age.

Sida's support for clinical trials has increased through the provision of a new programme of support to a major European programme, the European and Developing Countries Clinical Trial Partnership (EDCTP). The aim is to accelerate the development of clinical trials of medicines and vaccines for three of the biggest global diseases: HIV and Aids, malaria and tuberculosis. A further objective is to integrate and coordinate European and African research programmes in these fields and offer support for starting up clinical trials of new medicines and vaccines.

Malaria research has been strengthened through Sida's support to the European Malaria Vaccine Initiative (EMVI) and the Multilateral Initiative on Malaria (MIM). Through a programme of cooperation with the WHO for the funding of African researchers, MIM contributes to strengthening capacity for African malaria research. MIM's cooperation with the African Union has been intensified in order to increase the research projects of African countries into malaria and other infectious diseases.

In programmes of bilateral development cooperation, which primarily concentrate on strengthening capacity for research, infectious diseases and reproductive health are high priority fields.

Sida shall present a report on the ways in which measures related to HIV and Aids have been strengthened and integrated into Sida's other work. Sida shall present a report on ways in which fields such as prevention, care and treatment and the consequences of the epidemic have been handled and the results that have been achieved. Sida shall also show the ways in which children and young people have been included in its contributions. Furthermore, Sida shall provide infor-

mation on the ways it has participated in the dialogue and in the coordination of resources in the HIV and Aids field and make an assessment of this coordination work.

HIV and Aids was identified as a strategic priority for 2005 and 2006. This had the result that the issue was given specific prominence within the organisation, for example in the form of two seminars, two training programmes and the launching of a report. The contributions increased from SEK 551 million in 2005 to SEK 594 million in 2006.

Sida supports prevention, care and treatment to mitigate the consequences of the epidemic, and an extensive research programme. Sida works with HIV and Aids bilaterally, regionally and globally through governments, organisations and other donors in all regions where Sida is active. The majority of Sida's HIV and Aids contributions are in southern and eastern Africa, but Sida's work was also consolidated in Asia and Eastern Europe in 2006.

Today, in Africa, it is mostly women that are infected with HIV. In order to reduce transmission from men to women, Sida is working with men and their standards and behaviour. In Kenya, Tanzania, Uganda and Zambia Sida is cooperating with the Swedish Association for Sexuality Education (RFSU) in the project "Men as Equal Partners". During the year, teachers and young men have been trained in sexual and reproductive health and rights, including HIV and Aids. Another example of preventive work is Sida's programme of support to an international HIV/Aids organisation, Aids Foundation East-West (AFEW), which works together with the Russian Ministry of Justice on developing training programmes in HIV and Aids for prison staff and inmates. Course programmes were distributed during the spring to prisons in 89 Russian regions. Through Unicef in Namibia, Sida is supporting a programme to reach young people and parents with preventive HIV projects and information on life style issues. This programme has contributed, among other things, to more staff in the health care system providing health services that are adapted to young people, and to care services becoming more easily accessible.

In Nicaragua, Sida is giving support to an organisation, Centre for Education and Prevention of Aids (CEPREST), which works with HIV and Aids from a rights perspective with a focus on men who have sex with men (MSM). Through its work, young men and the police system have been given information on sexuality and Aids. The contribution has resulted in a more positive attitude to condoms and to homosexual, bisexual and transsexual persons (HBT).

In accordance with Sida's plan for working with issues relating to HBT in development cooperation, Sida has provided support to the very first international consultation on men who have sex with men in Asia. On this occasion, government officials, donors, voluntary organisations and MSM networks met and signed a declaration for further work on HBT in the region.

An effective vaccine or a microbicide would contribute strongly to reducing the number of new infections. Sida is therefore increasing its contributions to advanced basic

research into HIV and Aids by more than SEK 18 million, to a total of SEK 32 million. The aim is to study vaccines and medicines can best be constructed and how they can best be used.

Sida's support over several years to research into HIV and Aids provided interesting results in 2006. A new vaccine candidate has shown to be surprisingly good in tests by activating the immune system better than other candidates and by being totally risk-free for human beings. There are now plans to hold tests in Tanzania to see if the vaccine protects against infection. These studies are based on a unique programme of cooperation between researchers from Sweden and Tanzania, which is possible since there is sufficient research capacity as a result of bilateral research cooperation over several years.

Other bilateral programmes of research cooperation have given countries the possibility to study the resistance of the virus to antiretroviral medicines, and to determine the best way to prevent transmission of the disease from mothers to children. In 2006, Sida also supported social science research via African organisations that are offered funds that researchers compete for. The approved studies have shown, among other things, that combating infections effectively is hindered by a lack of equality between women and men, stigmatisation and the lack of relevant information among poor groups.

Religious forces play an important role in the work on HIV and Aids, mainly by providing care for people living with HIV and Aids. Sida decided during the year to give support to a network of Christian organisations, the Pan African Christian AIDS Network, to strengthen its work of supporting young men and boys to assume greater responsibility for providing care to those who are victims of Aids.

An Indian organisation, Lawyers Collective, which receives support from Sida, monitors the production and distribution of inexpensive generic medicines in developing countries to ensure that they are not stopped. Through their advocacy work, they have succeeded, for example, in reducing the costs of medicines against cancer.

A larger number of old people have to bear the ever-increasing burden of taking care of sick, orphaned children. During the year, Sida gave support to the "HelpAge International Africa Regional Development Centre" for its work of implementing its HIV/Aids strategy. Sida's support to the Regional Inter-Agency Task Team (RIATT), for children who are infected and/or have been orphaned since one or both of their parents have died from Aids, has strengthened the introduction and coordination of the UN's declaration on HIV/Aids and vulnerable children in eastern and southern Africa.

One important component in Sida's work of making the struggle against HIV and Aids an integral part of all programmes of development cooperation is the programme of support to the Asian Development Bank's Aids fund. In 2006, an HIV/Aids unit was established at the bank with three employees. A number of projects have been initiated and support to NGOs working with HIV and Aids in the region has increased.

The harmonisation and coordination process provided results in 2006. Sida contributed to the production of the Indian national Aids plan for 2006-2010 with a specific plan for the north-east region in the country where the spread of HIV and Aids is most extensive. The process has also resulted in strengthening cooperation between donors.

Sida participated actively in the World Aids Conference in Toronto and the regional Aids conference in Moscow. Sida was the bilateral donor that provided the largest contribution to the conference in Moscow, which was the first of its type in the region. At both conferences, Sida organised satellite meetings on morals and policies and the effects they have on the epidemic.

Sida's cooperation with civil society in the HIV/Aids field continued during the year. Through Sida's support to a conference in Cambodia, Sida's frame organisations and their partners in cooperation were given the possibility to strengthen their work on HIV and Aids. The conference also contributed to three Swedish NGOs in Cambodia taking the initiative to draw up an employment policy for their organisations.

Gender equality

Sida shall submit a report on its work with methods development and human resource development in respect of measures that strengthen analyses from a gender equality perspective in the preparation and assessment of contributions and their outcome, for example the work on poverty analyses, conflict analyses, assessments and the like.

During the year Sida worked with methods development and human resource development to integrate a gender

and gender equality perspective into the poverty analysis. Four fields have predominated:

- Revision and launching of Sida's gender equality policy
- Production of a new manual for mainstreaming the gender equality perspective in development cooperation
- Further development of help-desk cooperation with two Swedish universities. The aim is to meet Sida's needs of information and guidance for the

integration of a gender perspective in, for example, poverty analyses. Another aim is to broaden the Swedish resource base in Sweden

- Active participation in discussions on the Paris Declaration to make the gender perspective and issues relating to gender equality more visible in the EU, in OECD/DAC, the World Bank and the Nordic Plus group, to enable these issues to have an impact in development cooperation at country level.

In addition to this, Sida has produced an action plan for ways in which issues relating to HBT persons should be concretised in programmes of development cooperation.

Sida has also had a survey made of measures it has taken to combat gender-related violence. This forms the foundation for both methods development and human resource development in this field.

During the year, Sida held short courses for departments and divisions in the agency in order to reach all members of staff with information on the implications of the revised gender equality policy and also on the continuation of the media programme “Equality makes the world richer”. The programme started in 2005 and aims at the link between poverty and lack of equality. This link has been an important component in the launching of the programme, both internally and externally.

Sida also held some 20 seminars on the theme of gender equality, primarily for Sida staff. These have been a component in both the launching of the revised policy and in human resource development activities at Sida.

In 2006, a manual was produced for mainstreaming the gender perspective and the goal of gender equality at all levels in programmes of development cooperation. The manual, which is only available on Sida’s intranet, is there to support staff in their work with cooperation strategies, programmes, contributions, and in the dialogue with partners in cooperation. The manual will be updated regularly and it will thus be a living document. It takes up issues such as practical guidelines for analyses, definitions of different concepts, and the international framework in respect of human rights.

The cooperation agreement of 2003 on a help-desk function with the University of Gothenburg was reviewed in its entirety during the year. This resulted in a supplementary agreement, which focuses cooperation on certain fields that have proved to be more important than others. This is the case in respect of advisory services on the gender perspective in Sida’s departments, for example in the form of comments on project and programme assessments, poverty reduction strategies and cooperation or sector strategies.

At the same time, discussions were held during the year on two new three-year cooperation agreements with the universities of Gothenburg and Stockholm. A new programme is planned with the latter starting in 2007. Agreements have also been concluded with the Institute for Development Studies in Great Britain and with Femnet in Nairobi to develop and spread information in support of the work done on gender equality by the partner countries

to the international community and donors. All in all, this is of strategic importance to enable Sida to make good use of information on gender issues—which is a rapidly developing field of knowledge—and to contribute to ensuring that this knowledge is introduced within the framework of the Paris Declaration and in the contexts in which aid effectiveness is discussed internationally. A gender analysis is an important component in every sustainable poverty analysis.

In 2006, Sida, the Ministry for Foreign Affairs and other stakeholders participated actively in the discussions on the Paris Declaration and aid effectiveness in order to make the gender perspective and issues relating to gender equality more visible in EU, DAC, the World Bank and the Nordic Plus group, where gender equality is on the agenda. The discussion of methods is strategic and can have a considerable impact at both international and country level in harmonised country strategies.

Sida’s gender equality adviser participated in the production of country strategies in 2006 as well as in the development of methods for sector budget support. The updating of Country Gender Profiles continued during the year.

Sida shall submit a report on measures it has taken to combat gender-related violence in times of peace and in conflicts and post-conflict situations. Within this framework, a description shall also be given of the work to combat female genital mutilation, violence against HBT persons, sexual assault in post-conflict situations, violence in the home, and violence in the name of family honour.

Sida is implementing some sixty contributions that are directed towards gender-related violence. In addition, a large number of contributions are being implemented by Swedish NGOs with funding from Sida.

Of the contributions financed directly by Sida, 43 per cent are in countries in Africa, 25 per cent in Central and Eastern Europe, 16 per cent in Asia and 15 per cent in Latin America. The target groups consist mainly of women, girls and boys but some contributions are also directed towards men with the aim of changing violent male attitudes and behaviour. The scope of the support is difficult to determine since combating gender-related violence is often included as a component in other contributions, but the total amount of support is more than SEK 420 million when other types of contributions are included.

Violence in the home is in focus in 69 per cent of the contributions, violence in public places in 59 per cent, sexual violence in conflict and post-conflict situations in 23 per cent, violence against HBT persons in 10 per cent, genital mutilation in 7 per cent, and violence in the name of family honour in 7 per cent of the contributions.

In the survey that has been made, it is recommended that Sida takes a coherent and focused grasp on its support in respect of gender-related violence. In this regard, it should give consideration to the need of seeing gender-related violence in its special context and focus more on contributions against gender-related violence in broader

types of contributions. As an example, mention is made of sector programme support.

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; ways in which 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

Sida's work to contribute to better sexual and reproductive health for poor people has primarily been pursued by strengthening health systems and developing health services in Sida's partner countries. The main mechanism for this is programme support in four countries in Africa (Zambia, Uganda, Mali and Burkina Faso), one in Asia (Bangladesh), two in Central America (Nicaragua and Honduras), and two in Central Asia (Tajikistan and Kyrgyzstan). To supplement this, Sida also provides support to UN organisations and NGOs.

In connection with UNFPA's executive board meetings, in which the Ministry for Foreign Affairs and Sida have participated, Sida has also had follow-up meetings with representatives of two funds: Campaign to End Fistula and Reproductive Health Security Commodities (RHSC) to which global support is given by Health Division. The thematic fund for RHSC has provided contraceptives in 51 countries, contributed to a situation in which a large number of countries now have their own budget items for contraceptives with the goal of being self-sufficient in this field in the long-term, and ensuring that contraceptives are now on an increasing number of countries' lists of essential medicines. The Campaign to End Fistula has reached 39 countries, of which a number, principally in West Africa, are in the process of introducing coordinated national strategies to ensure that women are not affected by fistula.

Sida distributed and presented Sweden's new policy for sexual and reproductive health to all health programme officers in the field at Sida's field forum for health programme officers in June in Stockholm to ensure that it has an impact in the field. The SRHR policy was also presented at a seminar that Sida arranged in India with representatives of all partnership programmes that Sida supports in the SRHR field. Indian and Swedish partners participated in the seminar to increase and strengthen understanding of a comprehensive SRHR approach and to develop and intensify the links between the different SRHR programmes.

Impact in multilateral work

Together with the WHO, Sida arranged a meeting with some 40 international participants in Stockholm on June 21 and 22, 2006: Meeting of development Partners: Maternal and Newborn Health with a focus on country implementation.

The aim of the meeting was to discuss suitable strategic contributions in order to accelerate improvements in order to achieve the Millennium Development Goals in respect of maternal and child health.

During the year, Sida conducted an active dialogue with UNFPA and WHO and, at a technical meeting on March 21–23 in New York, discussed possible methods to increase capacity with trained midwives. A follow-up working meeting was held in Tunisia in December 2006 which resulted in a documented follow-up of the strengthened midwife function in six countries, a draft policy and programme guide for countries that wish to strengthen their midwife capacity, exchanges of experience between national associations of midwives with recommendations on ways in which these associations can be strengthened at national, regional and global level, and recommendations for the expert group that will follow up the seminar with consultations in March 2007 and provide guidance to decision-makers.

Swedish and international NGOs

Through its global support to an international organisation, Ipas, which works to improve the living conditions of women, Sida has contributed to an expansion of activities for safe abortions from a broad perspective. Among other things, 850 participants have been given training in policy work and on legal issues associated with SRHR, and a model abortion clinic has been opened in Burkina Faso. Sida has also contributed to the production of guidelines for abortion and the distribution of the Termination of Pregnancy Act to parties concerned in Zambia. During the first six months of 2006, more than 1 300 health workers were given training, which is 50 per cent more than in 2005, and the quantity of equipment distributed has increased by 119 per cent since 2005. In addition to this, Sida has contributed to projects to strengthen a number of countries' health systems to enable them to introduce more liberal legislation in respect of abortion.

To further strengthen contributions to improve maternal and child health care (MDG 4 and 5), Sida entered into a programme of cooperation during the year with the Federation of International Gynaecologists and Obstetricians (FIGO) in Kenya, Kosovo, Moldova, Nigeria, Pakistan and Uganda. Implementing organisations are FIGO and the International Confederation of Midwives. The main purpose is to introduce cost-effective and technically adapted methods to reduce maternal and child mortality in these countries.

The Karolinska Institute's eight-year project to reduce maternal mortality caused by the HIV/Aids epidemic, SAMOUZA, has included five countries in Africa: South Africa, Mozambique, Zambia, Uganda and Angola, and has contributed to enhancing knowledge and introducing suitable treatment for certain life-threatening conditions during delivery. The final course was held in May 2006 in Stockholm with 19 participants from countries and institutions. One of the results is that attention has been

drawn to the lack of surgeons and therefore innovative measures have been introduced to permit other categories of personnel to obtain training in obstetric surgery, for example in Mozambique and Zambia.

Since 1952, Sweden has supported the International Planned Parenthood Federation (IPPF), which is the world's largest NGO in support of SRHR. IPPF offers services to some 32 million people per year through several hundred thousand voluntary workers, 37 000 clinics and 151 member organisations all over the world. IPPF works primarily with providing information on sexual and reproductive health and contraceptives, HIV/Aids and safe abortions. During the year, an evaluation was made of IPPF, together with Norad. It focused on Bangladesh, Ethiopia and Uganda. It concluded that the member organisations reach poor people and groups to a very great extent. It is namely the case that, for most people, there are no other alternatives available. Where there are alternatives, IPPF's clinics have better quality and lower fees, and offer to protect the identity of their patients.

During the year Sida continued to support the International Consortium for Medical Abortion (ICMA) for disseminating information on medical abortions via a website, a database and information packages.

Sida contributes to institutional network cooperation on SRHR for young people between the Swedish Association for Sexuality Education (RFSU), its Indian counterpart MAMTA, and its network called Srijan, which consists of 136 NGOs in seven states in India. The network works with improving the SRHR of poor and marginalised 10–24 year olds in fields such as the initiation of sexuality education, youth clinics and peer educators, and by creating meeting places for young people to discuss the needs of girls and boys for information and services in respect of rights and gender equality. An evaluation made in 2006 shows that the project has had a considerable and positive effect on decision-makers at all levels and has made them reflect over and support SRHR for young people.

Bilateral cooperation

As a complement to programme support, in some countries Sida uses specifically targeted contributions, for example a contribution in Nicaragua for the education and training of midwives in areas with particularly high rates of maternal and child mortality. This takes place with technical support from Karolinska Institute's unit for reproductive and perinatal care. In total, some 500 nurses will be given one-year supplementary training programmes as midwives and 30 nurses have already completed the programme.

In addition to this, support is being given for the strengthening of the midwife function in India: an inter-institutional programme of cooperation in maternal and delivery care with trained midwives as key persons. The overall goal of this programme of institutional cooperation is to support the development of high quality midwife training, services and management for maternal health care, specific obstetrics and acute delivery care, which has a direct effect on maternal health and mortality in connection with delivery. The main strategy is to develop a network of cooperating institutions in India and Sweden that provides technical expertise to the Indian government and the government of states in India, the midwife training institutions, the midwife associations, other professional associations, and other stakeholders, as well as to provide close support to the national maternal health policy.

During the year, Sida completed 30 years of health support to Angola and, in connection with this, made three studies. These were studies of the phasing out of support and a major study of thirty years of health support in which the emphasis for many years has been maternal and child health, with a focus on the training of midwives and delivery care at local delivery units in Luanda. A seminar was also held to review experience gained. The conclusions drawn were that the projects have mostly been successful and have saved the lives of many women and children, and that the activities will continue, even without Swedish support.

Conflict management—common security, conflict prevention, crisis management and peace building

Sida shall submit a report on the measures that have been taken to ensure that programmes of development cooperation in areas affected by conflicts, or areas prone to conflicts, are implemented in a way that is sensitive to the conflict to ensure that they do not have a negative effect on an armed conflict or contribute to a conflict of this type arising.

Conflict sensitivity is an approach that counteracts a situation in which a programme of development cooperation exacerbates a conflict or contributes to increasing tension between the parties involved. In 2006, Sida further developed working methods to identify and counteract negative effects of development cooperation from a security perspective.

In 2006, Sida increased the number of measures at its disposal for a sensitivity approach to conflicts. A manual for conflict analysis was produced and published in 2006. Among other things, this manual provides guidance for the design of cooperation strategies. In 2006, Sida integrated

conflict analyses and risk analyses to a greater extent in its work, partly in respect of countries in which there is an ongoing armed conflict, and partly in countries prone to conflicts. Of the country and regional cooperation strategies that govern Sida's activities, 77 per cent include peace and security as a main goal or as a component in programmes of development cooperation. Attention has also been drawn to conflict sensitivity in some of the work with budget and programme support.

The provision of guidance and support by Sida's division for peace and security for embassies and sector and regional departments has strengthened Sida's application of conflict sensitivity in the above-mentioned processes. In 2006, at the request of Sida and embassies, the division worked on integrating conflict sensitivity into the preparation and implementation of contributions and strategy processes. In addition to this, training programmes in conflict sensitivity were held at embassies and at Sida. In 2006, an external support function was also established through a competitive procurement. This shall provide guidance in the subject area.

In 2006, a study was performed on behalf of Sida. It made an inventory of and analysed conflict sensitivity in Sida's development cooperation. The study drew attention to the problem of the ways in which the concept of conflict sensitivity should be interpreted, and the difficulties in identifying and concretising actions to be taken. Sida's work with conflict sensitivity is most visible in countries undergoing an armed conflict and one challenge for the future is to work with conflict prevention and to specify components of peace and security in different types of development cooperation contributions. Preparatory phases of projects, programmes and cooperation strategies often take conflict sensitivity into consideration. A challenge faced by Sida is to transform these intentions into concrete contributions, and to follow this up.

Sida shall submit a report on the measures that have been taken to make full use of the possibilities offered by development cooperation to contribute to preventing and solving armed conflicts by working to exert an influence underlying structural causes.

Sida's policy for peace and security was approved in 2005 and constitutes the foundation of Sida's conflict-related activities. The policy identifies three categories of support for peace and security:

- promotion of dialogue
- promotion of security
- promotion of structural stability

The promotion of structural stability refers to contributions that have the processing of fundamental structural causes of violent conflicts or situations of insecurity as their primary or secondary objective.

During the last six years, Sida's work with conflict-related activities increased from SEK 382 million in 2000 to SEK 944 in 2005. The increase in disbursed funds indicates a trend that more contributions for peace and security are being developed and integrated into programmes of

development cooperation. Another trend is that activities that focus on structural stability, i.e. to exert an influence on underlying structural causes, are increasing.

One important part of the conflict prevention work is to be aware of and to develop indirect opportunities to promote peace and security in development cooperation. Through conflict analyses in cooperation strategy processes and in the preparation and implementation of budget support and projects, Sida worked actively in 2006 to give attention to and strengthen opportunities to prevent conflicts.

The conflict analyses indicate the effect that development cooperation has on underlying structures that have contributed to, or can contribute to, conflicts, and present measures to strengthen the structures that promote peace and security. With conflict analyses as its point of departure, Sida works with underlying structural causes partly through contributions that have the aim of directly promoting peace and security, and partly through contributions that have peace and security as sub-goals. This category of contributions is mainly financed through the regional operational areas and includes, for example, contributions with a focus on democracy, human rights, the legal system and natural resources.

Sida also works with international policy development for conflict prevention and peace building within the framework of OECD/DAC's working group for conflict issues: Conflict Peace and Development Cooperation (CPDC). This work gives attention to both conflict sensitivity and structural causes. In 2006, Sida's participation in CPDC was limited to fields such as human rights and conflict management and security, evaluation methods for conflict prevention and peace building activities, and the security sector. In 2006, this work resulted, among other things, in a manual for conflict management.

Sida also supports a small number of international NGOs that work with both policy and methods development and directly with conflict prevention and peace promotion activities.

Sida shall submit a report on the implementation of contributions that have the aim of promoting the equal participation of women and men in conflict prevention, crisis management and peace building, in accordance with UN Resolution 1325 on women, peace and security.

Sida participated in the production of Sweden's action plan in respect of the UN Security Council Resolution 1325, which was approved in 2006. In 2006, Sida started to implement the plan.

Sida's policy, Gender Equality in Development Cooperation, states that all Sida's contributions shall take the needs and equal opportunities of women, men, boys and girls into consideration. Sida's policy for peace and security identifies aspects of gender equality as a fundamental human right that should be given attention in contributions for peace and security.

Sida applies the content of Resolution 1325 in different parts of its activities, for example in recruitment for inter-

national assignments and through direct contributions. The number of direct contributions is small but three examples of support related to Resolution 1325 are given below.

1. Sida supports the UN development fund for women (UNIFEM) for its work with and for women's organisations in the conflict-prone northern part of Uganda. The support has the aim of involving women in the peace talks that were initiated in 2006 between the government of Uganda and the Lords Resistance Army. When the peace talks started, only one woman was involved in the process. UNIFEM is working in close cooperation with a local umbrella organisation, Uganda Women's Network.
2. Sida gives organisation and programme support to International Alert (IA), which works, among other things, with gender equality as a specific theme for conflict management, and implements direct contributions to support the participation of women in peace processes. In Democratic Republic Congo (DRC), IA supports women parliamentarians to increase their participation in decision-making processes. In Rwanda, IA's work has focused on the role of women in reconciliation processes and has promoted an increase in the participation of women in local legal processes after the genocide (the Gacaca trials).
3. The Swedish Kvinna till Kvinna Foundation (κκκ) works exclusively with providing support for women and for the participation of women in society. In Georgia, κκκ has a programme that supports the participation of women in the peace process between the Georgian government and representatives of Abkhazia.

Sida shall submit a report on contributions it has implemented that have the aim of reforming and developing the security sector. The report shall include the results of, and experience gained, from these contributions.

Sida has little systematically documented experience of contributions that have the aim of reforming the security sector. In 2006, this activity was included under support for democracy, human rights and public administration, which leads to problems where providing a separate report on results and effects for the security sector is concerned.

It is estimated that Sida's contributions for the reform of the security sector in 2006 amounted to SEK 495 719 000. Of this amount, it is estimated that some SEK 256 million refers to contributions that had the aim of enhancing democracy and accountability.

In 2007, Sida intends to develop its work on security system reforms. The point of departure of this work will be OECD/DAC's working group for the reform of the security sector. Sida has participated in the development of policies and methods for reform and development of the security sector in ECD/DAC's working group for Conflict Peace and Development Cooperation. In 2006, a handbook for reform work in the security sector was produced.

Nine different sectors were identified within the framework of this work, including democratic structures for control and accountability, defence reforms, border controls, police activities, prison systems and legal systems.

The reform and development of the security sector is a relatively new subject area in development cooperation. Where Sida is concerned, this is primarily an extension of its support for democracy and public administration, which has the effect that new requirements arise in respect of cooperation between region and sector departments. Sida has several years' experience in a number of the areas that have been defined for the reform of the security sector by OECD, for example in the fields of democratic governance and support to police systems. Other fields, for example support to the legal system, can be supplemented with contributions for the promotion of security in order to strengthen aspects of peace and security. Work in the sector can lead, in the long term, to engagement in new fields. In this sector, Sida's engagement in the police system is most prominent. Sida has had a framework agreement with the National Police Board since 2004 for the effective administration of police contributions.

Sida shall submit a report on the scope and focus of its contributions for mine management. Sida shall also report on the scope and focus of its support to dialogue processes in conflict and post-conflict countries.

Mines constitute an obstacle to development after violent conflicts. Sweden has signed the Ottawa Convention, which prohibits the use of anti-personnel mines. Thereby, Sweden has undertaken to support other countries with mine management contributions. In 2006, Sida worked with, among others, the Swedish Rescue Services Agency and international NGOs, as well as with UNICEF, UNDP, and the United Nations Mine Action Service (UNMAS). In addition to humanitarian assistance, support is also given for mine management via the regional appropriations.

Humanitarian mine management has continued in countries affected by conflicts, for example Lebanon, Afghanistan, Iraq, Nicaragua, Angola, Somalia, Bosnia and Herzegovina and Sri Lanka. The Swedish Rescue Services Agency, the Danish Demining Group (DDG) and the Mine Advisory Group (MAG) are some organisations, which, with the aid of Swedish support, work with mines and unexploded ammunition, and with capacity development contributions to national mine management institutions.

Swedish support has also been given to international organisations, for example to UNMAS, which coordinates and leads the UN's mine management activities, to UNICEF, which works to inform and raise awareness about mines and unexploded ammunition, and to UNDP, which supports national mine management agencies in countries affected by mines. The Geneva International Centre for Humanitarian Demining (GICHD), which works with training and capacity development projects for government agencies and mine management organisations, has also received support.

The costs for humanitarian demining are covered partly by the budget item for humanitarian assistance and conflict-related activities and partly by the regional budget. The total disbursements for mine management in 2006 increased compared to 2005. Most of the increase refers to the regional budgets and this now comprises 40 per cent of the support provided for mine management.

Sida's policy for peace and security identifies Sida's focus on promoting dialogue in countries affected by conflicts. Promotion of dialogue refers to contributions to change attitudes and to create appropriate conditions for dialogue, negotiations and peaceful solutions to conflicts between parties to the conflicts. The contributions shall focus on primary or secondary parties in the conflicts.

Sida's contributions to promote dialogue can, for example, refer to working with the culture of violence, training in peaceful conflict management, mediation, and reconciliation processes. Contributions to the media sector can, for example, be regarded as promoting dialogue if they work actively to make a dialogue process possible between parties involved in conflicts. Sida's support for mediation contributions at other levels than the local level is provided in consultation with the Ministry for Foreign Affairs.

It is not easy for Sida to produce detailed information broken down to activity level in respect of contributions for promotion of dialogue. It is estimated that Sida's support for activities to promote dialogue amounted to SEK 176 million in 2006, of which some SEK 92 million referred to contributions implemented by NGOs. Contributions for

promotion of dialogue via the media amounted to some SEK 31 million, and for strengthening the role and participation of women in peace processes some to SEK 25 million.

Table 22.
Humanitarian mine management, outcome in SEK '000

	2004	2005	2006
Global	5 413	9 503	22 875
Somalia	9 500	8 000	4 994
Afghanistan	4 050	3 175	14 064
Sri Lanka	6 000	5 000	5 000
Iraq	9 965	0	6 404
Angola	8 000	8 000	8 000
Bosnia and Herzegovina	4 993	5 000	5 000
Nicaragua	6 600	3 200	9 950
Russia	0	0	1 208
Democratic Republic Congo	0	9 370	0
Sudan	3 800	7 315	0
Eritrea	3 412	4 060	0
Cambodia	10 319	3 800	0
Senegal	0	3 000	0
Mozambique	2 928	-9	0
Total	74 981	69 414	77 495

Employment and the labour market

Sida shall submit a report on the ways in which it has worked to strengthen the perspective of employment and labour market issues in development cooperation. The report shall describe activities in Sida's cooperation with the ILO and with other partners such as the African Union, as well as support for cooperation between the parties on the labour market in developing countries.

Employment and labour market issues are of central importance for the goal of Sweden's development cooperation, i.e. to make it possible for poor people to improve their living conditions. Productive employment is of decisive importance for material welfare and for combating income poverty, and constitutes an important link between economic growth and poverty reduction.

The labour market and employment constituted one of the government's special programmes for development

cooperation in 2006. In January 2006, the Minister for Development Cooperation approved a plan to follow up the conference "Work Ahead" and to specify the focus of the year's activities.

Sida has pursued policy and methods development work in this field and has thus participated actively in building up knowledge internationally.

In 2006, more than SEK 2 million was disbursed within the framework of Sida's partnership agreement with the International Labour Organisation (ILO). Sida concluded the partnership agreement, which amounts to SEK 25 million, in 2005. The agreement expires in 2007. Fields given priority have been employment with a special focus on young people, rights in working life, and the development of ILO's analytical capacity.

Bilateral and regional contributions in cooperation with ILO lie outside the agreement and will also do so in the future. Examples of contributions of this type are the development of an effective system for employment

offices in Sri Lanka (JobsNet), and support for small enterprise development in Vietnam (PRISED).

In 2006, Sida contributed SEK 7 million in the form of a three-year programme of support to the Youth Employment Network (YEN). The programme, totalling SEK 21 million, will partly contribute to YEN's secretariat and partly support the development of a regional office in West Africa that will work with employment for young people in the region.

Sida's support to the African Union's work with Labour Employment and Social Protection, with Norway as the main donor, is a form of interim support. In 2006, Sida and other organisations worked with long-term, programme-based support.

The embassy in Pretoria continued to have contacts with the South African Labour Market Ministry and its international department. In connection with a seminar arranged by the Ministry for Foreign Affairs and the embassy on Sweden's policy for global development and its implementation, labour market matters were given special prominence. Representatives of the Ministry for Industry and the National Labour Market Board participated with the aim of discussing future possibilities of cooperation. A Swedish labour market insurance company, AFA, visited South Africa in September to study the possibilities of establishing closer cooperation and to learn from South Africa's experience in this field.

Sida also supports trade union exchanges and development. A large part of this support is channelled via the LO/TCO Council of International Trade Union Cooperation. The aim of the support is to develop strong, independent and democratic trade union organisations in Africa, Asia, South Europe, Latin America and Eastern Europe. One concrete measure to strengthen the links to poverty reduction has been to give more specific priority to the development of the trade union movement in Africa. One particularly important issue is organisation of low-paid employees and employees in the informal sector. In the LO/TCO Council of International Trade Union Cooperation's thematic category of negotiation, collective agreements and social dialogue, 90 projects are financed with Sida's support. The LO/TCO Council of International Trade Union Cooperation's project portfolio has a total of 248 projects.

The Labour Market Dialogue (LMD) project is a programme of cooperation between the parties on the labour market in Sweden that has the aim of offering Swedish experience and Swedish know-how for the development of the labour market function. During the first phase, which was finalised in June 2006, country programmes were produced in Algeria, Kenya, Nigeria and Ukraine. The programme came into being on the initiative of the Confederation of Swedish Enterprise and Swedish trade unions. Since Swedish industry has chosen to withdraw its participation in LMD, the future of the programme is uncertain. To make a long-term programme possible, Sida has approved an application from the Swedish trade

unions in which the Swedish Association of Local Authorities and Regions will represent the employer's side in LMD.

Sida shall submit a report on the ways in which it has developed its contributions to enable them to contribute to enhancing knowledge of economic growth and employment policies in the partner countries. Sida shall also report on the measures taken to make labour markets function more effectively in the partner countries.

One fundamental prerequisite for a permanent increase in the numbers of the employed in most of Sida's partner countries is an increase in economic growth that both makes possible, and is based on, greater employment and productivity among the poor sections of the population. Sida has developed methods for integrated economic analysis (IEA). The point of departure is the need to enhance the possibilities for employment and income with the aim of reducing income poverty. In IEA, the employment analysis is linked together to the private sector analysis and macroeconomic issues, and employment thus becomes an instrument for the focus on poverty in economic analyses.

Sida has financed an employment analysis with a gender perspective in Burkina Faso. Experience gained from Burkina Faso shows the need of giving prominence to the role of women in the economy, partly as a goal in itself, but also to create economic growth that benefits the poor.

Special analyses of the importance of employment for poverty reduction were performed in the country strategy work for Moldova. By giving prominence to the employment issue in the analysis, Sida contributed to successfully creating a stronger focus on the poor in the economy and on the possibilities available to the poor to improve their living conditions themselves.

Sida has also promoted employment aspects in international methods development and economic analyses through its engagement in a World Bank project for economic growth diagnosis, through methods support to the Minister for Development Cooperation in her capacity as a member of the World Bank's economic growth commission, and through cooperation with ILO's employment department.

Sida has supported Women in Informal Economy, Globalizing, Organizing (WIEGO), which is a global network working with the development of knowledge and policies through research and participation, particularly in the informal sector of the labour market. The network focuses specially on the situation of women. WIEGO works with five programmes:

- statistics
- social security systems
- global markets
- urban policies
- organisation and representation

WIEGO's work is supported by Harvard University and is a partner in the dialogue with the ILO and the World Bank on issues of employment and social protection in the informal sector. At the same time, the network has a direct

base in national and regional platforms, for example the Self-Employed Women's Association (SEWA).

Sida has contributed to rehabilitation and other labour market programmes for the disabled in Russia through support to the Ministry of Labour and Social Development, and contributed to the integration of the disabled on the labour market through a programme of cooperation with the Committee of Labour and Social Protection in St Petersburg.

From November 1, 2006 Sida has had a seconded regional adviser at UNDP's office in Jerusalem. The adviser will work for two years with measures to create jobs and employment in conflict areas. Sida has 10 years' experience of the subject area in Gaza and the West bank.

Sida shall submit a report on the contributions it has made in partner countries where improvements to conditions for entrepreneurs and property systems are concerned, and shall also report on training programmes that increase the supply of personnel that are attractive on the labour market.

Through Diakonia, Sida has given support to an organisation, Zuid Oost Azia (ZOA) Refugee Care, which works with occupational training for Burmese refugees living in refugee camps on Thailand's side of the border with Burma. The idea is to facilitate future repatriation by improving the occupational skills of the refugees in agriculture, mechanics, household work and entrepreneurship. The aim is also to create employment and to give the refugees the possibility to contribute to their own livelihoods.

Sweden has continued to give support to the Foreign Investment Advisory Service (FIAS). FIAS is an organisation that receives support from several donors. It works for sustainable economic growth and better conditions for enterprises in developing countries through increased foreign investments. FIAS' most important inputs are advisory services to the governments of the countries on formal institutions (policies, laws, investment codes, investment promotion programmes, agencies for investment promotion etc).

Sida shall also submit a report on the ways in which it has acted to strengthen ILO's work of defending the rights and privileges of members of employers' organisations and trade unions.

By providing training and practical guidance, the LMD programme has contributed to creating a situation in Kenya in which negotiations on collective agreements can be held in the future with the goal of increasing productivity. The programme has involved trade unions, employers and representatives of the government.

In Nigeria, the LMD programme has contributed to establishing cooperation between employers in the Nigeria Employers' Consultative Association and the trade unions in the Nigeria Labour Congress in respect of joint projects in a way that was previously unconceivable. A team of mediators in conflicts has been trained, joint projects to provide support for people with HIV and Aids at the workplace have been initiated, and models for the production of reliable labour market statistics for use in negotiations is the third component in the programme.

Environmentally sustainable development

Sida shall submit a report on initiated and implemented contributions in the operational areas concerned with a special emphasis on water and sanitation, chemical safety, renewable energy and the climate issue, sustainable urban development, sustainable use of natural resources and protection of the environment, and education and training, support for capacity development and environmental management. The report shall contain a description of ways in which Sida has cooperated with the Swedish resource base and ways in which the know-how of the Swedish resource base, including industry, government agencies and NGOs, has been put to good use.

In 2006, Sida started and implemented contributions that contribute to environmentally sustainable development. This was done in both ordinary forms of cooperation and within the special programme for the environment, which was initiated during the year.

In the field of water and sanitation, Sida has initiated,

among other things, contributions for methods and capacity development, support for sustainable sanitation in Indonesia and the Philippines, and various contributions for sustainable water resource management. During the year, Sida entered into a three-year cooperation agreement with the Stockholm International Water Institute (SIWI). The programme is based on the Swedish resource base and is being coordinated by SIWI through, among others, Swedish Water House. In the programme, a survey has been made of possible cooperation in the water sector in the Middle East. The programme has also resulted in coordinated support with the Netherlands for anti-corruption work in the water sector. In the special environmental programme, support was given for contributions for sustainable sanitation in schools, for local capacity development, and for pilot activities in the field of ecological sanitation. The Swedish resource base has participated in various ways in the development of the contributions and will play an important role in their implementation. Likewise, a programme of cooperation was initiated with

Serbia for improved solid waste management. A number of local authorities will cooperate to establish a regional refuse tip and in its management. The Serbian environmental fund is contributing to the financing, as well as the local authorities concerned.

In the area of chemical safety, in 2006 the National Chemicals Inspectorate made an analysis of ways in which it can contribute to improve the handling of chemicals in certain countries in the Balkans.

Renewable energy and the climate are fields in which several contributions were initiated during the year within the framework of the special environmental programme. The global forum for air pollution is a programme of cooperation between different regional associations working in this field around the world. Sweden has internationally competitive expertise in this field. The aim is to transfer know-how between different regions and to make the work more effective. Air pollution has effects on the climate, and measures taken to reduce air pollution also reduce, in general, emissions of climate gases. In a project on hazardous substances in the combustion of waste being performed under the auspices of UNEP, emission factors will be produced for extremely toxic halogenated substances. Umeå University will contribute its expertise in the project, in which China and Mexico are also participating.

In the field of sustainable urban development, a project in Montenegro to support the production of legislation on physical planning and development was finalised during the year. The legislation has been passed by parliament and now support is being planned for a number of local authorities for the start of implementation.

Two new global contributions in support of the rehabilitation of slums have been approved within the framework of the work that Habitat has done in this field. The contributions shall support capacity and methods development to increase the mobilisation of local capital for slum rehabilitation. They are based on initiatives and active participation of poor groups in the towns.

The field of sustainable use of natural resources contains contributions in, among other things, the agricultural sector. In Moldova, cooperation has started in the agricultural sector through support to a programme for income generation in rural areas. The programme is being co-financed with the World Bank and includes advisory services, private sector development, land consolidation and financing. In 2006, Sida started a programme of support in Bosnia and Herzegovina to regional and local private sector development with a focus on food markets. The contribution will make it easier for farmers to reach markets, obtain financing, develop sustainable agriculture, obtain agricultural extension services, and develop their organisations.

In the field of education and training, capacity support and environment management, Sida has concluded an agreement with the Swedish University for Agricultural Sciences (SLU) on further cooperation in agriculture and the environment. The programme includes six sub-areas: environmental management at farm level, integrated pest

management, environmental monitoring, development of a training programme, cooperation between government agencies, and rural development in Karelia. In the work done by the Swedish National Environmental Protection Agency (NV) in north-west Russia, Ukraine and Belarus, new contributions were initiated in 2006 in respect of integrated permit examination, waste management, environmental information and forest management.

In October 2006, Sida approved a five-year environmental programme in Kenya. It focuses on environmental management through strengthening the capacity of the Kenyan Ministry for the Environment and its environmental protection agency, and contains a special fund to which civil society can apply for support for opinion-shaping activities and grassroots projects on the theme of environmentally sustainable development. The programme is taking place through so-called delegated partnership in which Denmark is the active donor.

For the contribution concerning environmental management in Laos, an introductory phase was implemented during the year and resulted in an updated annual work plan for further work.

Improved environmental management and strengthened capacity for the control of chemicals are of decisive importance in the partner countries' efforts to make it possible for poor people to improve their living conditions. Environmental degradation and shortcomings in the handling of chemicals create negative effects in respect of, for example, health, gender equality, food supplies and incomes. These problems and challenges need to be understood with the point of departure in the actual prevailing conditions in the country in question. In 2006, the National Chemicals Inspectorate received special support from Sida to strengthen the institutional capacity of the partner countries to improve their handling of chemicals and their environmental management. The programmes are being run globally, regionally and nationally. It is particularly important to improve the possibilities available to poor countries to participate in the work in relation to international conventions and other international agreements. Furthermore, in 2006 Sida decided to support the Swedish Society for Nature Conservation (SNF) in the creation of an international environmental policy programme. It is expected to be of strategic significance for SNF's capacity to understand, influence and generate new solutions to poverty-related environmental and natural resource problems.

In the field of environmental technology, Sida, within the framework of the special environmental programme, has been commissioned to produce, together with the Ministry for Foreign Affairs and the Swedish Environmental Technology Council (SWENTEC), a special environmental technology programme with proposals for contributions in the fields of sustainable urban development and renewable energy. In this respect, Sida approved a contribution in 2006 for the establishment of consulting funds in the European Bank of Reconstruction and Development

(EBRD) and the Nordic Investment Bank (NIB) for technical support in connection with the development of investment programmes for municipal infrastructure.

In 2006, Sida worked actively to extend cooperation with the Swedish resource base, both within previous forms of cooperation and in the special environmental programme initiated in 2006. An extensive dialogue has

been conducted with the Swedish Government Offices. From the examples given above, it can be seen that Sida's contributions are based on broad cooperation with Swedish government agencies, universities, institutions and companies. Close cooperation of this type is essential for Sida's work of contributing to environmentally sustainable development.

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.

During the year, Sida produced a strategy for ways in which it can extend its activities to prevent natural disasters. Sida contributes to reduce the vulnerability of people by giving special consideration to the risk of natural disasters in its programmes of cooperation with vulnerable countries and regions. The driving force behind this work is the fact that 250 million people are affected by natural disasters each year with devastating consequences such as starvation, death and poverty. For some decades, natural disasters have become more common throughout the world and their effects have become more serious. Studies show that each dollar that is invested in risk reduction can result in savings of up to 25 dollars in losses from disasters that did not occur. The result of Sida's disaster prevention work in 2006 was enhanced knowledge about risks and the vulnerability of people to natural disasters. This has led to the adoption of a broader approach in which vulnerability to natural disasters is seen as an important part of the poverty perspective and therefore part of Sida's core activities. Sida's goal is to work in an integrated manner to prevent natural disasters. Work has been started on giving prominence to prevention in cooperation strategies for the countries concerned. In Sida's proposed cooperation strategy with Bangladesh, there are examples that include risks of, and vulnerability to, natural disasters.

Most of Sida's support to prevent disasters is integrated in long-term projects and programmes with other main goals in the long-term development cooperation programmes. For example, Sida is supporting reconstruction activities in Indonesia after the tsunami of 2004 through the Multi Donor Fund (MDF) in which risk reduction and disaster prevention are integrated. MDF's programmes include projects to mitigate floods and projects

to build houses in areas that are extremely earthquake-prone. Sida also supports the Swedish Rescue Services Agency's experts in the implementation, together with Pakistani authorities, of a national plan for disaster preparedness, since Pakistan runs a great risk of earthquakes and other major disasters.

As a response to the tsunami disaster of December 2004, Sweden was invited by the government of Thailand to contribute to a special fund established by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) with the aim of supporting the development of regionally coordinated tsunami warning systems for South Asia and the Indian Ocean, and thereby reduce the vulnerability of poor people to natural disasters. Sida is a member of the fund's governing body, which has, among other things, approved project support to the Asian Disaster Preparedness Centre for registering changes in the sea level in the Indian Ocean and South Asia.

During the year, Sida gave support to organisations that mainly work with reducing the risks of, and the vulnerability of people to, natural disasters, for example the UN programme: International Strategy for Disaster Reduction (ISDR). The organisation has been successful in both providing information about needs and possibilities associated with preventive work and has been a driving force in the advocacy work vis-à-vis decision-makers.

Furthermore, Sida has provided support to the ProVen-tion Consortium, which is a global alliance of international organisations, governments, government agencies, the private sector, academic institutions and civil society. The alliance works with methods development and advocacy work to reduce the vulnerability of communities exposed to disasters.

Sida has contributed to projects that strengthen preparedness to provide emergency assistance and save lives in countries affected by disasters. Sida gives priority to projects that promote and develop local knowledge and use local preparedness mechanisms and safety nets. One example is the support given to the work of the International Federation of the Red Cross and Red Crescent to develop the national associations and establish early warning systems, cyclone protection systems, and preparedness to act rapidly in cases of 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.

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
- institutional support to strengthen democratic governance, legal systems and general elections.

The contributions are often implemented by the UN, World Bank or international NGOs. Financing is normally provided via the UN's trust funds together with other donors.

Sida has provided support for reconstruction in, for example, Sierra Leone, Liberia and the Ivory Coast in West Africa. These countries have undergone lengthy conflicts with considerable displacements of people, destruction of infrastructure, and erosion of social structures. During the year, support was provided to enable people to return home and start up activities in order to make a living. The contributions also include support to re-establish local authorities, build up schools and health structures, and start agricultural production and production activities by local entrepreneurs.

Sida is supporting reconstruction programmes in Lebanon through, for example, the Swedish Rescue Services Agency, which has contributed resources to the water authority for planning and coordinating the reconstruction of water supplies in southern Lebanon after the war in the summer. In addition, the Swedish Rescue Services Agency is also contributing to reconstructing emergency services at Beirut airport. Through Save the Children, Diakonia and the Palestine Groups, a programme is being implemented to establish protection shelters in 50 villages, youth work in the Palestinian refugee camps, and rehabilitation programmes for the disabled to mitigate the effects of the war.

After the earthquake that affected Pakistan in October 2005, Sida has supported reconstruction projects through, for example, the UN Human Settlements Programme (UN Habitat), for the Pakistani government's programme to build 200 000 earthquake-proof houses in rural areas, and the International Organisation for Migration (IOM) to build 2 000 houses in the larger towns affected by the earthquake.

As mentioned above, Sida is also supporting reconstruction in Indonesia after the tsunami through a donor fund administered by the World Bank.

The support provided for reconstruction includes support to safeguard human rights and democracy processes via Diakonia, and support for demining and taking care of unexploded ammunition.

Through the Transition Appeal for the Northern Caucasus, Sida has supported projects for reconstruction which will supplement the state programmes for renovation of private houses by providing temporary and permanent places to live and contribute to sustainable solutions for the internally displaced persons who do not intend to return. Sida has also contributed to reconstruction work in the water and sanitation sector.

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.

There is a great challenge in the fact that many, initially acute, refugee crises have become permanent. According to UNHCR, sustainable solutions to problems relating to refugee situations are voluntary return and sustainable reintegration, local integration or settlement in other places. In addition to its support to UNHCR, Sida supports a number of organisations that implement projects to find sustainable solutions to long, drawn-out refugee situations.

Among others, Sida supports the United Nations Relief and Work Agency for Palestine Refugees in the Near East (UNRWA) and its activities that are intended to make people self-sufficient. In Thailand, Sida contributes to Diakonia's projects that focus on making livelihoods possible for refugees from Burma.

By supporting the International Red Cross Federation's projects in different parts of the world, Sida supports the organisation's work with refugees in long, drawn-out refugee situations. Sida's support to the International Committee of the Red Cross is also channelled to projects that promote voluntary return and reintegration, for example support to returning refugees in Guinea.

Through its support to the Norwegian Refugee Council, Sida provides humanitarian support to refugees who are returning to, for example, Burundi, Democratic Republic Congo and Afghanistan.

Several cooperation strategies emphasise the need of dealing with long, drawn-out refugee situations. In the cooperation strategy for Bangladesh, emphasis is given to the issue of a strong international dialogue to find a long-term solution to the situation of the Rohingya refugees. In the proposal for Swedish development cooperation with Somalia, it is emphasised that returning refugees play an important role in the reconciliation process. They can also contribute to economic growth.

Drugs

Sida shall submit a report on the measures it has taken in respect of drugs as an obstacle to development. The links between drugs and HIV and Aids, sexual and reproductive health and rights, and crime-related questions such as trafficking in humans and other forms of exploitation shall be given special attention.

Where drugs are concerned, Swedish development cooperation is based on a holistic perspective in which the global drugs problem is seen as a social, economic and political obstacle to development. This point of departure also includes related subject areas such as HIV and Aids, sexual and reproductive health and rights, trafficking in human beings, organised crime and corruption.

The links between drugs and HIV/Aids are to be found both in the transmission of the HIV infection through injections and through the fact that the effects of drugs lead to increases in risk behaviour and thereby a greater risk for the sexual transmission of the disease. The struggle against HIV and Aids in Europe and Asia requires powerful programmes against drugs and injection abuse. Sida has provided support to UNODC's global HIV/Aids programme for the end of 2006 and for 2007. The programme focuses on HIV preventive work among drug abusers and people subjected to trafficking.

Sida gives support to programmes through two Swedish organisations, the Swedish temperance organisation, IOGT-NTO, and Diakonia. The support focuses on several countries in the Golden Triangle. In these countries, Cambodia, Laos, Vietnam, Thailand and Burma, the main target group consists of ethnic minority groups in rural areas. They are particularly vulnerable and are easily drawn into the production and consumption of drugs and trafficking. The programmes have the aim of creating better living conditions for people through rehabilitation and prevention. The work is based on a broad definition of poverty reduction to make development possible without dependence on drugs. It includes care and rehabilitation, legal guidance for applications for citizenship, prevention of HIV and Aids, better access to

services for sexual and reproductive health, and support for alternative development of agriculture.

In its contributions for combating drugs in Eastern Europe, Sida channels support via a Swedish organisation, Criminals Return Into Society (KRIS), for the development of two Russian KRIS societies in the Leningrad region. KRIS works to support the integration of former criminals and drug addicts into society. Requirements for membership in KRIS are freedom from drugs, honesty and comradeship. The first society was established in St Petersburg in April 2006 and it has started visiting prisons with the aim of recruiting members. Another Swedish organisation, Convictus, is involved in a project in Ukraine that is being financed by Sida. Convictus works together with an Estonian organisation and a Ukrainian organisation to support drug addicts who are infected with HIV, particularly inmates in prisons. In Belarus, a Swedish organisation, The Swedish National Association for a Drug-free Society, is working with a national organisation to involve NGOs in policy work and with direct projects to combat the drug problem among young people.

In Colombia, the cultivation of coca, the concentration of land ownership, and the increasing poverty in rural areas constitute the core of the long-term conflict in the country. Contributing to solutions of the problems in rural areas is therefore of fundamental importance for a peaceful solution to the conflict in the country. One of Sida's overall goals has been to support programmes that can contribute to broad consensus on a national agricultural policy by strengthening farmers' organisations and making alternatives to the cultivation of illegal crops possible. The implementing organisation has the confidence of farmers' organisations and other base organisations in the region in question and has been successful in strengthening these organisations and uniting them in support of the national agricultural policy and to work for alternatives to the cultivation of coca. In 2006, Sida provided support to UNDP for a rural development programme in Colombia that focuses on alternative development and on finding strategies to handle the financial and political consequences of the cultivation of coca.

Programme support including general budget support and public financial management

1. Sida shall submit a report on the work it has done on its methods to increase programme support. Sida shall also submit a report on its

methods related to general budget support and its experience of this form of support, guided by OECD/DAC's international evaluation of budget support.

Methods work associated with programme support

Sida's experience is that the transition from projects to programmes in development cooperation affects all parts of the internal decision-making and preparation processes. To facilitate an increase in the proportion of

development cooperation that consists of different forms of programme support, Sida is working to adapt guidelines, the legal framework, working methods and human resource development to the Paris Declaration. Sida's special programme to enhance expertise and engagement in respect of the partner countries' public financial management is part of this work.

A reference group was formed in 2006 to facilitate the coordination of Sida's policy and methods work and to promote the exchange of experience. In 2006, Sida started to create clearer definitions of different forms of programme support. Furthermore, a support function has been created for the preparation and assessment of sector programme support in the health and education sectors. Its task is to give concrete support to the field and to analyse experience gained as a basis for Sida's methods work and human resource development activities. A similar but less extensive project has taken place in respect of sector programme support in the field of natural resources. Furthermore, Sida has implemented a number of projects to enhance the expertise of its staff, including human resource development activities for Sida's project committee.

In the work of producing cooperation strategies, Sida has put the focus on possibilities to go over to budget support. One example of this is the cooperation strategy for Tanzania, which states that general budget support should be the normal financing method. Other financing mechanisms should only be used during a transition period for support to non-government organisations or for special reasons when project financing is more suitable.

In 2006, Sida approved principles, a guide and an agreement template for delegated cooperation within the framework of Nordic Plus cooperation, in which the Nordic countries, the Netherlands, Ireland and Great Britain participate. Delegated cooperation (when one donor acts on behalf of another donor) offers a way for Sida to increase programme support in countries where Sweden has a small presence or no presence at all. An analysis shows that the differences that exist among the donors in Nordic Plus do not constitute a great obstacle to make more use of delegated cooperation in the future.

During the year, Sida started methods work on general budget support for poverty reduction. Within the framework of this work, there has been a need to determine how Sida should work with this form of support. Sida has therefore produced an administrative procedure for general budget support, which specifies Sida's internal division of roles and decision-making processes and provides guidance for the preparation and follow-up of this form of support.

Sida has strengthened its capacity for budget support and public financial management by creating new posts for advisers in Sida's regional and sector departments.

The volume of programme support

Programme support in the form of sector programme support and general budget support for poverty reduction shows an upward trend, both in absolute numbers and as

a proportion of bilateral development cooperation. The proportion of programme support increased from 8.5 per cent in 2001 to 13.6 per cent in 2006. It is primarily the proportion of sector programme support in bilateral development cooperation that has increased—from 4.4 per cent in 2001 to 8.1 per cent in 2006. In 2000, disbursements were made to 12 programme support processes. This had increased to 35 programme support processes in 2006. The proportion of general budget support has also increased but to a lesser extent—from 4.1 per cent in 2001 to 5.5 per cent in 2006.

Programme support increased substantially in 2006, from SEK 1.6 billion in 2005 to SEK 2.1 billion in 2006. This means that programme support, as a proportion of bilateral development cooperation, increased from 11.4 per cent to 13.6 per cent. The increase in sector programme support was particularly pronounced.

The geographical variations are considerable. Programme support comprises 34 per cent of the operational area Africa, while the corresponding figure for Latin America is 20 per cent and for Asia it is 12 per cent.

Experience of the form of support

It is best to assess the outcome and experience gained of budget support together with other donors. In May 2006, an extensive international evaluation of general budget support was presented. It had been made on the initiative of OECD/DAC. 25 donor organisations and 7 partner countries participated and Sida was one of the financiers. Sida gives budget support to five of the seven countries that were evaluated and the conclusions are therefore highly relevant for Sida.

The main conclusion of the evaluation is that budget support is a relevant and effective form of support for the implementation of the partner countries' poverty reduction strategies and that budget support cooperation has been improved. Budget support has contributed to a greater degree of harmonisation among the donors and a greater degree of alignment to partner country strategies and processes. Budget support has also meant that considerable resources have been added to the government budget in the countries studied, which has led to a clear increase in priority expenditure linked to the countries' poverty reduction strategies and improved access to basic social services. Furthermore, the evaluation draws the conclusion that budget support has led to greater effectiveness in the allocation of funds in government budgets, a considerably strengthened budget process in the countries, and that budget support has contributed to strengthening the countries' systems for public financial management. It has also had positive effects on other forms of support.

The evaluation states that the so-called transaction costs of budget support in the form of the administration, time and capacity of the partner countries used for negotiations and the follow-up of results are often considered to be high by the partner countries, above all in the initial phase.

However, implementation saves a great deal of capacity since budget support is handled within the framework of the countries' ordinary systems for disbursements, procurements and accounting. In Sida's experience, budget support can make demands on time and capacity when cooperation is being developed, but that the gains from harmonisation and alignment are considerable. It is also important that the follow-up of budget support is integrated into the partner country planning and monitoring systems. Great progress has been achieved in recent years where donor coordination and harmonisation of budget support is concerned, and Sida has participated actively in this work.

The budget support evaluation states that a lack of predictability in disbursements of budget support has been a problem but that measures have been taken to improve predictability within the joint framework for budget support in the partner countries. Sida's authority to enter into agreements on budget support has been limited by the period of validity of the cooperation or regional strategy, which in some cases has limited the possibilities available to Sida to make undertakings on budget support towards the end of the strategy period.

The evaluation contains a number of recommendations which refer, among other things, to the design of budget support cooperation, analyses and risk management. Sida has started to prepare standpoints to the evaluation's recommendations in order to produce an action plan. Sida's overall assessment is that its work with budget support is well in line with most of the recommendations in the evaluation.

2. Sida shall also submit a report on its methods work in the field of public financial management, as well as its experience and the results of its contributions, particularly for the countries for which programme support is ongoing or being planned.

Through its support function for public financial management, Sida has continued to implement a special programme designed to enhance Sida's capacity and level of activity in this field.

Advisory services and consulting support have been offered to departments and embassies in accordance with the work plan. A procurement of a new framework agreement has been made for the field, which gives Sida access to expertise from five leading firms of consultants. In 2006, Sida also strengthened its own resources in public financial management by creating two new posts, in addition to the 2.5 posts assigned to the regional departments.

An evaluation has been made of Sida's support function for public financial management (PFM). It is overwhelmingly positive to the work done by the function and shows that capacity and activities have been strengthened. Nonetheless, the evaluation considers that more needs to be done in this field and recommends an increase in resources for programme support and PFM. Above all, the evaluation emphasises the need of resources for in-depth advisory services.

Sida's work on producing a handbook on public financial management continued in 2006. The handbook will provide practical guidance for analysis of state budgets, assessments of systems, reforms of systems and risk management.

Training in PFM has continued. For example, 44 members of staff participated in a one-day seminar on the new Public Expenditure and Financial Accountability (PEFA) instrument for the assessment of PFM. Sida has also contributed directly to the completion of PEFA assessments in Kenya and Moldova and initiated one in Mali.

In 2006, Sida also approved extensive support to, among others, Kenya and Mozambique, to strengthen their PFM systems. Sida closely follows developments in PFM in all countries that receive budget support, either through direct support for reforms or via well-defined monitoring mechanisms. One example is Zambia. There, budget support is directly linked to indicators for budget implementation and the country receives capacity development support for PFM reform. The follow-up of budget support made in 2006 showed very good results—primary education and health care at district level are now receiving considerably more resources and, at the same time, reports have improved.

Migration and development

Sida shall submit a report on the measures it has taken to ensure that it has a broad approach to the relationship between migration and development in development cooperation. In addition to humanitarian contributions, an approach of this type also includes labour force migration as well as issues such as the consequences of migration in countries of origin, combating trafficking in human beings and, in the work for creating productive employment opportunities and work-

related rights, observing whether there is extensive migration in countries or sectors. Special importance shall be attached to ways in which a broad approach can be reflected in the cooperation strategy process.

Migration is related to a large number of aspects in Sida's main mission of making it possible for poor people to improve their living conditions. The point of departure in poverty reduction and a rights perspective is of central importance in Sida's work with migration. Sida's work with migration and development is thus broad and contributions

in this field can be found in most of Sida's departments and in a large number of sectors.

Sida supports humanitarian contributions in connection with migration through the work done by the United Nations High Commissioner for Refugees (UNHCR) of ensuring asylum for those individuals fleeing from political persecution in so-called mixed migration flows. This means that there are both persons who are seeking protection from persecution and persons who are migrating for socio-economic reasons. In Zimbabwe, Sida gives support to the IOM for migration-related projects for internally displaced persons, returning refugees, and vulnerable groups in the towns and large villages. In Colombia, IOM also continued to receive support in 2006 to prevent internal displacement by working actively to maintain the land rights of vulnerable groups.

Migration has consequences for development in countries of origin and Sida has therefore provided support for mechanisms for retaining personnel. The contributions have been integrated into Sida's budget support to Zambia. During the year, Sida also contributed to the Multilateral Investment Fund/International Fund for Agricultural Development (MIF/IFAD) to strengthen financial systems to facilitate safe money transactions for migrants from Central America.

In 2006, Sida continued to support a number of contributions that were approved in 2005 with links to migration and combating trafficking in humans, particularly in south-east Europe, Russia and Central Asia.

Sida acts in a number of ways to make it possible for individuals to have productive employment in their home countries.

All the methods used by Sida have links to migration and development. For example, Sida supports several projects in the Palestinian areas with employment creation as the primary goal. Sweden has also supported the production of a Palestinian strategy for employment creation projects. Sida also supports the work done by the Quakers (AFSC) in the Middle East to create employment. In Colombia, Sida is financing UNDP's partnership for peace. Employment creation measures are a component in this partnership.

The informal sector is important for the possibilities available to people to make a living and has clear links to migration. Sida promotes knowledge of the situation of women in the informal sector in low-income countries through, for example, support to a global network working with knowledge and policy development: Women in Informal Employment: Globalizing and Organizing (WIEGO).

Long-term employment creation measures linked to migration can, for example, be a case of developing an

effective employment office system such as the one Sida contributes to in Sri Lanka.

In 2006, in the research field, Sida established a special invitation area for research with a focus on:

- migration and integration
- economic migration and financial remittances
- migration and gender
- refugee migration
- migration and health
- migration and the environment

Through IOM, Sida has supported projects in Central Asia that are intended to strengthen the human rights of migrant workers by providing information to government authorities on the rights of migrants.

The conditions of migrant workers are also included in the support given for trade union organisation through the LO/TCO International Council of Trade Union Cooperation. One example is a project that organises migrant workers in the agricultural sector in Central Asia and the Caucasus. The aim is to shape opinion in favour of the interests of the migrant workers and to strengthen trade union organisation of these workers.

During the year, Sida made an effort to develop an analytical method that gives consideration to the contributions made by emigrated workers to the economy of their countries of origin.

The cooperation strategies are of central importance for assessing and analysing, at the strategic level, the degree to which migration affects development potential in a country or region. Migration has been integrated to an increasing extent into the analyses made in Sida's cooperation strategy processes.

Prior to the production of a new cooperation strategy for Albania, an integrated economic analysis was made in which the migration of the labour force abroad constituted a central part. This study is also an example of ways in which migration can be integrated in accordance with the overall approach that was developed at Sida for integrated economic analysis (see above).

Within the framework of the cooperation strategy process for Moldova, Sida produced a special in-depth study on migration.

In Sida's proposed cooperation strategy for Bangladesh, special emphasis is made of obtaining greater consensus on migration and development cooperation within the EU, for example by increasing the development effects of the funds that Bangladeshis working abroad send home.

In Sida's proposed cooperation strategies for Cambodia, Somalia and Belarus, prominence has been given to migration-related issues linked to trafficking in humans.

Trade-related support

Sida shall submit a report on its support for capacity development in the trade-related field in accordance with the Government's guidelines for Swedish trade-related support.

Sida's trade-related support

Sida's trade-related support has the objective of strengthening the trade policy capacity of the developing countries and of enhancing their capacity to participate in international trade. It is also important that trade issues are treated as an integral component of the development and poverty reduction agenda. In 2006, Sida continued its work, together with multilateral organisations, bilateral donors and the least developed countries, on restructuring and making effective the Integrated Framework for Trade-Related Technical Assistance to the Least-Developed Countries (IF). IF supports the least developed countries in integrating trade into their national development plans and coordinates trade-related support.

In the spring of 2006, Sweden was the international donor coordinator in IF. Sida provided active support to the Swedish delegation in Geneva in this work. During the autumn, Sida was the driving force when Sweden played an active role in the work of producing recommendations for ways in which the restructuring should be implemented in practice. Sida also prepared a major programme of support to IF's activities, which was disbursed as Sweden's grant to IF in 2006. At the national level, Sweden also had the role of donor coordinator for the IF process in Tanzania, a responsibility which was discharged by Sida staff.

Rules for trade in food are particularly important for many developing countries. Sida therefore contributes to a fund that is administered by the WHO and FAO. The goal of the fund is to support the participation of developing countries in the Codex Alimentarius Commission (CAC). CAC produces standards for food which are used as a basis for national legislation in the WHO's member states. The work proceeded according to plan in 2006. Together with other donors and the multilateral organisations working in the field of sanitary and phytosanitary measures, Sida contributed to the activities of the Standard and Trade Development Facility and development of programme support.

Sida has also been active in the development of the Aid for Trade initiative, which has the aim of improving the possibilities available to developing countries of taking advantage of the potential offered by the international trade rules and thereby promoting their integration into the world economy. The Ministry for Foreign Affairs has led the Swedish work with Aid for Trade and Sweden's ambassador at the WHO has been the chairperson of the international working group that produced recommendations for the content and forms of work for this initiative. Sida's role in different stages of the process has been to contribute the development perspective.

Support to increase the participation of poor countries in international negotiations

To ensure that internationally agreed trade rules benefit developing countries, it is necessary that the countries themselves actively participate in the production of these rules. Participation of this type makes it necessary for the countries to have the capacity to analyse their own situation and the effects of the proposed rules. Sida contributes to the development of this capacity at several different levels within the framework of multilateral, regional and bilateral development cooperation. Every year, Sida's international training programmes offer training that is directly related to trade negotiations, for example "Negotiating Trade Agreements, Principles and Practices". In the EU, negotiations are taking place between the EU and the ACP countries (77 countries in Africa, the Caribbean and the Pacific Ocean) on the economic partnership agreements. The ACP countries have completed the phase of regional coordination and have started material negotiations. Sida is following developments and intends to provide support for capacity development activities when they become necessary. Another example is the support given for the establishment of an African trade policy institute in Arusha, the Trade Policy Training Centre in Africa (TPTCA). The institute was officially opened in December and is being run in close cooperation between the Eastern and Southern African Management Institute (ESAMI) and the Department for Economics at Lund University. In addition to teaching in the form of seminars, short courses and a masters programme, TPTCA will also be a centre for trade policy issues for the least developed countries.

Sida has also provided support to other organisations whose work has the aim of enhancing the capacity of developing countries to formulate and present their negotiation positions in different trade fields, for example by producing analytical material. Some examples of organisations of this type are Trade Law Centre for Southern Africa (TRALAC), which supports countries in southern and eastern Africa; the International Institute for Sustainable Development (IISD), which concentrates, among other things, on subsidies that distort trade and the environment; and the International Centre for Trade and Sustainable Development (ICTSD).

It is also important that support provided to enhance the negotiating capacity of poor countries is linked to the supply side of the economy. Sida has therefore continued to support the International Trade Center (ITC), which is subordinate to the WHO, and the UN Conference for Trade and Development (UNCTAD). Part of ITC's activities have the aim of enhancing the knowledge of small and medium-size enterprises of international trade rules and of increasing the participation of enterprises in the formulation of these rules. During the year, Sida approved a new, three-year, untied and extended programme of support for ITC, which Sida intends to follow closely. In Tanzania, Sida has given support to the Business Environment Strengthening Programme (BEST), one of whose aims is to

improve the regulations relating to business, for example import and export procedures. The programme is making satisfactory progress. During the year, reforms related to the registration of companies, land issues and labour legislation were started.

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 provided support to the work being done by the UN Economic Commission for Europe (UNECE) on the development of a guide for the implementation of trade procedure reforms. Sida is also financing a project that has the aim of enhancing knowledge in customs agencies in southern and eastern Africa, for example on international conventions in the customs field. The project is being implemented by a regional centre for capacity development, which was recently established within the framework of the World

Customs Organisation (WCO). Sida has also produced a study of Automated Systems for Customs Data Administration (AYCUDA), the electronic customs system used by most developing countries. The aim has been to investigate the possibility of increasing Sida's support to UNCTAD's work with the system.

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.

In 2006, Sida continued to provide support to South Centre, an intergovernmental organisation for developing countries. South Centre works mainly on increasing trade policy expertise in the General Agreement on Tariffs and Trade (GATT), on providing support for the production of proposals, and on promoting cooperation between countries. In South Centre's premises in Geneva, delegates from the least developed countries can obtain access to expert support, office workplaces, a library and meeting rooms.

Social and environmental responsibilities of enterprises

Sida shall submit a report on the concrete measures it has taken to stimulate the social and environmental responsibilities of enterprises with a focus on working conditions linked to poverty reduction. Sida shall also report on ways in which guidelines for the social and environmental responsibilities of enterprises are reflected in its procurement regulations.

Sida has financed contributions that either have a direct focus on the social and environmental responsibilities of enterprises or support these matters indirectly in projects with other main aims. In addition to these contributions, Sida has conducted an active dialogue on the subject with different international organisations such as donor organisations, and has established contact with other Swedish organisations, for example the Swedish Partnership for Global Responsibility.

The work on the social and environmental responsibilities of enterprises, which is linked to working conditions and thus also has an effect on poverty reduction, was implemented to a great extent with LO/TCO International Council of Trade Union Cooperation in 2006. This is a long-term process. One of the most important activities that Sida financed in 2006 was the work done by a network, the Clean Clothes Campaign, to improve working condi-

tions in the shoe and garment industry. The programme has had three main activities: information work vis-à-vis consumers; advocacy work vis-à-vis companies; and solidarity work with the workers in the production countries. The activities have had an impact through the media and a large response from consumers and led to a dialogue between the Clean Clothes Campaign and companies in 2006. In addition, Sida has financed a labour legislation project in Russia and Latin America. The long-term goal of the project has been that national labour legislation should be harmonised with international legislation and standards. The project goals have also been that the trade union organisations should enhance their knowledge of ways in which they can pursue concrete legal cases and matters referring to legislation with the help of international labour legislation, and an extended and enhanced social dialogue. In Latin America, Sida has also financed a trade union development project which organises employees in, for example, food unions, farm workers unions and hotel and restaurant workers unions. The long-term goals of the project have been to achieve greater equality between women and men in the trade unions, to reduce the number of work-related injuries through the training of trade union coordinators, and to form support groups. Since more women have participated in the project, light has been shed on the problem of strain injuries that specifically affect the occupations dominated by women.

The social and environmental responsibilities of enterprises have also been treated as a cross-cutting issue in Sida's projects. Among other things, Sida has continued to support the Foreign Investment Advisory Service, which contributes to the work done by companies in respect of their social responsibility by providing advisory services. In addition, Sida has supported the development of company management in state-owned companies in Africa. This support has focused on combating corruption in the private sector. The social and environmental responsibilities of enterprises have also been incorporated as a special theme in Sida-financed projects directed towards different stakeholders in the private sector. For example, the Labour Market Dialogue project, which is a programme between the parties on the labour market in Sweden and has the aim of offering Swedish know-how for the development of the labour market function in other countries, has produced theme programmes for HIV/Aids and the social and environmental responsibilities of enterprises.

In addition, the subject area has been in focus in education and training programmes directed towards managing directors and board members of medium-size enterprises in Africa and Latin America. In 2006, Sida's International Training Programmes offered training in the social and environmental responsibilities of enterprises as a component in business development.

In its own procurement regulations, Sida also has principles for the social and environmental responsibilities of enterprises. Sida's regulations contain provisions that procurements financed wholly or partly by Sida shall meet demands in respect of environmentally sustainable development. In addition, Sida's regulations state that fundamental human rights, as defined in ILO's core conventions, should be taken into consideration. The principles relating to the social and environmental responsibilities of enterprises in procurements apply to both procurements made by Sida and by Sida's partners in cooperation.

Guarantees

For each type of guarantee Sida shall report the guarantee undertaking in accordance with the recommendations contained in the report of the Swedish National Debt Office on cost and risk reports for government agencies.

Independent guarantees

The Government has authorised Sida to work with independent guarantees on a trial basis. The trial period started on March 11, 1999 and will run, after being extended, to January 31, 2008. The budget for guarantees 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 reasonable risk-taking, which would not have otherwise been available for projects given priority from the development policy perspective.

Sida's commitments in respect of separate guarantees amounted to SEK 153.8 million as at December 31, 2006. 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 the AIG-African Infrastructure Fund for the financing of infrastructure investments in Africa
- a guarantee of SEK 82.9 million (USD 12 million) in respect of rehabilitation of the port in Maputo to facilitate Mozambique's foreign trade
- a currency risk guarantee of SEK 0.9 million to Swedish Export Credit in respect of a transmission

investment in Namibia to improve the supply of electricity in Namibia.

A risk valuation of the commitments shows a loss risk of SEK 28.2 million, which is within Sida's reserve. In 2004, the corresponding figure was SEK 68 million. The reduction in the loss risk mainly reflects a smaller 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, the Export Credits Guarantee Board (EKN) had outstanding commitments and guarantees on behalf of Sida in 26 countries. The largest engagements were in Sri Lanka and China, of SEK 780.3 million and SEK 409.7 million respectively, followed by Vietnam with SEK 219 million.

Sida's total engagement in respect of commitments and guarantees has shown a declining trend over several years. The reduction, which was very strong during the first years of the 2000s, has weakened and, in comparison with 2005, the commitments were largely unchanged at SEK 2.1 billion. Two new commitments were made in 2006, amounting to SEK 580 million.

In 2006, Sida disbursed approximately SEK 53 million in compensation for damages to Swedish exporters and creditors, which is a decrease compared to 2005 (SEK 67 million). The compensation for damages is largely due to the continuation of the negative developments in

Zimbabwe and the large payments relating to Pakistan in accordance with the Paris Club agreement.

As in previous years, Algeria dominated in respect of recoveries. Algeria's claim has been paid in its entirety with the effect that recoveries for 2006 were almost ten times as much as in 2005. They amounted to SEK 448 million of which Algeria accounts for SEK 235 million. Other recoveries come from Angola and Pakistan and are compensation for earlier write-offs within the framework of the debt write-off initiative.

Sida's concessionary credits increased from an outcome of SEK 104 million in 2005 to an outcome of SEK 168 million in 2006.

On December 31, 2006, Sida's outstanding claims amounted to SEK 640 million, which is lower than in 2005. This is largely explained by Algeria's repayment. When consideration is given to expected losses, caused for example by debt write-off, the claims are valued at SEK 166 million, or 26 per cent. The concentration of Sida's claims in a small number of countries is reflected in a special provision. This risk concentration reserve is estimated at SEK 48 million and therefore the total value of the claims is estimated to amount to SEK 118 million, or slightly more than 18 per cent.

This is, in principle, unchanged in comparison with 2005. The contingency reserve in respect of the risk of expected losses was estimated at SEK 182 million and the reserve for risk concentration at SEK 201 million. All in all,

this led to a contingency reserve for the risk in Sida's guarantee commitments amounting to SEK 383 million or 19 per cent. The contingency reserve in respect of unexpected losses has increased substantially. In 2005, the corresponding reserve was SEK 100 million. The increase is explained by the strong concentration in the engagement in Sri Lanka.

Agency capital, i.e. assets minus liabilities and risk provisions, increased from SEK 694.3 million to SEK 862.3 million. Sida's conclusion is that the present level of the contingency reserve well covers the estimated risk level.

Table 23. Concessionary credit guarantees, SEK million

Issued during the year	2004	2005	2006
Guarantee commitments	71	174	685
Guarantees	68	68	130
Outstanding at the end of the year			
Commitments	492	566	972
Guarantees	1 842	1 617	1 133

Cooperation with Swedish industry and the trade union movement

Sida shall submit a report on measures it has taken to take advantage of the knowledge skills and experience possessed by Swedish industry and the Swedish trade union movement and describe the cooperation that is taking place in this field today.

Cooperation with Swedish industry

The concept of Swedish industry is very broad and is covered by a number of different activities and instruments at Sida. Below Sida presents some of the activities and instruments that it worked with in 2006.

Dialogue

The Swedish Trade Council—environmental technology. A reference group met four times to discuss how the Swedish Trade Council, the Ministry for Foreign Affairs, Sida and Swedish industry can cooperate on issues concerning environmental technology and exports.

The special environmental technology programme. Consultations between Sida (Department for Infrastructure and Economic Cooperation, INEC), the Ministry for Foreign Affairs (Project Export Secretariat), and the Swedish Environmental Technology Council (SWENTEC).

Dialogue with consultants. A number of meetings were held with Swedish Consultants (an interest organisation for Swedish consultants) to discuss matters of common concern and problems.

Dialogue with Swedish project exporters. Two meetings were held with Swedish Project Export (SPE).

Training of consultants. Sida has offered basic training, for example courses in poverty issues, gender equality and the Logical Framework Approach (LFA) to consultants who have Sida-financed contracts, or are expected to receive one in the near future.

Instruments

Sida's International Training Programmes (ITP) engage mostly Swedish firms to implement training programmes for the partner countries. In 2005, disbursements made in respect of these programmes amounted to more than SEK 89

million and, in 2006, the figure increased to more than SEK 1 548 million.

Contract-financed technical cooperation. This form of cooperation concerns cooperation between Swedish organisations, principally from Swedish industry, and organisations in some 25 partner countries. In 2006, disbursements amounted to SEK 129 million of which SEK 92 million referred to projects implemented by Swedish industry.

Environmental investment programmes in Central and Eastern Europe. The extensive support given by Sida over the years to the Action Programme for the Baltic Sea for projects in the fields of water and wastewater, district heating and solid waste management—with a great degree of participation by Swedish companies—has focused in recent years on projects in north-west Russia, including St Petersburg.

The work is being coordinated by the Northern Dimension in Environmental Partnership, an international programme of cooperation in which Sida is one of the most important bilateral donors together with the European Bank of Reconstruction and Development (EBRD) and the Nordic Investment Bank (NIB).

The Start Programmes. Start-East and Start-South refer to the transfer of know-how from Swedish companies to companies in recipient countries—and the reverse i.e. from companies in recipient countries to Swedish companies. The Swedish company should be a small or medium-size company with no more than 250 employees. Sida's support for the projects, which is a loan that can be written off of no more than SEK 750 000, may not constitute more than 40 per cent of the total cost of the project. For the period 2005–2006, the budget for the programme amounted to SEK 38 million for Start-East and SEK 44.7 million for Start-South.

Baltic Sea Unit. The unit has financed a number of training programmes and activities for creating contacts involving, above all small-scale industry. The work includes exhibitions, seminars and feasibility studies. In the Forum Lithuania project, a seminar was held in 2006 to discuss Swedish, Lithuanian and Russian views of management and business development.

Projects and programmes

Trade promotion for developing countries. With support from Sida, the Swedish Association of Chambers of Commerce and Industry is implementing a programme during the period 2005–2007. The goal is to promote trade with developing countries through information and training activities and specific projects.

International Council of Swedish Industry (NIR). With support from Sida, the International Council of Swedish Industry is implementing a number of projects in industrial development and trade and is creating platforms for dialogue and for the development of trade and industry in Asia and Africa.

Innovation and entrepreneurship in Ukraine. In a programme of cooperation between Mälardalen University, the Ideas Laboratory and Munktells Science Park, Business Development

Centres have been established at two universities in Ukraine with the objective of contributing to a change in attitude towards innovation and entrepreneurship.

New Managers for Ukraine. The Norden Association is implementing a three-year programme that offers skills development for young managers in Ukraine and contacts between companies in Ukraine and Sweden.

Efficient Securities Markets Institutional Development (ESMID). A programme of cooperation has been started between Sida, the Swedish OMX group and the International Finance Corporation (IFC) to develop local capital markets in Africa. The programme is for the period 2006–2008 and amounts to SEK 40 million. In 2006, SEK 20 million was disbursed.

Aid and industry in cooperation

The studies made on development cooperation and Swedish industry in collaboration—dialogue, arenas and instruments and changes in methods, which were finalised at the beginning of 2006, established that Swedish support has changed and this had had the effect that the links between Swedish industry and Swedish development cooperation had been weakened.

A greater focus on untangling, general forms of support, an increase in the proportion of support to social sectors, and fewer projects in combination with concentration have had the effect that the scope for contributions in which Swedish industry could participate has diminished.

The studies give prominence to a number of important issues on which Sida should adopt standpoints. Sida intends to present an approach for collaboration with Swedish industry, and to specify concrete measures to strengthen forms for collaboration.

A new division for broader cooperation has been established at INEC. The division, which, among other things, incorporates the former divisions for International Training Programmes and Contract-Financed Technical Cooperation, will develop new forms of collaboration with Swedish organisations, including Swedish industry.

Interaction with other government agencies and Swedish industry

One important element in Sida's collaboration with government agencies is to work actively to ensure that the agencies cooperate closely with Swedish industry and supplement their own expertise and capacity in fields in an assignment where they do not possess requisite know-how.

Cooperation with the Swedish trade union movement

Sida has considerable experience of providing support to the LO/TCO Council of International Trade Union Cooperation, which is one of Sida's frame organisations. The Council has the responsibility of running programmes of development cooperation via the central trade unions and their member organisations. The programmes of cooperation have the aim of developing strong, independent and democratic trade unions in Africa, Asia, Southern Europe,

Latin America and Central and Eastern Europe. Its rules give special emphasis to the gender equality perspective. In 2006, of 169 projects in the South, 60 were pursued bilaterally and more than 100 multilaterally. Some examples are given below.

Tripartite programmes are being increasingly requested in Africa, for example in South Africa, Malawi, Lesotho, Nigeria, Algeria, Kenya and Namibia. It is interesting to note that both trade unions and employers initiate and run tripartite programmes. The LO/TCO Council of International Trade Union Cooperation has only one project in Africa (apart from the Labour Market Dialogue project) that is based on tripartite cooperation. It is the project run by the Swedish Union of Local Government Officers and the International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association for regional safety representatives in which a South African variant of the Swedish model is being developed for regional safety officers.

A project in Namibia with Union Network International (UNI) has had the objective of developing a strong and robust union for the finance sector. One positive result of the project is that company management now accept the union and it can even be of assistance in solving labour market conflicts.

Another project in Namibia, together with the Swedish Union of Local Government Officers, has primarily concerned the development of a strong union for farm workers. The project has had an unexpected impact in that the trade union, the Namibian Farm Workers Union (NAFWU), is now accepted by the employers' organisation

and the authorities. A tripartite forum (Namibia Agriculture Labour Forum, NALF) has been formed together with the two employers' organisations. Among other things, NALF has successfully negotiated a minimum wage agreement for all farm workers. The agreement represents a considerable improvement in standards for Namibia's farm workers.

The LO/TCO Council of International Trade Union Cooperation's project with the International Confederation of Free Trade Unions (ICFTU) in the Arab world has involved the following countries: Bahrain, Lebanon, Egypt, Kuwait and Mauritania. The project has contributed to promoting the role of the central organisations and has provided know-how for them in issues such as social partnership, tripartite cooperation and relations on the labour market.

Sida makes a separate report on its cooperation with and support to NGOs. Under the section on NGOs there is more information on support to the LO/TCO Council of International Trade Union Cooperation.

The Labour Market Dialogue (LMD) programme is a programme between the parties on the labour market in Sweden that has the aim of offering Swedish experience and Swedish know-how for the development of the labour market function in selected countries.

In the first phase, from July 1, 2004 to June 30, 2006, country programmes were produced in four countries: Algeria, Kenya, Nigeria and Uganda. In addition to this, theme programmes were produced for HIV/Aids and the social responsibilities of companies. There is more on LMD in the section on employment and the labour market.

Terrorism

Today, there is no generally accepted relationship between poverty and terrorism. There is a need to acquire more knowledge of the relationships between development, radicalisation, and recruitment to terrorism. More knowledge is also required about the possibilities to counteract radicalisation processes through preventive inputs. Development cooperation, within the framework of the overall goal of development cooperation, particularly in vulnerable states, can contribute to counteracting the emergence or existence of terrorism.

Sida defines terrorism on the basis of the UN's anti-terrorism strategy and the EU's decision on combating terrorism. Sida participated in the development of OECD/DAC's guidelines: A Development Cooperation Lens on Terrorism Prevention, which provides a further reference for Sida's approach to the possibilities available to development cooperation to counteract terrorism. Sida

treats terrorism as part of an extended security concept based on "human security".

In Sida's opinion, an in-depth analysis is needed to identify the possibilities and constraints of development cooperation in direct and indirect contributions against terrorism. Development cooperation's methods do not distinguish between mobilisation for terrorism and mobilisation for armed conflicts. It is therefore difficult to work specifically with the existence of terrorism with the tools available to development cooperation, and the subject is treated as part of conflict prevention and peace-building activities.

In 2005/2006, Sida participated in an initiative led by the Foreign Ministry of Denmark: "Countering Radicalisation through Development Assistance", which had the aim of developing analytical tools in this field. This work sheds light on the overall relationship between development and terrorism and identifies an indirect role for development cooperation to counteract processes of radicalisation and terrorism.

Sida's position is that targeted development cooperation contributions to counteract terrorism should primarily be developed on the basis of needs identified by the partner countries. Contributions should also be analysed from a proportional perspective which illustrates the effects possible terrorist actions would have on the possibilities available to poor people for development.

Sida's direct work to counteract terrorism is limited. There have been no assignments and no guiding policy for direct activities through development cooperation and therefore Sida has dealt with the issues within the framework of conflict management and security, as expressed in Sweden's policy for global development.

Sida's policy "Peace and Security through Development Cooperation" constitutes the foundation of Sida's conflict-related activities. It identifies three categories for support to peace and security:

- promotion of dialogue
- promotion of security
- structural stability

The policy does not give an explicit description of an approach to terrorism but, within these categories, there are contributions that work actively to reduce the risk of terrorism, recruitment to terrorism and radicalisation.

The role of development cooperation to counteract the emergence of terrorism is related to the overall goal of poverty reduction. The operational areas that should be given special attention are contributions with the main goal or sub-goal of promoting peace and security and developing and strengthening of rule of law, supporting democracy, and increasing employment. One example of this is Sida's support to Kenya's reform of its legal system which, despite the non-existence of explicit goals related to terrorism, indirectly gives attention to, and deals with, problems such as corruption and inefficiency in the legal sector.

In the work of counteracting the existence of terrorism, development cooperation has the possibility of supporting the implementation by partner countries of international undertakings, for example the UN's anti-terrorism strategy. Sida's support to the legal sector and its work to make police authorities effective as well as to reform the security sector can be regarded as part of this work.

Sida's work is carried out in many countries that are affected by armed conflicts, in fragile states and in countries permeated by a lack of security, where there is also a relationship to potential acts of terrorism.

In fragile states, support for the rule of law and good governance is essential for the development, in the long term, of stable peace that can also contribute to counteracting terrorism. Sida has participated in OECD/DAC's work of producing principles for development cooperation in fragile states. These principles underline the importance of long-term support for building up the state.

Contributions intended to support peaceful transition from armed conflicts can reduce the risk of acts of terrorism. In peace and reconciliation processes, Sida works with strengthening civil society and drawing attention to the situation of marginalised groups and minorities with the aim of counteracting future radicalisation processes. In crises, contributions for education and job creation in, for example, refugee camps can also counteract recruitment to radically violent groups. Disarming and rehabilitating ex-combatants is an important component in peace processes. Ex-combatants can constitute a potential source of recruitment in radicalisation processes. Sida is therefore giving support to several re-integration processes, for example in southern Sudan.

Access to weapons can constitute a resource for acts of terrorism and Sida is working to counteract the spread of small and light weapons. In the Great Lakes region in Africa for example, work is being done to implement the work of African governments to reduce illegal trade in small and light weapons.

To enhance the knowledge and capacity of institutions in southern Africa, Sida is giving support to the Institute for Security Studies (ISS) in South Africa. Its activities include the Terrorism in Africa programme, policy work, and direct advisory services to institutions in different countries on ways in which they can work more effectively against terrorism and recruitment to terrorism.

Another example in which terrorism can be identified as a secondary goal is Sida's support to the Afghanistan Reconstruction Fund, in which the National Solidarity Programme has the explicit goal of supporting the government's long-term legitimacy and has an inclusive process at the local level in its implementation.

The implementation of programmes of development cooperation can be said to counteract the risk of terrorism to a certain extent. Processes with broad popular participation can strengthen a society's resistance to violent radical movements through a greater degree of insight and more participation in decision-making processes.

Promotion of investments

Sida shall submit a report on contributions that encourage developing countries to take measures that attract investments.

Promotion of investments—work on several fronts

Economic growth in the poorest countries is at a disadvantage at present due to the low level of investments. The developing countries have had problems in attracting foreign investors as a result of shortcomings in the investment climate. The possibilities of mobilising necessary investments on domestic markets have also been limited. Domestic savings and investments are often the most important factors for the promotion of economic growth.

Sida works with contributions that directly support investments and improve the investment climate, as well as with other forms of support for economic growth which contribute indirectly to investments. The contributions needed to attract investments are country-specific. It can be a case of everything from education and training, to combating corruption, to measures that aim more directly at increasing investments in the country. Sida would make the assessment that a large part of Sida's work has contributed to a better investment climate and thereby to the requisite conditions for new investments.

Investment climate

Global contributions for a better investment climate have focused partly on eliminating market obstacles for private stakeholders—not least the poor, and partly on improving the ability of these stakeholders to make full use of the opportunities. Increasing efforts have been made to facilitate investments and access to markets by local small businessmen, even if attention has also been given to big business and foreign businessmen. It has become increasingly important to strengthen the poverty focus in the analyses and the actions taken to improve the investment climate so that it favours the poor. Through the Integrated Economic Analysis (IEA) method, forms for the analysis of obstacles in the investment climate have been made available. IEA also puts the perspectives of the poor into focus when obstacles are analysed, and the labour market, employment and macroeconomic factors are integrated in the analysis of the investment climate. Several country studies were made in 2006, for example in connection with the country strategy work.

Individual contributions to improve the investment climate that Sida supported in 2006 include both global programmes and national contributions. Sida's support for global programmes has had the aim of planning and strengthening the actions taken by developing countries to attract investments. Support has included advisory services to governments in developing countries, particularly in Africa, on issues relating to investments, ways of attracting investments and keeping them in the country, and ways in which it is possible to maximise their poverty reduction effects. One example is the support given to Foreign

Investment Advisory Services (FIAS). National programmes have had the ambition to create clear rules for the domestic market in order to stimulate the economy and improve the opportunities for profitable investments. This has meant reducing costs for private sector stakeholders, particularly for the small and medium-size enterprises, through intensified application of the legislation, support for investment centres, and more specific rules and regulations. One example is the support given to Business Environment Strengthening in Tanzania (BEST).

Improved infrastructure

The New Partnership for Africa's Development (NEPAD) states in its programme that the lack of adequate infrastructure in Africa (the infrastructure gap) is one of the greatest obstacles to economic growth and to the possibility of attracting foreign investments. The work in Sida's infrastructure sectors has referred to both reform work and direct support to investments. The direct support to investments in new and necessary infrastructure has generally contributed to a better investment climate.

Access to electricity is very limited in many of Sida's partner countries. In Africa it is less than ten per cent. Lack of electricity and high prices for electricity are given in many countries to be one of the greatest obstacles to the establishment of businesses by the private sector. Extended access to electricity has been a priority goal in Sida's support to the energy sector. One special niche has been Sida's support to rural electrification in East Africa, where stimulating local industry has been an important objective. Support has been given as grants to investments as well as to reform work. One example is the so-called Rural Electrification Agencies and corresponding funds in, for example, Uganda, Zambia and Tanzania. The support stimulates private industry to become engaged in the energy sector.

An important model to increase the participation of private investors in infrastructure investments in developing countries is the so-called public-private partnership (PPP). Sida has provided global support amounting to some SEK 14 million to the Public Private Infrastructure Advisory Fund. The support is administered by the World Bank and the aim has been to stimulate and, on a bilateral basis, help countries to establish these partnerships. The work has focused on strategic advisory services to governments in developing countries for concrete projects, and general information and a bank of knowledge on successful projects. Concrete examples of contributions have been agreements for hydropower projects in Mozambique and a concession for the distribution of electricity in Uganda.

Direct contributions for the promotion of investments

At present, many developing countries are net exporters of savings since the domestic market is not considered to be sufficiently attractive or functional for investments. Sida has supported the development of financial markets in several partner countries. One example of Sida's work

to improve domestic capital markets is the Efficient Securities Markets Institutional Development (ESMID) programme. It is a programme of cooperation with the World Bank (IFC) and the Swedish OMX group to build up securities markets in sub-Saharan Africa. The amount of support provided to ESMID in 2006 was SEK 20 million. The focus of the support has been to strengthen domestic institutions and processes and to develop new financing instruments in order to take advantage of the investment potential that exists in the countries, and to mobilise resources to facilitate the great need of investments in the partner countries. By developing an effective local capital market, infrastructure projects can be financed by local funds instead of external funds. This opens up the prospect of more infrastructure projects which, in turn, attracts investors.

In addition to the domestic investments that are generated in poor countries, private foreign investments are

important for employment, the transfer of technology, development of knowledge and growth. Sida's long-term work in Mozambique is an example of support that has led to a strong increase in investments and economic activity. Sida's support to Mozambique has led to 500 new jobs; several foreign investors have made large-scale investments in the forest sector; and local stakeholders have made smaller investments that have stimulated the local market.

Sida has also supported cooperation between different local stakeholders from the private sector, the public sector and the university world with the aim of promoting investments, among other things. In 2006, Sida started a programme of support for cooperation between universities and industry on innovations in East Africa. In Uganda, Mozambique and Tanzania, innovation clusters in growth sectors have been identified. A majority of these have been assessed to have the potential to attract foreign direct investments.

The European Union

Sida shall submit a report to the Ministry for Foreign Affairs on its participation in expert groups and executive committees and make an assessment of the results of its participation, among other things in respect of the possibilities available to Sweden to obtain an impact for Swedish standpoints.

The EU's executive committee for Asia and Latin America (ALA) met seven times during the year with Sida's participation. The committee approved financing amounting to EUR 966 million, mostly for projects in Asia, EUR 735 million. A large proportion of the Asian budget has been used for the financing of country plans and projects in, for example, Afghanistan, EUR 208 million, and Iraq, EUR 194 million. Further reconstruction work after the tsunami totalling EUR 56 million and EUR 30 million for combating avian influenza has also been approved for financing. The Latin American share of the budget amounted to EUR 231 million with a focus on project and budget support to the countries in Central and South America in, among other things, the education and environment sectors. The committee has also taken up contributions to strengthen harmonisation ambitions within the framework of Mercosur and to develop institutional capacity in the region.

In the committee work and in informal contacts with like-minded countries, Sweden has consistently emphasised that a poverty focus should permeate the programmes of development cooperation. National ownership and donor harmonisation are other important matters that are always given prominence in the dialogue. Broader participation from Sida's field offices, both through presence in the

committee and through contributions to Sweden's instructions in the committee have contributed to enabling Sweden to exert an influence on other member states with the result that important proposals have been approved.

The EU committee for the Mediterranean region (MED) met six times during the year with Sida participation. These meetings have mainly approved annual financial plans for the countries in the region for a total amount of EUR 550 million. This amount includes a number of financing proposals for West Bank/Gaza amounting to EUR 130 million. During the year, Sweden continued to pay close attention to issues relating to respect for human rights, good governance, and ambitions for democratisation. Sweden's monitoring of aid effectiveness and outcome reports was intensified during the year with good results.

The EU committee for developing countries in Africa, the Caribbean and the Pacific Ocean area (EDF) met eleven times in 2006. The financing proposals taken up in the committee were of varying character: among other things budget support, support to infrastructure, and different project and programme proposals were approved. In addition, the committee processed mid-term evaluations of the regional strategies for Africa, the West Indies and the Pacific Ocean area. In 2006 the total annual undertakings amounted to EUR 3 400 million. The total disbursements amounted to EUR 2 750 million. The committee also approved contributions amounting to EUR 122.3 million for the South Africa committee.

The programme for EDF 10 started with regional seminars in the winter and spring of 2006. The EDF committee has been given regular information on the work and the member states have had the possibility to submit their

points of view. The criteria for the breakdown of the budget in EDF 10 are of high quality, but there is a certain anxiety that the member states do not receive sufficient insight into the funds allocated for good governance. Demands for concentration are great.

To sum up, the work in the ALA, MED and EDF committees has proceeded well and Sida has participated in all the committees' meetings. Sweden has given priority to submitting points of view on proposals for support in the countries that are our partner countries. The Swedish embassies almost always submit written comments prior to the committee meetings. Sida would make the assessment that Sweden enjoys considerable respect in the committees due to the quality of its comments, and has thus been able to exert a positive influence on decisions. However, Sida exerts the greatest influence on decisions when the matter in question can be identified early in the field.

In connection with the meetings of the ALA, MED and EDF committees in Brussels, Sida also participates in informal meetings. In this way, Sweden can gain a hearing among the member states for Swedish standpoints, and we can support them at the same time. This has strengthened Sweden's possibility of exerting an influence on decisions and, in Sida's opinion, this way of cooperating should be developed.

Sida participated as an expert to the Ministry for Foreign Affairs in most meetings of the executive committee for of the European initiative for democracy and human rights (EIDHR). The work programme for 2006 included four promotion campaigns: justice and the rule of law, human rights and culture, democratic processes and gender equality, and tolerance and peace. The cost of the work programme amounted to EUR 120.9. Sida would make the assessment that this committee is ineffective since controls are often made in arrears. Moreover, policy issues are neglected.

EIDHR's work has primarily resulted in a simplified application procedure for NGOs and parties in civil society. The committee has been criticised for its cumbersome bureaucracy and complicated administrative procedures which have made it difficult for NGOs to receive support. In the reorganisation that is now taking place, consideration is being given to this and the circle of recipients will be extended.

In 2006, EU's executive committee for humanitarian assistance (HAC) held six meetings and two informal meetings. During the year, Sida participated in four of the meetings and on one occasion gave Netherlands the task of representing Sweden. In 2006, Sweden has also represented Denmark and the Netherlands on a couple of occasions.

Together with other members in HAC, Sweden has succeeded in exerting an influence on the European Community Humanitarian Office (ECHO) in order that it should not reduce its support to UN agencies and thematic programmes.

The Committee for Community Assistance for Recon-

struction, Development and Stabilisation (CARDS) met four times in 2006. The Ministry for Foreign Affairs and Sida participated jointly after having prepared instructions with the aid of data from other sector ministries and the field. In addition, there were four board meetings of the European Agency for Reconstruction (EAR) for further discussions on CARDS issues. Together with France, Italy and Great Britain, Sweden has pursued the issue of how the phasing out of CARDS programmes is being handled in countries in which EAR is active (Kosovo, Macedonia, Serbia and Montenegro), which in practice means the phasing out of EAR in order to avoid delays and other problems in the implementation of programmes of support in 2007 and onwards. Better donor harmonisation is another matter pursued by Sweden in the committee work and in the field in the Western Balkans. The Commission has raised its level of ambition in respect of a dialogue between donors but, at the same time, it is a setback that the donor harmonisation meeting that Sweden and Great Britain persuaded the Commission to hold in 2006, was never held. Sida has implemented training programmes both in the field and in Stockholm and has been very active in the discussions on the formulation of the forthcoming Instrument for Pre-Accession (IPA Instrument).

In Central Asia, the EU is one participant among many in the donor group. EU's role in donor harmonisation is not so strong in the countries in Central Asia. No concrete issues have thus been pursued during the year. On the other hand, there are continuous and regular meetings in the EU circle in the field, in which Sweden participates actively through Sida.

In Russia, the level of ambition has been raised somewhat where harmonisation is concerned and the representatives of EU member states stationed there have established close contact with each other. Strategic issues have been cooperation in northern Caucasus (including Chechnya), where Swedish development cooperation has provided the model for the programme of support approved by the EU in 2006.

In Belarus, the Swedish approach to development cooperation has served as a basis for the change in course in EU thinking on cooperation with Belarus. Sweden has pursued the issue of broader cooperation, which includes many of the stakeholders in society and has gained a hearing for this approach in the EU circle. Sida participates regularly with the Ministry for Foreign Affairs in the meetings of the EU Tacis programme.

Within the framework of the EU's energy initiative (EUEI), a representative of Sida has participated in several meetings to design the activities. An amount of EUR 22 million will be channelled to projects that increase the availability of modern energy in ACP countries. Swedish opinions that have gained a hearing are those concerning ownership, harmonisation with donors that are active in each country, and the formulation of evaluation criteria. In Tanzania, for example, Sweden has contributed as coordinator on behalf of the EU.

EU's expert group on transport met twice during the year and Sida's representative participated in both meetings. One day was set aside for a discussion of the co-financed programme (SSATP) with the World Bank. These meetings are consultative for the donor group's representative from the Directorate General for Development (DGDEV) in SSATP's board.

The committee for NGOs met three times during the

year. Two meetings were informal meetings of experts to discuss the thematic programme for non-state parties. The committee has administered support amounting to EUR 200 million. Sweden and a group of member states has pursued the issue of a more specific focus on issues relating to civil society and firmer routines for the grants system. The Swedish standpoints have had a great impact in the committee.

Policy area: Foreign policy and security policy

2006



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.

Sida shall submit a report on the ways in which it has met the needs for training and practical exercises of personnel sent abroad, or on call in Sweden, for peace and crisis management situations, through cooperation with the Folke Bernadotte Academy.

Each year Sida makes personnel available for peace and crisis management projects. The personnel undergo training and practical exercises arranged by Sida. To make exchanges of experience possible, the Folke Bernadotte Academy (FBA) has been invited to participate in a number of training programmes. Moreover, Sida has participated in FBA's reference group meetings and in its forum for cooperation in training. The programme of cooperation

between Sida and FBA constitutes a platform for the organisations to exchange information and develop processes to support the Academy by producing material for courses and training programmes.

FBA has trained nine of Sida's resource persons on two courses. These persons are on call to participate in peace and crisis management projects. The courses were in Cooperation in Multifunctional Peace Operations, and Protection against Risks and Threats in Conflict Areas.

Sida's Director General is a member of FBA's Advisory Council.

Cooperation in the Baltic Sea region

Making it possible for, in the first place, government agencies, local authorities, regions and NGOs in Sweden to maintain, supplement, and develop forms of cooperation, principally with the new EU member states in the Baltic Sea region. The point of departure of activities should be the needs and initiatives of the Swedish organisations. Special attention shall be given to subject areas that are important from a broader regional or national perspective and which concern more than one group of stakeholders on the Swedish side. This can refer to the management of collective utilities such as water, air, climate, coastal zones, land and nature, as well as cross-cutting problems such as migration, combating crime, safety at sea, food security, social services, as well as the health field and infectious disease control.

Sida shall submit a report on the ways in which activities have contributed to develop cooperation with Swedish society, in particular government agencies, local authorities, regions and NGOs.

The Baltic Sea Unit completed its first full year of operations in 2006. Activities continued to be largely characterised by development and establishment, but substantial parts of the unit's activities found their forms during the year. Today, there are effective routines for the preparation and assessment of contributions, and knowledge of, and demand for, our services have increased. The development of activities that strengthen the promotion of Baltic Sea cooperation through knowledge, networks, web-based information, studies and meetings started to take shape during the year. These activities will be further developed.

As a consequence of earlier projects and exchange programmes supported by Swedish interests in the region, there is a demand for further contributions in, for example, the fields of culture and education. Some contributions were approved in these fields during the start-up phase. However, as demand and skills have been gradually built up in the priority fields, projects outside these fields have been phased out. Behind this decision there are naturally guidelines for activities that clearly specify the priority areas, and the assessment that better use is made of the unit's combined capacity, i.e. its staff and budget, if it is not dispersed over too many subject areas.

At the start of the year there were six members of staff at the unit. This figure had increased to 13 by the end of the year.

Activities

In 2006, the Baltic Sea Unit concluded agreements on 76 contributions amounting in total to SEK 14 million. A total amount of SEK 14.7 million was disbursed in 2006.

Support has primarily been granted to contributions in the form of partnerships with participants from several countries. Furthermore, there is an ambition that more Swedish stakeholders shall participate in the same contribution. Support is sometimes approved for bilateral programmes of cooperation. Today, activities focus on the subject areas that are mentioned in the Government's annual directives, i.e. cross-sector issues such as migration, social services, combating crime, safety at sea, food security, infectious disease control and health care, and collective utilities such as water, air, climate, coastal zones, land and nature. The Baltic Sea Unit has also developed the capacity to strengthen its general promotion activities in the form of making studies, arranging meetings, and developing knowledge and skills in Baltic Sea cooperation in order to become a centre for Baltic Sea cooperation.

During the year a "Swedish Baltic Sea Day" was arranged in collaboration with the Swedish Association of Local Authorities and Regions (SALAR), meetings and seminars were organised during Almedal week (a special week during the summer when political parties present their programmes), and a number of small events were arranged on the unit's premises.

Three examples of contributions with several partners in cooperation are given below. They have been selected since they are representative of each field.

Collective utilities

Seatrackweb is a tool for predicting oil spills via the web. It is an on-line system which prevents damage by taking the right preventive action to limit the effects of oil spills and which can also follow ships' courses back in time in order to determine the ship responsible for the spill. Participating agencies in Sweden are the Swedish Meteorological and Hydrological Institute, the Swedish Coast Guard, and the

Swedish Rescue Services Agency. It is being co-financed by the Finnish Environment Institute, the Royal Danish Administration of Navigation and Hydrography, the Action Programme for the Baltic Sea, and Finland's environment centre (SYKE). The Baltic Sea Unit's contribution supports participants from Estonia, Latvia, Lithuania and Poland to participate in the development, validation and utilisation of the model.

Cross-sector problems

For some years, in the Swedish county of Blekinge, there has been a group of representatives of various agencies that have responsibilities in respect of safety. The group coordinates information and proposes actions to be taken in safety matters, an area in which the Baltic Sea perspective has become increasingly topical. During the autumn, the

group made a study visit to Lithuania (Klaipeda), Russia (Kaliningrad) and Poland (Gdynia) with the aim of establishing contacts with corresponding authorities in these countries, as well as to facilitate further regional collaboration. The visit was financed partly by the Baltic Sea Unit. On the Swedish side the group included representatives of the Swedish Migration Board, the Swedish Customs, the Swedish National Police Board, the Swedish Coast Guard and the County Administrative Board.

Other contributions

Väddö Folk High School and a further ten Swedish and Baltic folk high schools have formed a network. The contribution consists of re-establishing earlier exchanges and networks and designing interesting educational programmes, for example in the environment sector.

Notes on the Report on outcome

2006



Notes on the Report on Outcome

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 2006 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).

There has been no change in the classification into operational areas compared to 2005. On the other hand, changes have been made in comparison with 2004. Then there was no operational area "Cooperation in the Baltic Sea Region". A further change is that contributions for economic reforms have been included under the regional operational areas in 2005 and 2006. In 2004, these contributions were part of the operational area "Economic Reforms". Additional changes are that, from 2006, Belarus and Ukraine are regarded as ODA countries. Before they were regarded as non-ODA countries. These changes naturally affect comparisons between the years.

In 2005, Sida started to use OECD/DAC's internationally accepted sector codes in order to harmonise information with that of other donors. The sector codes were grouped in main sectors as close to Sida's main sectors as possible. With this change it is difficult to meet the requirements of the government ordinance of producing comparable information on performance over three years where sectors are concerned. In such cases, information from 2005 and 2006 only is presented.

With the aim of measuring the breakdown of personnel resources by operational area and region, Sida made a survey in 2006 in which the divisions allocated time worked on development cooperation activities (excluding administrative posts). Appendix 4 contains tables of the number of full-time posts and the relationship between these posts and the outcome. In November 2006, time reports were introduced at Sida. These reports will permit the quality of Sida's follow-up of the use of time to be improved and thereby enhance the possibility of making in-depth analyses and taking action to make activities more effective in the future.

In this year's Report on Outcome Sida has made a standard breakdown of administrative expenses by opera-

tional 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

A reconciliation between the Report on Outcome and the Statement of Financial Performance is presented in tables 24 and 25.

POLICY AREA: INTERNATIONAL DEVELOPMENT COOPERATION

Operational areas

There are ten operational areas in the policy area. Together they comprise the appropriations for international development cooperation, bilateral development cooperation (8:1). They are, as in previous years: Africa; Asia, Middle East and North Africa; Latin America; Eastern Europe and Central Asia; Global development programmes; Research, Humanitarian contributions and conflict-related activities; Concessionary credits; NGOs and Information. As in 2005, countries that the OECD does not regard as developing countries, and therefore may not receive official development assistance (ODA), are also included. Countries that are classified in the annual report as non-ODA countries and with which Sida cooperates are: Estonia, Latvia, Lithuania, Poland, Bulgaria, Romania, Slovenia, Slovakia, Czech Republic, Hungary and Russia.

In December 2005, OECD/DAC decided that Ukraine, Belarus (and Libya) should be included on the list of countries that can receive official development assistance. This means that the financial 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 government directives. From 2006 onwards, these countries will be treated by Sida as ODA countries.

Differences between operational area/main sector and operational area/form of support

The costs for the operational area Research differ from the costs for the main sector Research. This is due to the

fact that contributions from all operational areas can be classified under the main sector Research.

In a corresponding way, the costs for the operational area Concessionary Credits differ from the costs for the form of support Credits. Contributions from all operational areas can be classified with the form of support Credits.

SELECTION PRINCIPLES

1. Reports against goals in respect of the regional operational areas

For 2006, Sida has chosen to report outcomes against goals in the cooperation strategies by selecting the most central objectives for each region. In this context, central objectives are objectives which are in the main part of the strategies and which have been given a significant and specific profile. Consideration is also given to the outcome of the appropriation.

For each region there are comments on the selection of the objectives that are to be reported on. Since the regions differ, the objectives can seem somewhat different. Below, a brief summary is given of the differences between the regions.

Africa is the poorest region and it is also in Africa that the Aids epidemic has further exacerbated prospects. To this should be added acute conflicts. In a number of very poor countries, both the countries and the donors have a great deal of experience of cooperating on poverty strategies and programme support. The report for the region of Africa bears this in mind and gives prominence to results of poverty strategies, peace processes, and support for combating HIV and Aids.

In Asia, Middle East and North Africa, the democratic deficit is considerable, both in the Mediterranean region and, for example, in Indochina. The Government's strategy for Asia gives special prominence to the environment as a priority for Swedish support. In countries such as Bangladesh and Afghanistan, basic social services, for example education, are scarce. These problems govern the selection of objectives in the report for this region.

Almost half of the support to Latin America is allocated to democratic governance and human rights. Inequalities in Latin America are substantial, which contributes to a situation in which many poor people lack basic rights such as access to education and health care, and the possibility to utilise natural resources in a sustainable and lucrative way. The report for Latin America gives priority to democracy, peace processes, use of natural resources, and economic and social equality.

Table 24. Reconciliation between the Report on Outcome and the Statement of Financial Performance, (SEK '000)

Statement of Financial Performance, excl income from appropriations	
Income from fees and other payments	61 404
Income from grants	2 895
Financial income	3 722
Operating costs including depreciation	-1 048 645
Collections—income	52 671
Collections—funds transferred to the government budget	-43 816
Funds from other agencies to finance support	23 439
Other funds received to finance support	456 414
Support provided	-15 885 378
Total as shown in Statement of Financial Performance, excl appropriation income	-16 377 295
Broken down by operational area, including administration costs:	
Africa	4 854 913
Asia, Middle East and North Africa	2 343 235
Latin America	963 073
Eastern Europe and Central Asia	1 784 763
Global development programmes	1 954 179
Research	964 872
Humanitarian assistance and conflict-related activities	2 030 389
Concessionary credits	13 444
NGOs	1 307 183
Information	70 789
Promotion of peace and security and conflict prevention activities	6 122
Cooperation in the Baltic Sea region	28 700
Total broken down by operational areas Including administration costs	16 321 660
Other policy areas, excluding administration costs	22 421
Total including administration	16 344 081
Remaining items	-33 213
According to the Statement of Financial Performance, the remaining items consist of:	
Funds received from agencies to finance support	23 439
Finance provided by funds etc to finance support	226 389
Cost of concessionary credits	184 516
Interest income, concessionary credits	44 046
Changes in doubtful debts, conditional loans	-113 270
Cost of soft loans	-354 909
Damages etc Sida's guarantees for concessionary credits	-54 100
Interest income, concessionary credits	22 560
Exchange rate differences, Sida's guarantees for concessionary credits	-24 072
Interest income, separate guarantees	1 884
Collections, net	8 855
Book value and profit/loss on sales of fixed assets	- 862
Other items	2 310
Total other items that affect outcome	-33 213

In Eastern Europe, relations with the EU are the dominating perspective. Most of the countries shall both complete the process of transition from authoritarian, centralised government to democracy and a market

Table 25. 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 expenditure							
Other income	68 021	20 233	9 765	4 014	7 438	8 144	4 021
Expenditure	-1 048 645	-311 922	-150 550	-61 876	-114 669	-125 553	-61 992
Fees etc collected							
Income	52 671	15 667	7 562	3 108	5 760	6 306	3 114
Transferred to the government budget	-43 816	-13 033	-6 290	-2 585	-4 791	-5 246	-2 590
Transfers							
Other income	479 852	142 733	68 890	28 314	52 472	57 452	28 367
Expenditure	-15 885 378	-4 725 140	-2 280 600	-937 330	-1 737 056	-1 901 943	-939 081
Total	-16 377 295	-4 871 461	-2 351 222	-966 356	-1 790 847	-1 960 840	-968 161

Table 25. 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 expenditure						
Other income	8 462	56	5 448	295	26	120
Expenditure	-130 450	-864	-83 985	-4 548	-393	-1 844
Fees etc collected						
Income	6 552	43	4 218	228	20	93
Transferred to the government budget	-5 451	-36	-3 509	-190	-16	-77
Transfers						
Other income	59 693	395	38 431	2 081	180	844
Expenditure	-1 976 116	-13 084	-1 272 241	-68 897	-5 958	-27 932
Total	-2 037 310	-13 489	-1 311 638	-71 030	-6 142	-28 797

economy and, at the same time, draw closer to the EU. The two priority objectives are democratic governance and closer relations with the EU.

2. Evaluations

The criteria that have applied for the evaluations presented are:

- Evaluations whose results have/have had great significance for decisions on the focus and design of development cooperation
- Evaluations whose results contribute to making Sida's work and programmes of development cooperation more effective
- Evaluations that shed light on effects/results, both positive and negative, in Swedish programmes of development cooperation

- Evaluations that have been made together with partners in cooperation and/or other donors.

3. Examples presented

Where the selection principles for examples selected are concerned, in 2006 Sida started a process of determining criteria and routines in its directives for future annual reports.

The concept of outcome analysis

Sida's interpretation of what should be presented in reports required on "conclusions and lessons learned from the outcome analyses or the like that have been produced in connection with cooperation strategy processes" is that it is a case of conclusions and lessons learned from outcome analyses in cooperation strategies that have been completed and submitted by Sida to the Government during the year.

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 forms of support in the humanitarian field. The codes that programme officers can use to classify their contributions are for 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. The channel "Swedish organisations" contains implementing organisations in Sweden, for example government agencies, organisations and universities and schools. The channel "Organisations in partner countries" contains implementing organisations in the partner countries, for example Tanzania, and the channel "Organisations in other countries" contains implementing organisations from other parts of the world, for example Norway. The channel "International NGOs"

includes, for example, the International Committee of the Red Cross (ICRC).

Sector classification

In appendix 2, International development cooperation broken down by main sector and region, the outcome is broken down by region/country and the Sida-specific 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.

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 2005. 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

In this policy area, there are two operational areas at Sida's disposal: Peace, Promotion of Security and Conflict Prevention Activities and Cooperation in the Baltic Sea Region.

Financial documents

2006



Comments

CEILING ON EXPENDITURE

In its annual directives and letter of appropriations for 2006, Sida was instructed to limit its expenditure on budget item 7 8:1 Development cooperation. Of the funds available on this budget item, in 2006 Sida was permitted to use a maximum amount of SEK 15 860 000 000, of which SEK 530 300 000 referred to funds on sub-item 7 8:1.26.2, Eastern Europe and Central Asia, non-ODA countries¹. In its directives and letter of appropriations Sida was also instructed to limit its expenditure on budget item 7 8:2, ap 1 Sida. Sida was permitted to use a maximum amount of SEK 657 336 000 in respect of this budget item.

OUTCOME IN 2006 IN RELATION TO CEILINGS ON EXPENDITURE

The outcome for Sida's main appropriations at December 31, 2006 amounted to (SEK '000):

7 8:1 Development cooperation, outcome	15 742 474
Ceiling on expenditure	15 860 800
Outcome in relation to ceiling on expenditure	99,3 %
whereof	
7 8:1.26.2 Eastern Europe and Central Asia,	
non-ODA countries, outcome	529 967
Ceiling on expenditure	530 300
Outcome in relation to ceiling on expenditure	99,9 %
7 8:2 Administration appropriation, outcome	618 619
Ceiling on expenditure	657 336
Outcome in relation to total amount available	94,1 %

OUTCOME OF APPROPRIATIONS

In 2006, taking the ceilings 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.

Due to delays in major projects, it has been possible to reallocate funds from Concessionary Credits to other budget items. Budget support was not disbursed as planned in Bolivia and Honduras, which explains the low degree of utilisation in respect of Latin America and reallocations from the budget item. The needs in humanitarian contributions have been considerable, above all in the crises in Sudan, Democratic Republic Congo and Lebanon, and the drought in East Africa. Funds were also reallocated to the budget item Eastern Europe and Central Asia as a result, in particular, of contributions in the Western Balkans, Central Asia and Georgia.

SIDA'S GUARANTEES FOR CONCESSIONARY CREDITS

In its annual directives and letter of appropriations for 2006, Sida was instructed to submit a report on its undertakings in respect of guarantees, in accordance with recommendations made in the report of the Swedish National Debt Office on cost and risk reports for government agencies. Sida has therefore broken down all liability and asset items in respect of guarantees for concessionary credits in Sida's Statement of Financial Position. In order to enhance comparability with 2005, the figures have been recalculated for December 31, 2005 (see changes to accounting principles and note 10).

Development guarantees (SEK '000)	061231	051231
Issued during the year:		
– guarantee commitments	685 000	174 000
– guarantees	130 000	68 000
Outstanding:		
– commitments	972 000	566 000
– guarantees	1 133 000	1 617 000

Sida's total engagement (commitments and guarantees) amounted to SEK 2 105 million as at December 31, 2006. The engagement amounted to SEK 2 183 million as at December 31, 2005 but was then reported as a contingent liability.

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 key figures (SEK '000)

Loan facility at the National Debt Office

	2006	2005	2004	2003	2002
Approved loan facility	120 000	104 000	110 000	92 000	67 000
Loan facility used at the end of the budget year	108 569	79 767	94 178	63 355	62 240

Credit account at the National Debt Office

	2006	2005	2004	2003	2002
Credit granted	20 000	20 000	20 000	19 700	20 000
Credit utilised	0	0	3 447	0	126

Interest revenue and expenses on interest-bearing account

	2006	2005	2004	2003	2002
Interest expenses on interest-bearing account	0	0	2	0	731
Interest revenue on interest-bearing account	1 368	1 025	696	1 092	1 483

Revenue from fees

	2006	2005	2004	2003	2002
Revenue from fees that Sida may use	18 166	16 526	18 268	19 365	18 628
<i>Estimated amount in Government directives</i>	50 000	50 000	–*	–*	20 000
<i>*No amount in directives</i>					
Revenue from fees that Sida may not use	43 816	24 868	30 526	30 166	45 830
<i>Estimated amount in Government directives</i>	50 000	50 000	50 000	50 000	39 000

Appropriation credit granted and utilised

	2006	2005	2004	2003	2002
Appropriation credit granted	18 631	0	397 899	7 400	12 600
Appropriation credit utilised	0	0	0	0	0

Closing balances (incl. future commitments up to 2003) and outstanding commitments

	2006	2005	2004	2003	2002
Closing balances	1 819 853	1 851 444	2 031 338	1 706 699	1 172 398
<i>whereof committed</i>	672 745	845 376	1 105 282	1 104 883	842 583

Outstanding commitments

	2006	2005	2004	2003	2002
Funds authorised	26 505 000	22 987 000	20 472 000	16 110 000	17 090 000
Outstanding commitments	19 171 332	17 534 199	13 543 713	13 142 701	10 569 619

Full-time posts and average number of employees

	2006	2005	2004	2003	2002
Number of full-time posts	772	749	733	727	724
Average number of employees	794	768	767	764	756

Operating cost per full-time employees

	2006	2005	2004	2003	2002
Operating cost	1 009 424	927 219	884 874	858 930	827 999
Operating cost per full-time employee	1 308	1 238	1 207	1 181	1 144

Change in capital for the year and change in capital carried forward

	2006	2005	2004	2003	2002
Change in capital for the year	-87 923	-62 146	-182 289	-252 208	-311 953
Change in capital carried forward	575 591	485 361	458 738	502 817	452 711

Statement of Financial Performance (SEK '000)

	Note	060101 -061231	050101 -051231
OPERATING REVENUES			
Revenue from appropriations	1	977 007	910 209
Revenue from fees and other charges	2	61 404	55 772
Revenue from grants		2 895	289
Financial income		3 722	4 110
Total		1 045 028	970 380
OPERATING EXPENDITURE			
Cost of staff	3	-607 851	-569 235
Cost of premises	4	-142 800	-122 403
Other operating costs	5	-258 773	-235 580
Financial costs		-4 567	-3 334
Depreciation and write-downs	11,12	-34 654	-35 836
Total		-1 048 645	-966 389
OUTCOME: OPERATIONS		-3 618	3 990
FEES ETC COLLECTED			
Revenue from fees etc and other income that may not be used by Sida		52 671	28 014
Revenue from fees etc transferred to the government budget		-43 816	-24 868
Balance	35	8 855	3 146
TRANSFERS			
Government budget contributions for development cooperation	1	15 312 364	13 304 357
Government agency contributions for development cooperation		23 439	19 651
Other funds received for development cooperation	6	456 414	47 445
Financial revenue	7	71 752	106 708
Financial costs	8	-31 105	-21 750
Development cooperation provided		-15 926 025	-13 525 694
Balance		-93 161	-69 282
CHANGE IN CAPITAL FOR THE YEAR	9	-87 923	-62 146

Statement of Financial Position (SEK '000)

	Note	2006-12-31	2005-12-31
ASSETS			
Intangible fixed assets			
Capitalised expenditure on research and development		8 447	10 828
Rights and other intangible assets		16 889	16 230
Total intangible fixed assets	11	25 336	27 058
Tangible fixed assets			
Improvements to non-Sida property		21 542	16 882
Machinery, plant, equipment etc		62 982	42 705
Advance in respect of tangible fixed assets		241	1 286
Total tangible fixed assets	12	84 765	60 873
Financial assets			
Long-term claims on other agencies	10	500 000	400 000
Other long-term claims	10	148 960	315 147
Total financial assets	13	648 960	715 147
Lending	14	273 535	421 225
Receivables			
Accounts receivable		1 225	1 997
Claims on other agencies	10	188 081	71 205
Other claims	10	106 089	61 883
Total receivables	15	295 396	135 086
Cut-off items			
Pre-paid costs		20 278	27 182
Accrued revenue from grants		6	33
Other accrued revenue	10	22 319	11 221
Total cut-off items	16	42 602	38 437
Settlement with the government	17	196 179	82 811
Short-term investments	10,18	140 220	174 448
Cash and bank			
Balance on interest-bearing account at the National Debt Office		61 931	61 233
Other balances at the National Debt Office	10	2 253 168	2 054 631
Cash, postal giro and bank balances	10	33 558	29 898
Total cash and bank	19	2 348 657	2 145 761
TOTAL ASSETS	10	4 055 650	3 800 847

	Note	2006-12-31	2005-12-31
CAPITAL AND LIABILITIES			
Agency capital			
Government capital	20	2 606 410	2 682 115
Change in capital brought forward	21	575 591	485 361
Change in capital from statement of financial performance	9	-87 923	-62 146
Total agency capital		3 094 078	3 105 330
Provisions			
Provisions for pensions etc	22	2 708	4 777
Other provisions	10,23	383 000	287 000
Total provisions		385 708	291 777
Liabilities			
Loans at National Debt Office	24	108 569	79 767
Debts to other agencies	10	117 125	90 839
Accounts payable		160 001	160 264
Other liabilities	10,25	139 416	21 256
Deposits		2	3
Total liabilities etc		525 112	352 128
Cut-off items			
Accrued costs		45 100	44 247
Unused grants		5 652	7 329
Other deferred revenue		0	36
Total cut-off items	26	50 752	51 612
TOTAL CAPITAL AND LIABILITIES	10	4 055 650	3 800 847
CONTINGENT LIABILITIES			
Government guarantees for loans and credits			
Loans to personnel in the field		661	706
Other contingent liabilities			
Import guarantees		83	702
Conditional loans	14	4 259	40 001
Write-off loans		175	2 968
Separate guarantees		153 770	165 850
Contingencies		4 283	4 498
TOTAL CONTINGENT LIABILITIES	10	163 232	214 724

Appropriation accounts (SEK '000)

APPROPRIATION ACCOUNTS

Appropriation	Designation	Note	Opening transferred balance	Allocation for the year	Re-allocations	Withdrawal	Total amount available	Outcome	Closing balance	Whereof committed
7 8:1	DEVELOPMENT COOPERATION (Framework appropriation, all items)		Note 27	Note 28						
7 8:1.1	Humanitarian assistance and conflict-related activities	29	65 122	1 970 000	100 000		2 135 122	2 011 579	123 543	20 799
7 8:1.2	Information		2 536	62 000			64 536	52 038	12 499	10
7 8:1.3	Global development programmes	29	245 673	1 553 500	325 000		2 124 173	1 898 142	226 031	21 764
7 8:1.5	Non-governmental organisations		120 005	1 320 000			1 440 005	1 293 663	146 342	4 461
7 8:1.6	Asia, Middle East and North Africa	29	246 066	2 150 000	-20 000		2 376 066	2 225 840	150 226	146 597
7 8:1.7	Latin America	29	204 938	1 200 000	-35 000		1 369 938	947 836	422 103	154 643
7 8:1.9	Africa	29	151 863	4 695 000	50 000		4 896 863	4 663 702	233 162	157 019
7 8:1.26	Eastern Europe and Central Asia									
7 8:1.26.1	Eastern Europe and Central Asia, (ODA)	29	30 931	1 000 000	140 000		1 170 931	1 167 250	3 681	3 681
7 8:1.26.2	Eastern Europe and Central Asia, (non-ODA)	29, 30	162 144	384 300	5 000		551 444	529 967	21 476	21 476
7 8:1.26	Total Eastern Europe and Central Asia		193 075	1 384 300	145 000		1 722 375	1 697 217	25 157	25 157
7 8:1.32	Research	29	172 947	975 000	-115 000		1 032 947	927 899	105 048	99 933
7 8:1.33	Concessionary credits	29	369 813	200 000	-240 000		329 813	24 558	305 255	42 025
7 8:1	TOTAL DEVELOPMENT COOPERATION	30	1 772 040	15 509 800	210 000		17 491 840	15 742 474	1 749 366	672 408
7 8:2	DEVELOPMENT COOPERATION ADMINISTRATION (Framework appropriation)									
7 8:2.1	Sida's development cooperation administration	30, 31	31 836	621 037			652 873	618 619	34 254	
7 9:1	COOPERATION WITH CENTRAL AND EASTERN EUROPE (Framework appropriation, all sub-items)									
7 9:1.1	Candidate countries		190	0		-190	0	0	0	
7 9:1.2	Russia, Ukraine and Belarus		49	0		-49	0	0	0	
7 9:1	TOTAL COOPERATION WITH CENTRAL AND EASTERN EUROPE	32	239	0		-239	0	0	0	
5 5:2	PEACE AND PROMOTION OF SECURITY ACTIVITIES (Framework appropriation)									
5 5:2.3	Sida's operations abroad	33	1 149	5 000	-1 149		5 000	2 712	2 288	0
5 5:11	COOPERATION IN THE BALTIC SEA REGION (Framework appropriation)	29								
5 5:11.1	Cooperation in the Baltic Sea Region		13 692	23 168	-8 500	-13 256	15 103	14 665	438	0
24 39:6	PRIVATE SECTOR DEVELOPMENT IN THE BALTIC SEA REGION (Framework appropriation)									
24 39:6.6	At the disposal of Sida	34	32 488	0			32 488	-1 018	33 506	0
GRAND TOTAL		1	1 851 444	16 159 005	200 351	-13 495	18 197 305	16 377 452	1 819 853	672 408

ACCOUNTING AGAINST REVENUE HEADINGS

Revenue heading	Designation	Note	Estimated amount	Revenues
		35		
2394	Other interest revenue			734
2511	Office fees			7 678
2535	Fees for government guarantees			7
2811	Other revenue from government operations			35 396
4526	Repayment of other loans			11 435
Total			50 000	55 251

AUTHORISATIONS

Appropriation	Designation	Authorised amount	Commitments b/f	Outstanding commitments 061231	Outstanding commitments by year				Total
					2007	2008	2009	2010–	
		Note 36	Note 37	Note 38					Note 38
7 8:1	BILATERAL DEVELOPMENT COOPERATION (Framework appropriation)								
7 8:1.1	Humanitarian assistance and conflict-related activities	850 000	517 603	376 780	267 830	85 975	22 975	0	376 780
7 8:1.2	Information	40 000	25 534	3 100	2 700	200	200	0	3 100
7 8:1.3	Global development programmes	2 255 000	1 246 999	1 892 426	1 032 695	638 734	158 643	31 037	1 861 109
7 8:1.5	Non-governmental organisations	3 650 000	1 850 266	2 079 604	1 263 422	655 880	151	0	1 919 453
7 8:1.6	Asia, Middle East and North Africa	5 150 000	3 650 450	3 644 187	1 809 335	1 239 370	479 296	94 913	3 622 914
7 8:1.7	Latin America	2 045 000	1 648 917	1 252 638	712 112	345 402	146 748	12 700	1 216 961
7 8:1.9	Africa	8 060 000	5 363 956	6 482 357	3 219 096	2 132 236	566 330	424 826	6 342 488
7 8:1.26.1	Eastern Europe and Central Asia, ODA countries	2 200 000	1 512 012	1 647 541	1 031 664	433 324	127 704	27 350	1 620 042
7 8:1.26.2	Eastern Europe and Central Asia, non-ODA countries	650 000	560 897	511 155	347 518	135 764	20 928	4 000	508 210
7 8:1.32	Research	1 400 000	979 765	1 148 455	789 313	261 875	95	0	1 051 283
7 8:1.33	Concessionary credits	200 000	177 800	133 089	51 864	80 718	350	150	133 082
TOTAL 7 8:1		26 500 000	17 534 199	19 171 332	10 527 547	6 009 478	1 523 420	594 976	18 655 421
5 5:2	PEACE AND PROMOTION OF SECURITY ACTIVITIES (Framework appropriation)								
5 5:2.3	Sida's operations abroad	5 000	0	0	0	0	0	0	0
TOTAL AUTHORISATIONS		26 505 000	17 534 199	19 171 332	10 527 547	6 009 478	1 523 420	594 976	18 655 421

FINANCIAL CONDITIONS (SEK '000)

Appropriation	Designation	Conditions	Type	Max./Min.	Financial conditions	Outcome 2006
	CEILING ON EXPENDITURE					
7 8:1	Development cooperation and cooperation with Central and Eastern Europe	Ceiling on expenditure 2006	Govt. directive	Maximum	15 860 800	15 742 474
7 8:1.26.2	Eastern Europe and Central Asia, non-ODA countries	Ceiling on expenditure 2006	Govt. directive	Maximum	530 300	529 967
7 8:2.1	Swedish International Development Cooperation Agency (Sida)	Ceiling on expenditure 2006	Govt. directive	Maximum	657 336	618 619
7 8:1	DEVELOPMENT COOPERATION (Framework appropriation)					
7 8:1	Development Cooperation	Field posts	Govt. directive	Maximum	280 000	279 677
		Sida may use SEK 12 000m for its guarantee activities of which a maximum amount of SEK 1 000m refers to separate guarantees	Govt. directive	Maximum	12 000 000	2 105 000
		and maximum SEK 30 m to capital market and import guarantees		Maximum	1 000 000	153 770
		Minimum SEK 135 m for traderelated contributions shall be debited against budget items 3, 6, 7, 9 or 26.1		Maximum	30 000	104
		Grants to initiatives within Aid for Trade	Govt. directive	Minimum	135 000	224 427
		Minimum SEK 250 m for contributions in the field of infectious diseases shall be debited against budget items 3, 6, 7, 9 or 26.1	Govt. directive	Maximum	70 000	70 000
		Minimum SEK 280 m for contributions in the field of sexual and reproductive health and rights shall be debited against budget items 3, 6, 7, 9 or 26.1	Govt. directive	Minimum	250 000	310 302
		An increase of minimum SEK 235 m for contributions in the environmental field shall be debited against budget items 3, 6, 7, 9 or 26.1	Govt. directive	Minimum	280 000	285 917
			Govt. directive	Minimum	235 000	237 456
7 8:1.1	Humanitarian assistance and conflict-related activities	Humanitarian assistance, Russia conflict-related activities re armed conflict in Chechnya and ICRC's regional delegations	Govt. directive	Maximum	45 000	35 805
		Max SEK 200m for conflict-related activities	Govt. directive	Maximum	200 000	135 432
		Support to ICRC's field projects	Govt. directive	Maximum	330 000	330 000
		Support for contributions implemented by the Swedish Rescue Services Agency in connection with armed conflicts, natural disasters etc.	Govt. directive	Maximum	95 000	95 000
		Humanitarian assistance to Burmese refugees in Thailand	Govt. decision	Maximum	32 050	32 050
		Humanitarian assistance for the internally displaced and returnees via Norwegian refugee aid	Govt. decision	Maximum	32 000	32 000
7 8:1.3	Global development programmes	Support for multilateral and bilateral work on drugs	Govt. directive	Maximum	15 000	11 561
		Annual grant to International Planned Parenthood Federation (IPPF): minimum SEK 95 m	Govt. directive	Minimum	95 000	100 000
		Support to the project Youth Employment Network (YEN)	Govt. directive	Maximum	10 000	7 000
		Support to the secretariat for GeSCI's work with ICT for education	Govt. directive	Maximum	3 500	3 412
		Strengthen child rights in accordance with the Governments' communication on A Child Rights Perspective in International Development Cooperation*	Govt. directive	Maximum	20 000	22 050
		Support via political party orgs. for democratic development in developing countries	Govt. directive	Maximum	41 000	38 767
		Support to World Maritime University in Malmö	Govt. directive	Maximum	27 000	24 325
		Contributions in the multilateral environmental field	Govt. directive	Maximum	16 500	16 095
		Consolidation of Sida's participation in and follow-up of multilateral environmental work	Govt. directive	Maximum	1 000	417
		Authority for Sida to approve support for the World Conservation Union	Govt. decision	Maximum	30 000	30 000

* Sida and MFA have discussed the outcome in 2006, but the need to change the government's directives has been disregarded.

Appropriation	Designation	Conditions	Type	Max./Min.	Financial conditions	Outcome 2006
7 8:1.5	NGOs	Maximum of 10% of allocated funds for information on developing countries	Govt. directive	Maximum	132 000	126 051
		At least SEK 5 m in grants to information campaigns through organisations that promote fair trade and fair trade labelling	Govt. directive	Minimum	5 000	8 354
7 8:1.6	Asia, Middle East and North Africa	Grant to the Palestinian Diplomatic Missions Support Fund (DMSF) to be used for the PLO office in Stockholm	Govt. decision	Maximum	900	900
		Cooperation agreement with Asian Development Bank—for the establishment of a special fund for HIV/Aids and a Swedish contribution to the fund	Govt. decision	Maximum	30 000	0
		Support for EU observer project In Aceh, Indonesia	Govt. decision	Maximum	6 000	0
		Swedish contribution of one development adviser in Afghanistan	Govt. decision	Maximum	1 600	1 290
7 8:1.26.1	Eastern Europe and Central Asia ODA countries	Swedish personnel support for OSCE's activities	Govt. directive	Maximum	12 000	9 194
7 8:1.26.2	Eastern Europe and Central Asia Non ODA-countries	Support for the participation of county administrative boards in regional Barents cooperation	Govt. directive	Maximum	2 800	2 800
		Support to Swedish party political organisations for democratic development	Govt. directive	Maximum	4 000	1 899
		Support to NGO's information activities in Sweden	Govt. directive	Maximum	5 000	3 036
		Maximum SEK 5 m shall be used for grants to the German Marshall Funds for democracy in Belarus	Govt. directive	Maximum	5 000	4 550
7 8:1.32	Research	Minimum SEK 60 m shall be used for research projects in accordance with the action plan for Sweden's contribution to the global control of infectious diseases	Govt. directive	Minimum	60 000	150 864
7 8:2	Sidas ADMINISTRATION (Framework appropriation)					
7 8:2.1	Sida's Administration	Credit guarantees for loans to staff	Govt. directive	Maximum	15 000	661
		Indicative amount for non-ODA countries of SEK 46 m, of which max. SEK 15 m for Sida's Baltic Sea Unit	Govt. directive	Maximum	15 000	14 035

Cash flow statement (SEK '000)

	Note	060101 -061231	050101 -051231
OPERATIONS			
Costs	39	-1 015 776	-929 926
Financing of operations			
Revenue from appropriations		977 007	910 209
Revenue from fees and other payments	40	60 451	54 907
Revenue from grants		2 895	289
Other revenue		3 722	4 110
Total funds provided for financing of operations		1 044 075	969 515
Increase in stocks		0	3 000
Increase in short-term claims	10	-155 620	-75 328
Increase in short-term liabilities	10	117 283	27 135
CASH FLOW TO OPERATIONS		-10 039	-5 603
INVESTMENTS			
Investments in tangible fixed assets		-52 104	-24 767
Investments in intangible fixed assets		-5 582	-3 361
Total investment expenditure		-57 686	-28 128
Financing of investments			
Loans from National Debt Office		63 620	21 333
– repayments		-34 818	-35 744
Increase in government capital with funds received from the government budget		27	
Sales of fixed assets		1 531	892
Total funds available for financing of investments		30 359	-13 518
Change in short-term receivables and liabilities		1 620	615
CASH FLOW TO INVESTMENT ACTIVITIES		-25 707	-41 031
LENDING ACTIVITIES			
New loans and write-downs	41	136 255	-24 776
Repayments		11 435	14 719
Total lending expenditure		147 690	-10 058
Financing of lending activities			
Reduction in government capital with funds supplied to the government budget	42	-133 355	269 375
Total funds provided for financing of lending activities		-133 355	269 375
CASH FLOW TO LENDING ACTIVITIES		14 335	259 317
FEES ETC COLLECTED			
Revenue from fees which may not be used by Sida		52 671	28 014
Change in short-term receivables and liabilities		-8 855	-3 146
Payments to government budget		43 816	24 868
Revenue from fees etc transferred to government budget		-43 816	-24 868
CASH FLOW TO COLLECTION ACTIVITIES		0	0

	Note	060101 -061231	050101 -051231
TRANSFERS			
Development cooperation provided		-15 926 025	-13 525 694
Financial revenue		71 752	106 708
Financial costs		-31 105	-21 750
Change in short-term receivables and liabilities	10	154 649	-11 847
Change in long-term claims	10	66 187	-119 223
Disbursements in transfer activities		-15 664 542	-13 571 807
Financing of transfer activities			
Funds from government budget for financing of development cooperation		15 312 364	13 304 357
Funds from other agencies for financing of development cooperation		23 439	19 651
Other funds received for financing of development cooperation		456 414	47 445
Increase in government capital with funds received from government budget	42	210 000	-25 842
Total funds available for financing of transfer activities		16 002 217	13 345 612
CASH FLOW FROM TRANSFER ACTIVITIES		337 674	-226 195
CHANGE IN LIQUID FUNDS		316 263	-13 512

	060101 -061231	050101 -051231
SPECIFICATION OF CHANGE IN LIQUID FUNDS		
Liquid funds at the beginning of the year	2 228 572	2 242 084
Increase in cash and postal giro balances	10 3 660	-41 466
Increase in balances at National Debt Office	10 199 235	118 368
Increase in settlement with Government	113 368	-90 413
Total change in liquid funds	316 263	-13 512
Liquid funds at the end of the year	2 544 836	2 228 572

Notes (amounts in tables in SEK '000)

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. For capitalised expenditure for development, a monetary limit of SEK 500 000 is applied. 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.

Conditional loans and soft loans have been valued by the Swedish Export Credits Guarantee Board (EKN) in accordance with interim guidelines for the valuation of Sida's financing instruments.

CHANGES IN ACCOUNTING PRINCIPLES

As instructed in the Government's directives and letter of appropriations, from 2006 onwards Sida shall report its guarantee commitments in accordance with the recommendations contained in the report produced by the Swedish National Debt Office on the accounting of costs and risks by Swedish government agencies.

This has the effect that all liability and asset items in respect of Sida's guarantees for concessionary credits will be included in Sida's Statement of Financial Position from 2006 onwards. To enhance comparability, the items concerned have been recalculated as at December 31, 2005 (see note 10). The contingent liabilities, which have previously been reported for guarantee commitments and concessionary credits, will no longer be used and will be replaced by a table in the introductory comments to the financial documents in the annual report.

Guarantees for Sida's concessionary credits have been valued, as in previous years, by the Export Credits Guarantee Board. When calculating the value, consideration is given to the estimated value of outstanding claims for damages and the estimated risk of final losses in outstanding engagements. Consideration is also given to the concentration risk, since the engagement is dominated by a few countries and the outcome is therefore strongly influenced by an assessment 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

	060101 –061231	050101 –051231
Appropriation outcome as shown in the appropriation accounts	16 377 452	14 472 818
Appropriation revenue as shown in the statement of financial performance	–977 007	–910 209
Funds received from the government budget for the financing of development cooperation	–15 312 364	–13 304 357
Accounted against state capital (loans)	–88 081	–258 252
	0	0

Note 2. Revenue from fees and other payments

	060101 –061231	050101 –051231
Revenue in accordance with Fees Ordinance	18 078	16 437
Revenue from fee-financed operations	88	89
Other operational revenue	43 238	39 245
Total revenue	61 404	55 772

Note 3. Payroll costs

	060101 –061231	050101 –051231
Total costs for personnel	–607 851	–569 235
Of which salaries and wages	–347 901	–323 579

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 in 2006 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
Norrfaik, Maria (Director General)	1 149	Folke Bernadotte Academy Sveaskog AB
Björling, Ewa	6	National Social Insurance Board Swedish Gene Technology Advisory Board Bank of Sweden Tercentenary Foundation
Ekholm, Berndt	10	Environment Protection Agency
Gustafsson, Holger	14	Via Con AB
Håkansson, Leif	14	National Board of Agriculture Agency for Innovation Systems National Energy Board Folksam Insurance AB Fora AB AFA Medical Insurance AB
Kokko, Ari	14	—
Lind, Hilda	12	—
Ohlsson, Birgitta	10	—
Palme, Joakim	8	—
Risinggård, Börje	14	Swedish Customs Swedish Retail Institute Silf Competence AB Swedish-Russian Chamber of Commerce AB, Swedish-Polish Trade Services AB Nordiska Unipol AB
Ytterberg, Mariann	8	—
Total payments	1 259	

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	060101 –061231	050101 –051231
Total	2,73 %	2,46 %
whereof long-term absence due to sickness (>60 days)	59,43 %	58,44 %
Men	1,61 %	1,84 %
Women	3,41 %	2,86 %
Employees –29 years	0,87 %	1,27 %
Employees 30–49 years	2,74 %	1,93 %
Employees 50 years–	2,89 %	3,12 %

Note 4. Costs of premises

The item has increased by SEK 20 397 000 compared to 2005. In the autumn of 2006 Sida moved to new premises. This has led to increase in the cost of premises, and also double costs for a short period.

Note 5 Other operating costs

	060101 -061231	050101 -051231
Services purchased	174 587	151 541
Other operating costs	84 186	84 039
Total other operating costs	258 773	235 580

The item has increased by SEK 23 193 000. This is partly due to an increase in consulting costs in connection with Sida's move to new premises and the review of Sida's IT systems.

Note 6. Other funds received for the financing of contributions

This item has increased by SEK 408 968 000 compared to 2005. The increase is due to repayments, above all from Algeria (SEK 250 749 000) and recoveries (SEK 173 243 000). These primarily refer to earlier debt write-offs within the framework of the HIPC initiative in respect of Angola and Pakistan.

Note 7. Financial revenue, transfers

	060101 -061231	050101 -051231
Interest revenue, concessionary credits	45 929	43 419
Interest revenue, Sida's guarantees for concessionary credits	22 973	13 090
Exchange rate gains	2 850	50 199
Total financial revenue, transfers	71 752	106 708

Note 8. Financial costs, transfers

	060101 -061231	050101 -051231
Interest costs, Sida's guarantees for concessionary credits	-413	128
Exchange rate losses	-30 617	-21 773
Other financial costs	-75	-105
Total financial costs transfers	-31 105	-21 750

Note 9. Change in capital for the year

	060101 -061231	050101 -051231
<i>Accrued differences in appropriation- financed activities</i>		
Repayments	34 818	35 744
Personnel costs	-882	1 762
Depreciation	-34 654	-35 836
Collections	8 855	3 146
Other	-2 309	2 835
<i>Surpluses/deficits in appropriation-financed activities</i>		
Outcome, conditional loans	-126 888	-21 589
Concessionary credits - grant elements	19 404	-172 850
Outcome: soft loans	-159 909	-16 799
Outcome: Sida's guarantees for concessionary credits	168 027	103 966
Other transfers	5 614	37 476
Change in capital for the year	-87 923	-62 146

The comparative figures for 2005 have been corrected for the items “Outcome, conditional loans” and “Other transfers”. Anticipated bad debt losses have been transferred to “Outcome, conditional loans” where they should be accounted for.

STATEMENT OF FINANCIAL POSITION

Note 10. Sida's guarantees for concessionary credits

As instructed in the Government's directives and letter of appropriations, from 2006 onwards Sida shall report its guarantee commitments in accordance with the recommendations contained in the report produced by the Swedish National Debt Office on the accounting of costs and risks by Swedish government agencies. This affects Sida's accounting of guarantees for concessionary credits which is administered by the Export Credits Guarantee Board.

Previously, the net value of Sida's guarantees has been reported under long-term claims. In consideration of the new recommendations, all liability and asset items in respect of Sida's guarantees for concessionary credits will be included in Sida's Statement of Financial Position from 2006 onwards. To enhance comparability, the items concerned have been recalculated as at December 31, 2005. This note only refers to the recalculation of figures for comparison purposes. Changes between December 31, 2005 and December 31, 2006 are commented on under each item.

STATEMENT OF FINANCIAL POSITION	Original 051231	Recalculation	Adjusted 051231
Long-term claims on other agencies	0	+400 000	400 000
Other long-term claims	711 452	-396 305	315 147
Claims on other agencies	70 505	+700	71 205
Other claims	14 955	+ 46 928	61 883
Other accrued revenue	8 891	+ 2 330	11 221
Short-term investments	0	+ 174 448	174 448
Other balances at the National Debt Office	1 999 124	+ 55 507	2 054 631
Cash and bank	25 401	+4 496	29 898
Total assets according to the Statement of Financial Position	3 512 742	+ 288 104	3 800 847
Other provisions	0	+ 287 000	287 000
Debts to other agencies	89 834	+ 1 005	90 839
Other liabilities	21 156	+ 99	21 256
Total capital and liabilities according to the Statement of Financial Position	3 512 742	+ 288 104	3 800 847

Contingent liabilities

The recommendations also affect the guarantee commitments which have been reported previously as contingent liabilities. This procedure will no longer be used and will be replaced by a table in the introductory comments to the financial documents in the annual report.

Note 11. Intangible fixed assets

	061231	051231
Capitalised expenditure for development		
Opening balance acquisition value	14 026	12 776
Acquisitions during the year	290	1 250
Closing balance acquisition value	14 316	14 026
Opening balance accumulated depreciation	-3 198	-624
Depreciation 2006	-2 671	-2 574
Closing balance accumulated depreciation	-5 869	-3 198
Book value	8 447	10 828
Rights and other intangible fixed assets		
Opening balance acquisition value	21 195	19 083
Acquisitions during the year	5 320	2 111
Reversal—acquisition value scrapped items	-28	0
Closing balance acquisition value	26 486	21 195
Opening balance accumulated depreciation	-4 964	-954
Depreciation 2006	-4 633	-4 010
Closing balance accumulated depreciation	-9 597	-4 964
Book value	16 889	16 230
Closing balance intangible fixed assets	25 336	27 058

Note 12. Tangible fixed assets

	061231	051231
Improvements to non-Sida property		
Opening balance acquisition value	59 903	54 241
Reversal—acquisition value (sales/scrapped items)	-45 379	0
Acquisitions during the year	11 290	5 662
Closing balance acquisition value	25 814	59 903
Opening balance accumulated depreciation	-43 021	-33 248
Reversal—accumulated value (sales/scrapped items)	45 199	0
Depreciation 2006	-6 450	-9 772
Closing balance accumulated depreciation	-4 272	-43 021
Book value	21 542	16 882
Machines, equipment, installations etc.		
Opening balance acquisition value	158 689	172 432
Acquisitions during the year	41 859	17 827
Reversal—acquisition value (sales/scrapped items)	-62 613	-31 570
Closing balance acquisition value	137 935	158 689
Opening balance accumulated depreciation	-115 985	-128 019
Depreciation 2006	-20 900	-19 480
Reversal - depreciation (sales/scrapped items)	61 932	31 515
Closing balance accumulated depreciation	-74 953	-115 985
Book value	62 982	42 705
Advance in respect of tangible fixed assets		
Book value	241	1 286
Closing balance tangible fixed assets	84 765	60 873

Note 13. Financial assets

Long-term claims on other agencies

This item consists of long-term investments in securities at the Swedish National Debt Office which are administered by the Export Credits Guarantee Board and are part of the Board's guarantee activities performed on behalf of Sida. In 2006 the Board has made transfers with the effect that the long-term investments at the National Debt Office have increased while other long-term and short-term claims have decreased. The reason for the change is to achieve an increase in returns of the portfolio. The Board makes the assessment that Sida's payments in respect of damages will not increase dramatically and it is therefore possible to make long-term investments.

Other long-term claims

The item mainly consists (SEK 118 000 000) of claims for damages in Sida's guarantees for concessionary credits which are administered by the Export Credits Guarantee Board. The reported value of the guarantees, after provisions have been made, is considered to cover the costs of any losses in the future. The item has decreased due to the recoveries mentioned above in note 6. The remainder of this item is a claim on Swedfund in respect of a conditional loan (SEK 30 960 000). The claim consists of repayments of capital and interest received which have not yet been accounted for by Swedfund to Sida.

Note 14. Lending

	061231	051231
Soft loans		
Opening balance	247 961	233 840
New loans in the year	27 395	17 510
Repayments during the year	-6 789	-3 389
Change for the year: expected losses	-95 509	0
Closing balance	173 057	247 961
Conditional loans		
Opening balance	173 264	177 327
New loans in the year	19 332	49 093
Corrections to previous years' loans *	53 749	-
Repayments during the year	-4 646	-11 329
Depreciation	-13 619	-4 844
Change for the year: exchange rate differences	-520	-8 318
Change for the year: expected losses	-113 270	-17 103
Change in funds not yet accounted for * *	-13 813	-11 562
Closing balance	100 477	173 264
Total closing balance	273 535	421 225

*refers to corrections to items that had previously been accounted for as contributions provided.

**refers to capital payments and interest received that have not yet been accounted for by Swedfund to Sida. See also note 13.

Comparative figures for 2005

The items for lending and contingent liabilities in the Statement of Financial Position for 2005 were incorrect. Lending was shown as SEK 421 225 000, but should have been SEK 460 825 000. Under contingent liabilities, conditional loans were shown as SEK 40 001 000 but this figure should have been SEK 410 000. However, Sida has chosen not to correct the comparative figures, but show them as they were in the annual report for 2005.

Note 15. Receivables

Claims on other government agencies

This item increased in 2006 by SEK 116 876 000. This is due to the fact that the claim on the Export Credits Guarantee Board in respect of Sida's guarantees for concessionary credits increased by SEK 113 912 000. The reason for the increase is that payments for debt write-offs were paid to the Board but referred partly to Sida. This will be regulated in 2007.

Other Claims

This increased in 2006 by SEK 44 206 000. This is due to the fact that claims on recipients of guarantees increased by SEK 45 730 000.

Note 16. Cut-off items

	061231	051231
Prepaid rent	17 588	24 472
Other prepaid costs	2 689	2 710
Accrued grant revenue	6	33
Accrued interest revenue*	16 069	8 130
Other accrued revenue	6 250	3 091
Closing balance	42 602	38 437

* Accrued interest revenue consists mostly of claims in respect of UNDP, WHO, ILO and FAO. The total of these claims amounted to SEK 16 056 000 in 2006.

Note 17. Settlement with the government

	061231	051231
Opening balance	82 811	173 224
Settled against government budget		
– Appropriations	16 377 452	14 472 818
– Revenue headings	–55 251	–39 587
Settled against government budget, total	16 322 201	14 433 232
Settled against government current account		
– Appropriation funds deposited on interest-bearing account	–621 037	–588 940
– Collections etc	1 420 760	1 157 342
– Transfers etc.	–17 008 556	–15 092 047
Settled against government current account, total	–16 208 833	–14 523 645
Settlement with the government for 2006	113 368	–90 413
Closing balance	196 179	82 811

Note 18. Short-term investments

The item consists of short-term investments in securities that are administered by the Export Credit Guarantee Board and constitute part of the Board's guarantee activities on behalf of Sida. The item has decreased by SEK 34 228 000 compared to 2005, which is due to the increase in long-term claims (see note 13).

Note 19. Cash and bank

Balance on interest-bearing account at the National Debt Office

Sida has a credit facility of SEK 20 million on its interest-bearing account at the National Debt Office. The credit facility was not used in 2006.

	061231	051231
The interest-bearing account consists of		
Appropriations	61 931	61 233
Total holding	61 931	61 233
of which short-term liquidity needs	27 265	29 673

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.

Note 20. 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 claims 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.

	061231	051231
Soft loans		
Opening balance	425 996	216 631
Allocations made during the year	15 000	210 000
Repayments made during the year	-6 789	-3 389
Change in capital for the year	-16 799	2 755
Correction of government capital, concessionary credits	-210 000	0
Closing balance	207 408	425 996
Conditional loans		
Opening balance	332 713	257 062
New loans/allocation for the year	19 332	74 093
Correction of previous years' loans *	53 749	0
Repayments made during the year	-4 646	-11 329
Change in capital for the year	-4 486	12 887
Closing balance	396 662	332 713
Concessionary credits		
Opening balance	1 923 405	2 173 800
Allocation for the year	0	-25 842
Correction from government capital, soft loans	210 000	0
Change in capital for the year	-131 091	-224 554
Closing balance	2 002 314	1 923 405
Works of art		
Opening balance	0	0
Purchases made during the year	26	0
Closing balance	26	0
Total closing balance	2 606 410	2 682 115

* Refers to corrections which have previously been recorded as contributions provided.

Note 21. Change in capital brought forward

	061231	051231
Opening balance	485 361	458 738
Change in capital previous years	-62 146	-182 289
Plus: Allocated against government capital for soft loans	16 799	-2 755
Plus: Allocated against government capital for conditional loans	4 486	-12 887
Plus: Allocated against government capital for concessionary credits	131 091	224 554
Closing balance	575 591	485 361

Note 22. Provisions for pensions etc

	061231	051231
Opening provision	4 777	4 177
Pension costs for the year	643	2 865
Pension payments for the year	-2 712	-2 265
Closing provision	2 708	4 777

Note 23. Other provisions

	061231	051231
Opening provision	287 000	333 000
Allocation for the year	96 000	-46 000
Closing provision	383 000	287 000

The item Other Provisions refers in its entirety to allocations made for estimated insurance risks in the guarantee activities of the Export Credits Guarantee Board. The allocations have increased partly due to an increase in provisions for unexpected losses. The major explanation is the increase in concentration in the engagement in Sri Lanka. The new commitments have resulted in a greater risk in the engagement.

Note 24. Loans at the National Debt Office

In accordance with the Government's annual directives, Sida has a loan facility of SEK 120 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 11 and 12). The difference of SEK 1 532 000 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.

	061231	051231
Opening balance	79 767	94 178
Loans taken in the year	63 620	21 333
Repayments made during the year	-34 818	-35 744
Closing balance	108 569	79 767

Note 25. Other liabilities

The item has increased by SEK 118 160 000 compared to 2005. Part of the increase is due to an increase in co-financed contributions of SEK 68 614 000. Of these, SEK 55 350 000 refers to payments from NORAD in respect of Zimbabwe and SEK 9 185 000 in respect of Mali. Another part of the increase is due to Sida's guarantees for concessionary credits (SEK 49 129 000), which is a liability to recipients of guarantees in respect of recoveries.

Note 26. Cut-off items

	061231	051231
Accrued salaries and vacation pay	39 994	36 522
Other accrued costs, not governmental	4 591	5 312
Other accrued costs, governmental	515	2 414
Unused grants, governmental	5 652	7 329
Deferred revenue	0	36
Closing balance	50 752	51 612

APPROPRIATION ACCOUNTS**Note 27. Opening transferred balance**

In an amendment to the government's annual directives and letter of appropriations, the Government has decided that Sida may use all unspent balances on appropriations that refer to 7 8:1 Development cooperation.

At the end of 2005 Sida had an unspent balance on appropriation 8:2.1 of SEK 31 836 000. According to an amendment of the government's annual directives and letter of appropriations, Sida has continued use of the entire unspent balance. However, Sida has been given a ceiling on expenditure in the same decision (see note 30).

At the end of 2005 Sida had an unspent balance on appropriation 5 5 11:1 (Cooperation in the Baltic Sea region) of SEK 13 692 000. According to the government's annual directives and letter of appropriations, Sida may only use 3 per cent.

At the end of 2005 Sida had an unspent balance on appropriation 2439:6 (Private Sector Development in the Baltic Sea region) of SEK 32 488 000. According to an amendment of the government's annual directives and letter of appropriations, Sida has continued use of the entire unspent balance.

Note 28. Allocation for the year

The difference between the allocation in the Government's directives and letter of appropriations and the allocation in the appropriation accounts 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 29. Reallocated appropriation items

All the changes below are shown in the table at the end of the note.

In an amendment of the government's annual directives and letter of appropriations, the Government has decided on a re-allocation of the unspent balance as at December 31, 2005

In an amendment of the government's annual directives and letter of appropriations, the Government has transferred SEK 20 000 000 from appropriation 8:1 29.1 (Organisation and thematic support) to 8:1 3 (Global programmes).

In an amendment of the government's annual directives and letter of appropriations, the Government has transferred SEK 8 500 000 from appropriation 5:11.1 (Cooperation in the Baltic Sea region) to 8:1 3 (Global programmes).

In an amendment of the government's annual directives and letter of appropriations, the Government has transferred SEK 235 000 000 from appropriation 8:1 29.1 (Organisation and thematic support) to 8:1 3 (Global programmes).

In an amendment of the government's annual directives and letter of appropriations, the Government has transferred SEK 5 000 000 from 8:1 26.2 (Eastern Europe and Central Asia) to appropriation 8:1 29.1 (Organisation and thematic support).

In an amendment of the government's annual directives and letter of appropriations, the Government has transferred SEK 5 000 000 to 8:1 26.2 (Eastern Europe and Central Asia, non-ODA countries) Sida has accounted for the transfer as a reallocated budget item in accordance with accounting in Hermes.

In an amendment of the government's annual directives and letter of appropriations, the Government has transferred SEK 50 000 000 from 8:1 33 (Concessionary Credits) to the Government Offices' appropriation 8:1 16.1 (Other support to UN-related activities). In the same amendment, a transfer is made with the effect that 8:1 26.1 (Eastern Europe and Central Asia, ODA countries) is increased by SEK 70 000 000, appropriation 7 Latin America is reduced by SEK 20 000 000, appropriation 6 (Asia, Middle East and North Africa) is reduced by SEK 20 000 000 and appropriation 15 Research is reduced by SEK 15 000 000.

Appropriation	Designation	Reallocation uncommitted unspent balances	Reallocation between appropriations	Redistributions	Net
7 8:1.1	Humanitarian contributions and conflict-related activities	100 000			100 000
7 8:1.2	Information				0
7 8:1.3	Global development programmes	70 000		255 000	325 000
7 8:1.5	NGOs				0
7 8:1.6	Asia, Middle East and North Africa		-20 000		-20 000
7 8:1.7	Latin America		-35 000		-35 000
7 8:1.9	Africa	50 000			50 000
7 8:1.26.1	Eastern Europe and Central Asia, ODA countries	70 000	70 000		140 000
7 8:1.26.2	Eastern Europe and Central Asia, non-ODA countries		-5 000	5 000	0
7 8:1.32	Research	-100 000	-15 000		-115 000
7 8:1.33	Concessionary credits	-190 000		-50 000	-240 000
5 5:11.1	Cooperation in the Baltic Sea region		5 000	-8 500	-3 500
7 8:1	Total	0	0	201 500	201 500

Note 30. Ceilings on expenditure

In the amendment to the Government's annual directives and letter of appropriations, the Government had decided that Sida should have a ceiling on expenditure of SEK 15 860 800 000 on appropriation 8:1, of which SEK 530 000 000 refers to appropriation sub-item 25:2 Eastern Europe and Central Asia, non-ODA countries.

In the amendment to the Government's annual directives and letter of appropriations, Sida has been given a ceiling on expenditure of SEK 657 336 000 for appropriation sub-item 8:2 1 Sida.

Note 31. Appropriation credit

In accordance with the Government's annual directives and letter of appropriations, Sida may use an appropriation credit during the budget year 2006.

Note 32. Closed appropriations

At the end of 2005, Sida had an unspent balance of SEK 239 000 on appropriation 7 9:1 Cooperation with Central and Eastern Europe. Since Sida was not authorised to use these funds in 2006, the unspent balance has been withdrawn.

Note 33. Re-allocated funds from unspent balances on extended appropriations

At the end of 2005, Sida had outstanding funds on appropriation item 5 5:2 Peace-Promotion Activities sub-item 3 Sida's operations abroad, amounting to SEK 1 149 000. 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 34. Negative appropriation outcome

At the end of 2006 Sida had a negative outcome amounting to—SEK 1 018 000 on appropriation 2439:6 Private Sector Development in the Baltic Sea region. The negative outcome is due to repayments received in 2006 that refer to disbursements made by Sida in previous years. According to a decision of the Government, the unspent balance brought forward in 2006 (SEK 33 506 000) shall be transferred to appropriation item 4: At the disposal of the Government.

Note 35. Accounting against income headings

The years' estimated income 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.

In the section on Fees etc. collected in the Statement of Financial Performance, only SEK 43 816 000 is reported as having been transferred to the Government budget. This amount does not correspond to the amount under Accounting against revenue heading (SEK 55 251 000). The reason for this is that repayments of conditional loans and soft loans (SEK 11 435 000) 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 8 855 000).

AUTHORISATIONS

Note 36. 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 37. Outstanding commitments

Information on authorisation for appropriation 5 5:2.3 Peace and conflict promotion activities, Sida's operations abroad, was not given in Sida's annual report for 2005. The authorisation was not used and therefore the commitment carried forward to 2006 is SEK 0.

Note 38. 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 2006 and disbursements that were made before 2006. 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 39. Cost of operations

	060101 -061231	050101 -051231
Cost of operations according to the Statement of Financial Performance	-1 048 645	-966 389
Cost of operations according to the Cash Flow Statement	-1 015 776	-929 926
Difference	-32 869	-36 463

The difference consists of the following items in the Statement of Financial Performance that do not affect the Cash Flow Statement:

	060101 -061231	050101 -051231
Capital losses from sales of fixed assets	-284	-27
Provisions for future pension commitments	2 069	-600
Depreciation of fixed assets	-34 654	-35 836
Total	-32 869	-36 463

Note 40. Revenue from fees and other payments

	060101 -061231	050101 -051231
Revenue from fees etc. according to the Statement of Financial Performance	61 404	55 772
Revenue from fees etc. according to the Cash Flow Statement	60 451	54 907
Difference	953	865

The difference consists of the following item in the Statement of Financial Performance that does not affect the Cash Flow Statement:

	060101 -061231	050101 -051231
Capital gains from sales of fixed assets	953	865
Total	953	865

Note 41. New loans and depreciation

The balance of this item has been corrected by SEK -44 704 000. This amount corresponds to previous years' unrealised exchange rate differences. From 2006 onwards these will be shown on separate accounts.

Note 42. Increase in Government capital with funds received from the government budget

In the section on Financing of transfer activities, SEK 210 000 000 is shown as "Increase in government capital with funds from received government budget". In 2006 the entire balance on this item consists of an adjustment of SEK 210 000 000. The balance for 2005 included a provision for concessionary credits due to an error in classification as soft loans. This has been corrected in the accounts for 2006. The correction also affects the amount in "Financing of lending activities" by a corresponding amount.

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 district court settled in Sida's favour in January 2006. Scandiaconsult has appealed against the judgement to the Court of Appeal.

Caspian Trading SEK 83 000

Caspian Trading, a cooperative economic association, was granted an import guarantee not exceeding SEK 187 500 by Sida for the introduction of fish products from Russia on to the market. Due to a delay in receiving deliveries, Caspian Trading has applied for the payment of the amount of the guarantee. In view of Caspian Trading's request, Sida has decided to pay some SEK 104 000 to the association. Caspian Trading has appealed against Sida's decision and has claimed a minimum amount of SEK 187 500. The dispute was settled in Sida's favour in the county administrative court and the administrative court of appeal. Caspian Trading has requested that the Supreme Administrative Court examine the case

Doubtful receivables**Scandiaconsult AB: SEK 500 000**

In the above-mentioned dispute in court, Sida claims compensation for financial losses totalling more than SEK 500 000 to the breach of contract by the counter party.

Hifab AB and others and NCC AB: SEK 97 million

Hifab International AB 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 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 whether the counter parties are responsible for compensation and, if so, of the possibilities of proving this responsibility. Sida intends to investigate the possibilities of reaching a settlement in this matter.

Nepru: SEK 1 200 000

A Namibian research organisation, Namibian Economic Policy Research Unit (Nepru) has received grants from Sida. An audit has shown that SEK 1 200 000 of the grants has been used in a way that does not conform to the agreements on the grants. Sida has demanded that Nepru repay the entire amount that has been used incorrectly. A discussion is taking place on how the repayment shall be made.

Caritas Sweden: SEK 530 000

Caritas Sweden (Caritas) has received grants from Sida for a number of different projects and programmes. Audits have shown that at least SEK 530 000 has been used in a manner that does not conform to the agreements. Sida has demanded that Caritas repay SEK 530 000 plus interest. Caritas has agreed to make the repayment. Caritas has not repaid the amount. Sida may take legal action.

Start programmes: SEK 1 800 000

Within the framework of the Start programmes up to and including 1999, Sida granted write-off loans and conditional loans to a large number of companies. Eight of these companies have not yet regulated their debts in accordance with the agreements. The total claim on these companies amounts to some SEK 1 800 000. Sida has demanded payment of the debts. Sida is negotiating with the companies on repayment.

CDA: SEK 315 000

Sida has given grants amounting to SEK 800 000 to the Center for Democratic Advancement (CDA). An audit has shown that CDA has reported costs to Sida that are SEK 260 000 higher than the actual costs. Also, CDA has not repaid unused funds of SEK 55 000. Sida has demanded repayment of the combined amount of SEK 315 000. CDA has not regulated the debt. Sida is considering legal action.

Approval of the annual report by the Board of Sida

2006



Approval of the annual report by the Board of Sida

Sida's board approved Sida's annual report for 2006 at its board meeting on February 16, 2007.



Maria Norrfalk, *Director General*



Ari Kokko



Kerstin Lundgren



Birgitta Ohlsson



Leif Håkansson



Charlotte Petri Gornitzka



Lena Johansson



Holger Gustafsson



Marie Nordén



Kent Härstedt



Marie Öberg Lindevall

Appendices

2006



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	2004	2005	2006
International development cooperation	12 364 355	13 829 917	15 683 532
Foreign policy and security policy	2 970	4 673	17 377
Other policy areas	63 604	39 410	22 421
Total	12 430 929	13 874 000	15 723 330
Administration costs	545 562	578 335	620 751
Grand total	12 976 491	14 452 335	16 344 081

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	4 664 674	0	0	0	0	248 050
Asia, Middle East and North Africa	0	2 226 472	0	0	931	86 393
Latin America	0	0	902 646	0	1 329	100 881
Europe	0	0	0	1 692 599	112	0
whereof Europe ODA countries	0	0	0	1 308 355	112	0
whereof Europe non-ODA countries	0	0	0	384 243	0	0
Global	6 018	0	0	19	1 895 871	492 575
Total	4 670 692	2 226 472	902 646	1 692 618	1 898 243	927 899

Appendix 1:2. continued

Region	OPERATIONAL AREA					Total
	Humanitarian contributions and conflict management	whereof conflict management	Concessionary credits	NGOs	Information	
Sub-Saharan Africa	977 298	44 484	-15 134	325 106	0	6 199 995
Asia, Middle East and North Africa	483 578	12 428	10 125	214 008	0	3 021 507
Latin America	105 114	16 025	0	220 673	0	1 330 643
Europe	57 476	0	0	47 916	0	1 798 103
whereof Europe ODA countries	21 671	0	0	47 628	0	1 377 767
whereof Europe non-ODA countries	35 805	0	0	288	0	420 336
Global	388 112	62 494	12 692	485 960	52 038	3 333 284
Total	2 011 579	135 432	7 683	1 293 663	52 038	15 683 532

Appendix 1:3 International development cooperation broken down by operational area and region/country in Africa, outcome in SEK '000

Country and region	Africa	Global development programmes	Research	Humanitarian contributions and conflict management	whereof conflict management	Concessionary credits	NGOs	Total
SUB-SAHARAN AFRICA								
Angola	40 474	0	0	12 054	0	0	541	53 069
Benin	0	0	0	-730	0	0	2 400	1 670
Botswana	11 409	0	0	0	0	0	0	11 409
Burkina Faso	98 364	0	5 497	0	0	0	6 961	110 821
Burundi	13 947	0	0	43 341	2 488	0	3 498	60 786
Central African Republic	0	0	0	12 956	0	0	0	12 956
Ivory Coast	29 900	0	0	25 964	0	0	122	55 986
Eritrea	0	0	0	12 346	0	0	2 950	15 296
Ethiopia	240 833	0	15 352	38 780	0	0	10 920	305 885
Gambia	0	0	0	0	0	0	5 516	5 516
Ghana	4 993	0	0	0	0	0	599	5 592
Guinea	0	0	0	10 592	0	0	240	10 833
Guinea-Bissau	12 300	0	0	0	0	0	0	12 300
Cameroon	0	0	0	1 980	0	0	2 126	4 106
Cape Verde	1 024	0	0	0	0	114	0	1 137
Kenya	352 484	0	0	6 238	4 174	0	24 220	382 942
Congo	0	0	0	21 393	0	0	2 190	23 583
Congo, Democratic Republic	77 625	0	0	170 270	11 992	0	11 690	259 585
Lesotho	0	0	0	0	0	0	288	288
Liberia	50 000	0	0	43 138	0	0	5 689	98 827
Madagascar	0	0	0	0	0	0	3 459	3 459
Malawi	110 000	0	0	10 784	0	0	5 293	126 077
Mali	183 843	0	0	-143	0	0	3 480	187 180
Mauritania	0	0	0	0	0	0	8 248	8 248
Mauritius	0	0	0	0	0	0	192	192
Mozambique	637 789	0	21 683	0	0	1 185	3 168	663 825
Namibia	61 805	0	683	1 548	0	0	2 009	66 045
Niger	0	0	0	-249	0	0	988	739
Nigeria	5 353	0	0	990	0	0	867	7 210
Rwanda	97 333	0	22 972	3 960	0	0	3 032	127 297
Sao Tomé & Príncipe	0	0	0	0	0	0	175	175
Senegal	2 198	0	0	990	5 000	0	1 394	4 582
Sierra Leone	15 000	0	0	10 285	-506	0	1 401	26 686
Somalia	30 951	0	0	53 352	0	0	10 565	94 868
Sudan	115 200	0	0	200 666	0	0	10 750	326 616
South Africa	128 415	0	2 477	990	0	0	30 528	162 410
Tanzania	744 341	0	46 881	6 032	0	0	21 839	819 093
Chad	0	0	0	24 891	0	0	1 696	26 587
Togo	0	0	0	0	0	0	4 884	4 884
Uganda	309 639	0	46 230	86 592	0	1 567	17 356	461 384
Zambia	345 451	0	0	3 096	0	0	7 759	356 306
Zimbabwe	78 421	0	0	43 361	0	0	9 571	131 352
Regional Africa	865 583	0	86 274	131 832	21 336	-18 000	96 505	1 162 194
TOTAL SUB-SAHARAN AFRICA	4 664 674	0	248 050	977 298	44 484	-15 134	325 106	6 199 995

Appendix 1:4 International development cooperation broken down by operational area and region/country in Asia, outcome in SEK '000

Country and region	Asia, Middle East and North Africa	Global development programmes	Research	Humanitarian contributions and conflict management	whereof conflict management	Concession-ary credits	NGOs	Total
ASIA, MIDDLE EAST AND NORTH AFRICA								
Asia								
Afghanistan	284 717	0	0	28 728	-936	0	21 584	335 028
Bangladesh	265 728	0	0	3 432	0	2 448	11 113	282 721
Bhutan	708	0	0	0	0	0	0	708
Philippines	21 564	0	0	3 956	0	0	13 932	39 452
India	89 195	0	0	5 496	0	59	30 668	125 417
Indonesia	104 119	405	0	53 700	0	0	6 559	164 782
Cambodia	119 781	0	0	344	0	0	5 983	126 108
China	69 807	0	0	5 894	0	0	10 227	85 928
Korea, North	5 698	0	0	30 977	900	0	867	37 542
Laos	158 913	303	13 576	0	0	0	2 089	174 881
Malaysia	0	0	0	0	0	0	3 769	3 769
Mongolia	17 168	0	0	0	0	544	856	18 568
Myanmar/Burma	20 208	0	0	5 810	0	0	1 707	27 725
Nepal	0	0	0	12 421	4 000	0	2 935	15 357
Pakistan	50 000	0	0	21 969	0	0	14 668	86 637
Papua New Guinea	0	0	0	0	0	0	316	316
Sri Lanka	109 854	0	14 995	21 582	5 000	1 541	3 636	151 608
Thailand	7 205	0	0	36 010	0	5 472	9 190	57 877
Vietnam	281 760	0	20 784	0	0	62	12 611	315 218
East Timor	1 058	0	0	10 000	0	0	339	11 397
Total Asia	1 607 483	708	49 355	240 319	8 964	10 125	153 050	2 061 040
Middle East and North Africa								
Algeria	0	0	0	3 030	0	0	0	3 030
Egypt	8 783	0	0	0	0	0	5 742	14 525
Iraq	62 533	0	0	14 748	4 073	0	5 976	83 257
Iran	0	0	0	-395	0	0	361	-34
Yemen	0	0	0	1 548	0	0	2 814	4 362
Jordan	2 633	0	0	0	0	0	400	3 033
Lebanon	48 465	0	0	20 400	0	0	2 410	71 274
Morocco	6 914	0	0	0	0	0	1 101	8 015
Syria	5 257	0	0	0	0	0	345	5 601
Tunisia	3 806	0	0	990	0	0	466	5 262
West Bank and Gaza	183 383	0	0	155 081	-609	0	20 691	359 155
Total: Middle East and North Africa	321 773	0	0	195 402	3 464	0	40 306	557 481
Regional Asia, Middle East and North Africa	297 216	223	37 038	47 857	0	0	20 652	402 986
TOTAL ASIA, MIDDLE EAST AND NORTH AFRICA	2 226 472	931	86 393	483 578	12 428	10 125	214 008	3 021 507

Appendix 1:5 International development cooperation broken down by operational area and region/country in Latin America, outcome in SEK '000

Country and region	Latin America	Global development programmes	Research	Humanitarian contributions and conflict management	whereof conflict management	NGOs	Total
LATIN AMERICA							
Argentina	0	0	0	0	0	2 277	2 277
Belize	0	0	0	0	0	199	199
Bolivia	90 169	0	26 761	2 479	0	14 627	134 036
Brazil	311	0	0	0	0	22 836	23 147
Chile	150	0	0	0	0	2 099	2 249
Colombia	103 951	0	0	22 677	3 025	4 059	130 687
Costa Rica	1 620	0	0	0	0	5 167	6 787
Dominica	0	0	0	0	0	199	199
Dominican Republic	0	0	0	0	0	311	311
Ecuador	539	0	0	0	0	4 179	4 718
El Salvador	9 103	0	0	10 000	0	12 284	31 387
Guatemala	186 240	0	0	37 500	0	16 882	240 622
Haiti	3 546	0	0	17 384	7 500	490	21 419
Honduras	117 476	0	10 368	0	0	10 118	137 962
Jamaica	790	0	0	0	0	0	790
Cuba	6 350	0	0	0	0	409	6 759
Mexico	0	0	0	0	0	717	717
Nicaragua	199 762	0	33 353	-66	0	11 617	244 665
Paraguay	-157	0	0	0	0	11 636	11 479
Peru	16 993	0	0	1 959	0	10 501	29 454
Uruguay	0	0	0	0	0	2 613	2 613
Venezuela	209	0	0	-57	0	0	152
Regional Latin America	165 594	1 329	30 400	13 239	5 500	87 451	298 014
TOTAL LATIN AMERICA	902 646	1 329	100 881	105 114	16 025	220 673	1 330 643

Appendix 1:6 International development cooperation broken down by operational area and region/country in Europe/Central Asia, outcome in SEK '000

Country and region	Eastern Europe and Central Asia	Global development programmes	Humanitarian contributions and conflict management	whereof conflict management	NGOs	Total
EUROPE AND CENTRAL ASIA						
ODA countries						
Albania	91 524	0	0	0	939	92 463
Armenia	15 423	0	990	0	277	16 689
Azerbaijan	2 026	112	1 980	0	217	4 222
Bosnia & Herzegovina	272 738	0	3 398	0	7 822	284 070
Georgia	66 951	0	990	0	651	68 593
Kazakhstan	5 848	0	0	0	475	6 323
Kyrgyzstan	35 709	0	0	0	1 028	36 738
Croatia	35 670	0	0	0	231	35 901
Macedonia	88 278	0	0	0	889	89 168
Moldova	79 782	0	0	0	4 661	84 443
Serbia and Montenegro	290 659	0	6 012	0	3 404	300 075
Serbia	95 565	0	3 000	0	481	99 047
Montenegro	17 335	0	0	0	-24	17 311
Kosovo	101 848	0	1 032	0	2 579	105 459
Other parts of the country	75 911	0	1 980	0	367	78 259
Tajikistan	62 926	0	2 408	0	0	65 334
Turkey	21 622	0	0	0	2 232	23 855
Ukraine	122 592	0	0	0	5 852	118 444
Uzbekistan	6 135	0	2 970	0	785	9 890
Belarus	44 679	0	0	0	2 138	46 818
Regional Europe	75 793	0	2 924	0	16 025	94 742
Total ODA countries	1 308 355	112	21 671	0	47 628	1 377 767
Non-ODA countries						
Bulgaria	5 014	0	0	0	0	5 014
Estonia	6 721	0	0	0	0	6 721
Latvia	14 305	0	0	0	0	14 305
Lithuania	15 190	0	0	0	0	15 190
Poland	62	0	0	0	0	62
Rumania	6 824	0	0	0	0	6 824
Russia	323 484	0	35 805	0	0	359 289
Barents region	30 211	0	0	0	0	30 211
Other parts of Russia	293 273	0	35 805	0	0	329 078
Slovakia	49	0	0	0	0	49
Czech Republic	277	0	0	0	0	277
Regional Central and Eastern Europe	12 317	0	0	0	288	12 605
Total Non-ODA countries	384 243	0	35 805	0	288	420 336
TOTAL EUROPE AND CENTRAL ASIA	1 692 599	112	57 476	0	47 916	1 798 103

Appendix 1:7 The 20 main partner countries, outcome in SEK '000

Country	Outcome		
	2004	2005	2006
Tanzania	613 744	680 499	819 093
Mozambique	486 468	570 682	663 825
Uganda	313 810	358 287	461 384
Kenya	219 469	314 701	382 942
Russia*	345 859	340 851	359 289
West Bank and Gaza	273 444	260 619	359 155
Zambia	192 621	250 886	356 306
Afghanistan	406 696	328 981	335 028
Sudan	188 760	317 368	326 616
Vietnam	197 295	312 212	315 218
Ethiopia	372 710	380 078	305 885
Serbia and Montenegro	212 076	226 341	300 075
Bosnia & Herzegovina	227 122	329 494	284 070
Bangladesh	195 394	178 230	282 721
Congo, Democratic Republic	119 528	167 483	259 585
Nicaragua	301 870	305 499	244 665
Guatemala	117 681	113 623	240 622
Mali	109 365	162 120	187 180
Laos	162 828	111 854	174 881
Indonesia	66 873	155 715	164 782
Total	5 123 613	5 865 523	6 823 322

*Non ODA-country.

Appendix 2. International development cooperation by main sector (Sida's classification)

Appendix 2. International development cooperation broken down by main sector and region/country, outcome in SEK '000

Country and region	Health	Education	Research	Human rights and democratic governance	Conflicts, peace and security	Humanitarian assistance
SUB-SAHARAN AFRICA						
Angola	19 540	42	0	8 307	8 025	12 054
Benin	252	757	0	853	0	-730
Botswana	8 640	0	0	2 736	0	0
Burkina Faso	22 269	9 209	5 497	13 724	0	0
Burundi	440	1 323	0	14 740	2 488	40 854
Central African Republic	0	0	0	0	0	12 956
Ivory Coast	0	0	0	122	10 000	45 864
Eritrea	115	304	0	1 634	116	12 346
Ethiopia	34 131	18 802	15 352	36 218	132	38 780
Gambia	-43	-114	0	5 847	19	0
Ghana	9	0	0	1 826	0	0
Guinea	9	0	0	225	4	10 592
Guinea-Bissau	0	0	0	0	0	0
Cameroon	7	-1	0	2 118	0	1 980
Cape Verde	0	0	0	1 024	0	0
Kenya	44 278	654	0	148 671	259	6 238
Congo	-8	-5	0	2 050	4 171	17 219
Congo, Democratic Republic	685	14 771	0	69 007	11 992	158 277
Lesotho	26	0	0	253	0	0
Liberia	220	566	0	3 180	30 224	63 138
Madagascar	0	0	0	3 457	2	0
Malawi	68 214	30	0	46 156	11	10 784
Mali	35 134	50 337	0	15 180	-2	-143
Mauritania	868	2 546	0	2 306	119	0
Mauritius	17	0	0	169	0	0
Mozambique	33 263	5 198	21 683	140 847	82	0
Namibia	9 070	32 092	755	10 603	4	1 548
Niger	114	265	0	412	0	-249
Nigeria	65	-3	0	6 143	-2	990
Rwanda	237	742	22 972	15 223	-5	4 680
Sao Tomé & Príncipe	-3	-6	0	193	0	0
Senegal	-1	-1	0	1 039	0	990
Sierra Leone	177	530	0	318	20 000	5 285
Somalia	-231	-417	0	30 205	9 688	53 858
Sudan	736	1 685	0	8 628	86	200 666
South Africa	27 135	25 082	2 477	83 109	443	990
Tanzania	94 356	108 914	46 881	105 432	132	6 032
Chad	533	143	0	929	-5	24 891
Togo	822	818	0	2 668	9	0
Uganda	86 153	283	46 230	61 193	4 581	86 592
Zambia	153 366	42	0	64 909	-25	3 096
Zimbabwe	21 573	437	0	57 895	796	43 361
Regional Africa	238 551	15 876	90 038	237 262	54 625	110 496
TOTAL SUB-SAHARAN AFRICA	900 718	290 902	251 886	1 206 808	157 969	973 434

Appendix 2. International development cooperation broken down by main sector and region/country, outcome in SEK '000

Country and region	Infrastructure	Trade, industry and financial systems	Natural resources and the environment	Budget support for poverty reduction	Other sectors	Total
SUB-SAHARAN AFRICA						
Angola	3 621	375	13	0	1 092	53 069
Benin	2	40	188	0	308	1 670
Botswana	0	0	0	0	33	11 409
Burkina Faso	0	1	4 398	50 000	5 724	110 821
Burundi	3	70	328	0	539	60 786
Central African Republic	0	0	0	0	0	12 956
Ivory Coast	0	0	0	0	0	55 986
Eritrea	3	174	132	0	472	15 296
Ethiopia	9	8 101	113 039	0	41 322	305 885
Gambia	3	-9	-104	0	-83	5 516
Ghana	3 722	0	0	0	35	5 592
Guinea	0	0	0	0	3	10 833
Guinea-Bissau	0	12 300	0	0	0	12 300
Cameroon	0	0	-1	0	3	4 106
Cape Verde	114	0	0	0	0	1 137
Kenya	46 355	19	128 339	0	8 128	382 942
Congo	-1	-2	-5	0	163	23 583
Congo, Democratic Republic	4	91	434	0	4 323	259 585
Lesotho	0	0	0	0	8	288
Liberia	0	337	273	0	890	98 827
Madagascar	0	0	0	0	0	3 459
Malawi	0	17	14	0	852	126 077
Mali	0	16	959	80 000	5 699	187 180
Mauritania	6	298	710	0	1 394	8 248
Mauritius	0	0	0	0	6	192
Mozambique	187 635	430	60 939	200 000	13 747	663 825
Namibia	1 776	855	3 786	0	5 556	66 045
Niger	1	14	66	0	116	739
Nigeria	0	-1	-3	0	22	7 210
Rwanda	4	36	170	80 000	3 237	127 297
Sao Tomé & Príncipe	0	0	-4	0	-5	175
Senegal	0	0	2 197	0	359	4 582
Sierra Leone	1	28	132	0	216	26 686
Somalia	-2	-28	-316	0	2 112	94 868
Sudan	1	183	424	0	114 207	326 616
South Africa	10 795	3 687	2 795	0	5 897	162 410
Tanzania	77 146	39 911	26 256	300 000	14 034	819 093
Chad	0	5	29	0	61	26 587
Togo	2	42	195	0	329	4 884
Uganda	54 864	21 378	56 656	33 500	9 952	461 384
Zambia	11 874	11 765	55 617	48 500	7 162	356 306
Zimbabwe	370	194	3 317	0	3 409	131 352
Regional Africa	72 905	48 660	251 369	0	42 411	1 162 194
TOTAL SUB-SAHARAN AFRICA	471 212	148 984	712 344	792 000	293 736	6 199 995

Appendix 2. International development cooperation broken down by main sector
and region/country, outcome in SEK '000

Country and region	Health	Education	Research	Human rights and democratic governance	Conflicts, peace and security	Humanitarian assistance
ASIA, MIDDLE EAST AND NORTH AFRICA						
Asia						
Afghanistan	15 880	133 473	2 000	121 043	14 160	29 664
Bangladesh	108 068	73 094	0	20 565	229	3 432
Bhutan	0	0	0	0	0	0
Philippines	402	878	0	13 296	7 733	3 956
India	32 737	448	0	46 263	83	5 496
Indonesia	236	2	0	12 360	15 017	53 700
Cambodia	59	47 238	999	75 583	37	344
China	17 053	1 942	0	22 004	2	5 894
Korea, North	0	0	0	842	925	30 077
Laos	1 712	27 746	13 576	37 215	12	0
Malaysia	17	0	0	1 396	0	0
Mongolia	31	591	0	4 845	-1	0
Myanmar/Burma	318	13	0	16 144	26	5 810
Nepal	99	193	0	2 406	4 011	8 421
Pakistan	250	744	0	12 198	123	21 969
Papua New Guinea	-11	-7	0	351	-4	0
Sri Lanka	250	1 198	14 995	37 098	22 672	16 582
Thailand	531	4 789	0	6 352	59	36 010
Vietnam	31 066	821	20 898	86 763	225	0
East Timor	-6	-4	0	1 116	-2	10 000
Total Asia	208 692	293 161	52 468	517 841	65 306	231 355
Middle East and North Africa						
Algeria	0	0	0	0	0	3 030
Egypt	294	896	0	7 771	98	0
Iraq	44	-5	0	19 776	6 420	10 675
Iran	0	0	0	351	10	-395
Jordan	698	151	0	91	0	0
Lebanon	31	17	0	1 998	7	20 400
Morocco	139	416	0	915	0	0
Syria	-5	2 322	0	1 783	-2	0
Tunisia	-3	-6	0	2 830	0	990
West Bank and Gaza	73 905	1 623	0	59 021	6 162	155 690
Yemen	154	453	0	1 467	36	1 548
Total Middle East and North Africa	72 256	5 869	0	96 003	12 732	191 938
Regional Asia, Middle East and North Africa	22 044	1 986	37 038	86 507	349	56 946
TOTAL ASIA, MIDDLE EAST AND NORTH AFRICA	305 992	301 016	89 506	700 351	78 386	480 239
LATIN AMERICA						
Argentina	267	644	0	892	0	0
Belize	0	0	0	119	0	119
Bolivia	5 864	24 395	26 761	37 058	2 020	2 479
Brazil	1 718	3 709	0	14 221	54	0
Chile	110	19	0	1 434	0	0
Colombia	-70	-122	0	56 366	52 639	19 651
Costa Rica	92	687	0	4 075	94	0
Dominica	0	0	0	119	0	119
Dominican Republic	-5	-40	0	408	8	0
Ecuador	184	373	0	3 071	0	0
El Salvador	132	74	0	19 150	33	10 000
Guatemala	20 961	131	0	111 442	1 842	65 138
Haiti	0	0	0	4 035	7 500	9 884

Appendix 2. International development cooperation broken down by main sector
and region/country, outcome in SEK '000

Country and 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	14 253	-29	-329	0	4 913	335 028
Bangladesh	60 098	6 357	5 838	0	5 040	282 721
Bhutan	0	0	708	0	0	708
Philippines	2	1 547	10 844	0	794	39 452
India	10 049	3 150	23 787	0	3 406	125 417
Indonesia	71 614	0	8 377	0	3 477	164 782
Cambodia	-1	55	248	0	1 544	126 108
China	1 258	10 573	23 969	0	3 233	85 928
Korea, North	0	5 698	0	0	0	37 542
Laos	52 634	1 110	38 256	0	2 621	174 881
Malaysia	0	0	1 875	0	480	3 769
Mongolia	3 356	667	9 068	0	11	18 568
Myanmar/Burma	0	11	5 004	0	399	27 725
Nepal	30	5	-8	0	199	15 357
Pakistan	50 000	19	12	0	1 321	86 637
Papua New Guinea	-1	-3	-8	0	-1	316
Sri Lanka	33 745	17 400	1 268	0	6 399	151 608
Thailand	2	25	9 187	0	921	57 877
Vietnam	10 363	7 523	61 971	0	95 588	315 218
East Timor	0	-2	-4	0	300	11 397
Total Asia	307 402	54 107	200 063	0	130 645	2 061 040
Middle East and North Africa						
Algeria	0	0	0	0	0	3 030
Egypt	4 203	165	266	0	831	14 525
Iraq	43 982	-2	-6	0	2 375	83 257
Iran	0	0	0	0	0	-34
Jordan	1 986	8	38	0	62	3 033
Lebanon	47 775	0	526	0	521	71 274
Morocco	3 895	22	2 459	0	170	8 015
Syria	1 509	-1	-3	0	0	5 601
Tunisia	1 018	0	438	0	-5	5 262
West Bank and Gaza	36 815	3 009	8 930	0	13 998	359 155
Yemen	1	18	85	0	600	4 362
Total Middle East and North Africa	141 182	3 219	12 732	0	18 550	557 481
Regional Asia, Middle East and North Africa	4 444	31 781	157 884	0	4 007	402 986
TOTAL ASIA, MIDDLE EAST AND NORTH AFRICA	453 028	89 107	370 679	0	153 202	3 021 507
LATIN AMERICA						
Argentina	2	34	160	0	279	2 277
Belize	0	0	0	0	0	199
Bolivia	12	16 139	12 103	0	7 205	134 036
Brazil	29	190	1 321	0	1 903	23 147
Chile	3	151	382	0	150	2 249
Colombia	-1	-9	1 307	0	926	130 687
Costa Rica	-1	144	1 303	0	393	6 787
Dominica	0	0	0	0	0	199
Dominican Republic	0	-3	-30	0	-27	311
Ecuador	1	20	714	0	354	4 718
El Salvador	565	43	34	0	1 356	31 387
Guatemala	13 700	601	21 216	0	5 591	240 622
Haiti	0	0	0	0	0	21 419

Appendix 2. International development cooperation broken down by main sector
and region/country, outcome in SEK '000

Country and region	Health	Education	Research	Human rights and democratic governance	Conflicts, peace and security	Humanitarian assistance
Honduras	18 900	19 443	10 368	39 538	0	0
Jamaica	0	0	0	703	0	0
Cuba	73	0	525	4 214	0	0
Mexico	-18	-11	0	771	-6	0
Nicaragua	55 626	163	33 353	57 549	9 949	-66
Paraguay	114	341	0	9 411	0	0
Peru	435	1 020	0	18 512	1 681	1 959
Uruguay	0	0	0	1 336	0	0
Venezuela	0	0	0	209	0	-57
Regional Latin America	25 953	2 783	30 400	154 009	6 967	7 739
TOTAL LATIN AMERICA	130 337	53 609	101 406	538 801	82 781	116 727
EUROPE						
ODA countries						
Albania	12 792	664	0	61 235	1 161	0
Armenia	22	365	0	4 560	-10	990
Azerbaijan	0	0	0	1 996	6	2 220
Bosnia & Herzegovina	3 045	11 473	435	106 645	6 186	3 398
Georgia	492	168	0	31 223	894	990
Kazakhstan	35	310	0	4 895	1 011	0
Kyrgyzstan	21 186	602	0	3 870	0	0
Croatia	5 509	252	0	23 616	0	0
Macedonia	2 408	4 548	0	44 703	603	0
Moldova	14 395	3 377	1 449	48 786	30	0
Serbia and Montenegro	4 734	7 514	0	154 823	4 960	6 012
Serbia	103	389	0	44 212	27	1 032
Montenegro	-16	-6	0	6 928	0	0
Kosovo	1 547	716	0	48 063	4 934	3 000
Other parts of the country	3 100	6 415	0	55 620	0	1 980
Tajikistan	14 844	203	0	25 424	0	2 408
Turkey	157	2	0	23 631	15	0
Ukraine	23 241	1 176	0	28 769	3 075	0
Uzbekistan	6 059	286	0	456	8	2 970
Belarus	9 145	1 074	0	24 253	38	4 545
Regional Europe	4 264	5 507	0	57 125	59	2 924
Total ODA countries	122 327	37 522	1 884	646 008	18 035	26 456
Non-ODA countries						
Bulgaria	0	0	757	2 474	0	0
Estonia	0	0	0	240	0	0
Latvia	0	0	0	-23	0	0
Lithuania	0	0	0	1 810	0	0
Poland	0	0	0	62	0	0
Rumania	137	110	0	6 385	89	0
Russia	63 117	10 500	0	99 950	4 864	35 805
Russia	57 370	5 999	0	91 473	4 498	35 805
Barents region	5 747	4 501	0	8 477	366	0
Slovakia	0	0	0	49	0	0
Czech Republic	0	0	0	277	0	0
Regional Central and Eastern Europe	-23	2 794	0	6 052	442	0
Total Non-ODA countries	63 231	13 404	757	117 276	5 395	35 805
TOTAL EUROPE	185 558	50 926	2 641	763 285	23 430	62 261
Global	387 841	259 821	524 124	605 163	65 861	325 417
Total	387 841	259 821	524 124	605 163	65 861	325 417
TOTAL	1 910 447	956 273	969 565	3 814 409	408 428	1 958 079

Appendix 2. **International development cooperation broken down by main sector and region/country, outcome in SEK '000**

Country and region	Infrastructure	Trade, industry and financial systems	Natural resources and the environment	Budget support for poverty reduction	Other sectors	Total
Honduras	23 504	3	16 707	0	9 501	137 962
Jamaica	0	87	0	0	0	790
Cuba	0	891	0	0	1 056	6 759
Mexico	-1	-4	-12	0	-1	717
Nicaragua	-25 774	4	39 573	70 000	4 288	244 665
Paraguay	1	18	85	0	1 510	11 479
Peru	9	126	3 342	0	2 369	29 454
Uruguay	0	0	1 019	0	258	2 613
Venezuela	0	0	0	0	0	152
Regional Latin America	12 757	9 901	27 862	0	19 641	298 014
TOTAL LATIN AMERICA	24 806	28 335	127 087	70 000	56 753	1 330 643
EUROPE						
ODA countries						
Albania	423	-62	12 291	0	3 958	92 463
Armenia	-2	2	10 709	0	53	16 689
Azerbaijan	0	0	0	0	0	4 222
Bosnia & Herzegovina	118 583	3 077	25 365	0	5 861	284 070
Georgia	0	-2	33 670	0	1 158	68 593
Kazakhstan	0	6	24	0	42	6 323
Kyrgyzstan	1	21	10 788	0	270	36 738
Croatia	0	0	3 770	0	2 756	35 901
Macedonia	0	1 071	33 423	0	2 412	89 168
Moldova	2 795	1	10 730	0	2 881	84 443
Serbia and Montenegro	60 036	22 214	28 984	0	10 797	300 075
<i>Serbia</i>	21 334	19 511	18 691	0	160	105 459
<i>Montenegro</i>	10 079	0	331	0	-5	17 311
<i>Kosovo</i>	28 564	2 247	6 615	0	3 360	99 047
<i>Other parts of the country</i>	59	456	3 347	0	7 281	78 259
Tajikistan	0	7 051	12 573	0	2 831	65 334
Turkey	0	0	0	0	51	23 855
Ukraine	10 000	22 180	27 826	0	2 178	118 444
Uzbekistan	0	8	38	0	64	9 890
Belarus	2 032	5 548	50	0	133	46 818
Regional Europe	2 547	410	19 821	0	2 085	94 742
Total ODA countries	196 417	61 524	230 063	0	37 531	1 377 767
Non-ODA countries						
Bulgaria	0	1 714	69	0	0	5 014
Estonia	72	209	6 199	0	0	6 721
Latvia	0	171	14 157	0	0	14 305
Lithuania	0	0	13 380	0	0	15 190
Poland	0	0	0	0	0	62
Rumania	0	0	105	0	-2	6 824
Russia	28 381	14 619	101 886	0	166	359 289
<i>Russia</i>	22 711	11 342	99 714	0	166	329 078
<i>Barents region</i>	5 670	3 278	2 172	0	0	30 211
Slovakia	0	0	0	0	0	49
Czech Republic	0	0	0	0	0	277
Regional Central and Eastern Europe	0	-53	1 434	0	1 958	12 605
Total Non-ODA countries	28 454	16 661	137 230	0	2 122	420 336
TOTAL EUROPE	224 870	78 185	367 293	0	39 653	1 798 103
Global	189 885	183 897	398 218	0	393 056	3 333 284
Total	189 885	183 897	398 218	0	393 056	3 333 284
TOTAL	1 363 802	528 508	1 975 622	862 000	936 400	15 683 532

Appendix 3. International organisations

Sida shall present a report on the total amount of development cooperation channelled via Sida to international organisations such as UN agencies and programmes, international finance institutions, OSCE, Council of Europe etc. and the selection of strategies and measures taken to increase the number of Swedes in international organisations. The report shall be made by organisation.

In the selection of strategies and measures to be taken to increase the number of Swedes in international organisations, the Ministry for Foreign Affairs and Sida work on the basis of a specific division of roles. Sida has the responsibility for strategies and measures up to the first management level in the UN.

With the goal of contributing to increasing the number of Swedes at different levels in the UN system, Sida works with various instruments. The resource base programmes: Junior Professional Officer (JPO) programme and Young Experts to the Delegation (JED) programme are two examples of strategies selected to make it possible for young university graduates to obtain a future professional international career. Both programmes are governed by two-year objectives and have been created in a way that reflects Sida's overall strategic operational priorities.

In 2006, a number of measures were taken with the goal of increasing the number of Swedes in the UN system, EU's institutions and international financing institutions. Among other things, the number of Swedes in the JED programmes has been doubled. In order to increase

Swedish representation in international financing institutions, Sida has focused in particular on increasing the number of JPOs in the World Bank. Moreover, a JPO cooperation agreement has been initiated with the Inter-American Development Bank (IADB).

To strengthen Swedish representation at intermediate level in the UNDP, a programme "Special Assistant to the Resident Coordinator" has been created. A recruitment delegation from the Asian Development bank (ADB) has visited Sweden with the aim of interviewing Swedish candidates for potential posts at different levels in the organisation.

Another measure taken by Sida to increase Sweden's international representation is Sida's work with secondment to the UN system. Regarding secondments to OSCE and the recruitment of Swedes for participation in various peace promotion projects, Sida has the implementation responsibility, but the overall strategic priorities are regularly determined by the Ministry for Foreign Affairs during the year and in government decisions. On the other hand, Sida's secondments to priority activities/organisation in the UN system can be included under this reporting responsibility. These secondments have increased in recent years and in 2006 an independent consultant was given the task of making a survey of Sida's secondments. The goal of the survey has been to create a more coherent strategy for Sida's secondments.

Appendix 3. Contributions to international organisations, SEK million

	2004	2005	2006
UN ORGANISATIONS			
UN programmes and funds			
Economic Commission for Africa (ECA/UNECA)	10,0	0	0
Economic Commission for Latin America and the Caribbean (ECLAC)	3,2	2,9	0
Economic and Social Commission for Asia and the Pacific (ESCAP)	0	19,7	0
International Fund for Agricultural Development (IFAD)	5,3	3,7	4,8
International Trade Centre (ITC)	0,8	13,8	22,4
United Nations Human Settlements Programme (Habitat/UNCHS)	14,8	23,2	82,2
Joint UN programme on HIV/AIDS (UNAIDS)	9,8	7,1	2,5
United Nations Conference on Trade and Development (UNCTAD)	3,7	4,8	3,0
United Nations Development Programme (UNDP)	534,2	481,0	1 032,8
United Nations Environment Programme (UNEP)	21,0	37,4	18,9
United Nations Population Fund (UNFPA)	12,1	81,4	42,7
Office for the United Nations High Commissioner for Refugees (UNHCR)	13,4	41,7	34,0
United Nations Children's Fund (Unicef)	641,9	519,5	651,1
United Nations Development Fund for Women (UNIFEM)	15,5	37,4	51,6
United Nations Mine Action Service (UNMAS)	0	5,0	5,0
United Nations Office for the Coordination of Humanitarian Affairs (UN-DHA/UNOCHA)	100,1	147,5	110,2
United Nations Office on Drugs and Crime (UNDCP/UNODC)	0	0	9,0
United Nations Research Institute for Social Development (UNRISD)	12,0	13,0	22,0
United Nations Relief and Works Agency (UNRWA)	0	0	43,8
United Nations System Staff College (UNSC)	0	0	0,1
United Nations Volunteers (UNV)	0,3	0,2	0
World Food Programme (WFP)	99,0	160,8	6,7
Total UN Programmes and Funds	1 497,1	1 600,1	2 142,8
UN Sector Agencies			
Food and Agriculture Organisation (FAO)	95,3	119,4	215,6
International Labour Organisation (ILO)	36,8	69,2	62,7
International Maritime Organisation (IMO)	0	2,5	1,9
Pan American Health Organisation (PAHO)	21,4	33,8	30,8
United Nations Educational, Scientific and Cultural Organisation/International Institute for Educational Planning (UNESCO/IIEP)	42,4	46,3	74,9
United Nations Industrial Development Organisation (UNIDO)	0	1,9	0
World Health Organisation (WHO)	132,8	246,4	215,5
Total UN Sector Agencies	328,7	519,5	601,4
Other UN Agencies			
International Center for Theoretical Physics (ICTP)	7,0	7,0	5,0
World Institute for Development Economics Research (UN/WIDER)	4,3	0	7,0
United Nations Office of the High Commissioner for Human Rights (UNHCHR/OHCHR)	25,5	32,2	47,7
United Nations International Strategy for Disaster Reduction (UNISDR)	6,5	0	7,5
United Nations Foundation	8,0	0	2,0
University for Peace	5,5	9,0	7,3
United Nations Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LIREC)	4,0	0	4,0
United Nations Interim Administration in Kosovo (UNMIK)	0	0	11,3
United Nations Office for Project Services (UNOPS)	24,9	9,0	0
United Nations Technical Cooperation Activities (UNTCA)	9,2	-3,9	6,5
United Nations Statistics Division	0	4,0	5,0
Other UN agencies	-2,4	1,9	0
Total Other UN Agencies	92,5	59,2	103,3
TOTAL UN ORGANISATIONS	1 918,3	2 178,8	2 847,5

Appendix 3. Contributions to international organisations continued, SEK million

	2004	2005	2006
EU			
Council of Europe	0	4,7	2,9
European Commission	24,1	4,0	20,0
TOTAL EU	24,1	8,7	22,9
IMF, WB, WTO AND REGIONAL DEVELOPMENT BANKS			
International Monetary Fund (IMF)	10,0	11,1	0
World Bank/International Bank for Reconstruction and Development/International Finance Corporation (WB/IBRD/IFC)	625,8	459,5	906,6
World Trade Organisation (WTO)	10,0	14,0	4,0
Asian Development Bank (ADB)	64,3	202,1	102,2
European Bank for Reconstruction and Development (EBRD)	6,0	6,0	70,8
Inter American Development Bank (IADB/IDB)	37,3	29,4	4,1
Nordic Investment Bank	0	41,0	55,0
TOTAL IMF, WB, WTO AND REGIONAL DEVELOPMENT BANKS	753,4	763,1	1 142,7
OTHER MULTILATERAL ORGANISATIONS			
Centre for International Forestry Research (Cifor)	2,7	2,9	4,6
International Potato Centre (CIP)	0	6,6	6,6
Economic Community of West African States (ECOWAS)	0	0	3,6
International Centre of Insect Physiology and Ecology (ICIPE)	4,4	0	12,0
World Agroforestry Centre (ICRAF)	28,4	25,6	25,7
International Organisation for Migration (IOM)	52,0	92,3	82,7
International Plant Genetic Resources Institute (IPGRI)	0	4,2	5,2
International Union for the Conservation of Nature and Natural Resources, World Conservation Union (IUCN)	37,6	42,1	57,8
Mekong River Commission (MRC)	9,5	13,9	11,6
Organisation of American States (OAS)	29,4	33,4	52,1
Organisation for Economic Cooperation and Development (OECD)	25,8	11,8	12,3
Organisation for Security and Cooperation in Europe (OSCE)	4,1	12,5	5,3
Southern Africa Development Community (SADC)	4,8	7,6	13,6
Transparency International (TI)	3,2	3,8	4,5
West Africa Rice Development Association (WARDA)	0	3,3	3,3
World Maritime University (WMU)	25,0	22,6	23,4
TOTAL OTHER MULTILATERAL ORGANISATIONS	226,9	282,6	324,3
CONTRIBUTIONS TO INTERNATIONAL NGOS			
Asian Institute of Technology (AIT)	23,0	15,9	30,7
European Parliament for Africa (AWEPA)	7,0	9,7	9,5
Latin American Council for Social Sciences (CLASCO)	0	18,5	21,6
Council for the Development of Economic and Social Science Research in Africa (CODESRIA)	20,1	0	21,3
International Institute for Environment and Development (IIED)	7,0	9,0	12,9
International Committee of the Red Cross (ICRC)	235,0	265,0	312,8
International Planned Parenthood Federation (IPPF)	100,0	85,3	110,0
Lutheran World Federation	124,6	88,7	47,0
Mines Advisory Group	15,9	24,4	0
Save the Children	38,2	27,9	54,0
Other NGOs	493,3	524,3	753,7
TOTAL CONTRIBUTIONS TO INTERNATIONAL NGOS	1 064,1	1 068,7	1 373,5
GRANTS TO PUBLIC-PRIVATE PARTNERSHIPS			
Global Alliance for Vaccines and Immunization (GAVI)	54,5	104,3	100,0
Global Water Partnership (GWP)	11,0	11,0	12,0
TOTAL CONTRIBUTIONS TO PUBLIC-PRIVATE PARTNERSHIPS	65,5	115,3	112,0
TOTAL INTERNATIONAL ORGANISATIONS	4 052,3	4 417,2	5 822,9

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 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. Three-year time series are presented for each indicator.

The content and definition of Sida's operational area “Concessionary Credits” was changed in 2005. Prior to this the operational was called “Economic Support” and then also included economic reforms. From 2005 onwards, economic reforms have been included under the regional operational areas. Further changes are that, from 2006 onwards, Belarus and Ukraine are to be treated as ODA countries. Previously they were regarded as non-ODA countries. These changes naturally affect comparisons between the years.

In order to follow the size of the contributions portfolio, Sida has, as in previous years, 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's portfolio of contributions is moving the right direction. The total number of contributions decreased by two per cent in relation to 2005. The average outcome of each contribution has increased by over 15 per cent, and the average agreement period per contribution increased in comparison with 2005. Also the number of new contributions decreased while the average agreed amount for new contributions increased.

Appendices 4.2 and 4.3 show trends in the portfolio of contributions by operational area. In appendices 4.5 and 4.6 the information is broken down by region.

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 region. This information has then been compared with the amount of support disbursed to each operational area and region. 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 tables 4.4 and 4.7 it is possible to see that the outcome in relation to the number of full-time posts has increased in comparison with previous years.

In November 2006, time reporting was introduced at Sida. This will enable the quality of Sida's monitoring of the use of time to improve. It will also improve the prospects of making a more highly developed analysis and taking measures to improve effectiveness in the future.

Appendix 4:1. Internal efficiency, total overview

All Sida's contributions	2004	2005	2006
Number of contributions	5 740	5 421	5 309
Average outcome per contribution, SEK '000	2 166	2 559	2 962
Average agreed amount per contribution, SEK '000	8 746	10 515	12 700
Average duration of agreement per contribution, months	37	40	43
Sida's new contributions			
Number of new contributions	1 585	1 492	1 329
Average agreed amount per new contribution, SEK '000	7 878	10 293	13 119
Average duration of agreement per new contribution, months	21	22	22

Appendix 4:2. Internal efficiency, new contributions by operational area

Operational area	Average agreed amount per new contribution, SEK '000			Average duration of agreement per new contribution, months		
	2004	2005	2006	2004	2005	2006
Africa	8 206	13 560	20 364	24	25	26
Asia, Middle East and North Africa	11 456	13 470	16 981	25	26	25
Latin America	7 394	9 690	7 171	24	24	23
Eastern Europe and Central Asia	4 464	5 337	6 994	20	21	25
Global development programmes	3 114	5 554	8 045	16	20	20
Research	28 789	13 053	26 202	37	24	23
Humanitarian contributions and conflict-related activities	7 893	13 928	15 771	20	20	23
Concessionary credits *	13 686	44 106	1 164	14	18	17
NGOs	21 914	22 286	40 031	19	19	21
Information	2 411	2 747	1 312	10	10	12
Average total **	7 878	10 293	13 119	21	22	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 by operational area

Operational area	Average outcome per contribution, '000		
	2004	2005	2006
Africa	1 953	2 714	3 399
Asia, Middle East and North Africa	2 275	2 356	2 854
Latin America	1 697	2 061	2 134
Eastern Europe and Central Asia	1 234	1 482	1 804
Global development programmes	1 462	1 791	2 282
Research	3 452	3 994	3 850
Humanitarian contributions and conflict-related activities	3 677	4 512	5 511
Concessionary credits *	5 149	5 375	167
NGOs	6 062	7 734	8 984
Information	1 730	2 707	2 263
Average total **	2 166	2 559	2 962

* 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	2006	2004**	2005***	2006	2004**	2005***	2006
Africa	2 765 640	3 824 306	4 670 692	146,1	148,6	156,7	18 925	25 736	29 807
Asia, Middle East and North Africa	1 749 420	1 840 098	2 226 472	91,3	95,5	99,3	19 159	19 268	22 417
Latin America	843 203	923 413	902 646	43,4	47,0	51,4	19 427	19 647	17 561
Eastern Europe and Central Asia	1 442 313	1 557 093	1 692 618	60,5	67,7	78,4	23 830	23 000	21 595
Global development programmes	1 323 347	1 463 442	1 898 243	29,9	38,8	47,6	44 222	37 718	39 896
Research	773 216	846 780	927 899	35,0	33,7	31,5	22 092	25 127	29 504
Humanitarian contributions and conflict-related activities	1 610 570	1 876 997	2 011 579	21,3	22,2	16,0	75 614	84 549	125 724
Concessionary credits *	200 803*	247 239	7 683	3,9*	3,7	4,9	200 803*	66 821	1 568
NGOs	1 000 288	1 190 995	1 293 663	9,9	9,1	11,5	101 039	130 879	112 492
Information	60 554	59 553	52 038	19,0	15,7	16,0	3 187	3 793	3 263
Not broken down by operational area	-	-	-	64,5	52,6	36,1	-	-	-
Total	12 364 355	13 829 917	15 683 532	534,0	534,6	549,2	23 152	25 870	28 555

* 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 9.3 Annual Full-time Posts, which gave an average of 86 500.

** The figures for 2004 have been adjusted compared with the annual reports for 2004 and 2005.

*** The figures for 2005 have been adjusted compared to the annual report for 2005.

Appendix 4:5. Internal efficiency for new contributions by region

Region	Average agreed amount per new contribution, SEK '000			Average duration of agreement per new contribution, months		
	2004	2005	2006	2004	2005	2006
Sub-Saharan Africa	10 328	14 335	21 475	23	24	25
Asia including North Africa	12 203	14 742	15 899	29	40	43
Latin America	9 857	9 916	10 158	24	25	23
Europe ODA countries *	5 183	6 762	8 411	19	20	24
Europe Non-ODA countries *	3 451	3 040	1 986	22	22	18
Global	4 289	6 155	11 468	17	19	20
Average total **	7 878	10 293	13 119	21	22	22

* In 2004 and 2005 Belarus and Ukraine were included as non-ODA countries. In 2006 they are included as ODA countries.

** 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 by region

Region	Average outcome per contribution, SEK '000		
	2004	2005	2006
Sub-Saharan Africa	2 585	3 053	3 647
Asia including North Africa	2 631	3 021	3 113
Latin America	2 328	2 332	2 677
Europe ODA countries *	1 513	1 811	2 069
Europe Non-ODA countries *	961	1 005	920
Global	1 834	2 364	2 929
Average total **	2 166	2 559	2 962

* In 2004 and 2005 Belarus and Ukraine were included as non-ODA countries.

In 2006 they are included as ODA countries.

** 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 per annual full-time posts			Outcome per annual full-time posts, %	Outcome per annual full-time posts, %
	2004	2005	2006	2004*	2005**	2006	2004*	2005**	2006		
Sub-Saharan Africa	4 727 263	5 391 465	6 199 995	185,4	169,2	172,9	25 500	31 864	35 855	40,6	12,5
Asia including North Africa	2 598 611	2 975 551	3 021 507	108,1	111,6	107,7	24 048	26 663	28 050	16,6	5,2
Latin America	1 385 015	1 266 123	1 330 643	53,3	54,9	54,2	25 984	23 062	24 551	-5,5	6,5
Europe ODA countries***	934 770	1 096 399	1 377 767	49,0	53,3	68,3	19 062	20 570	20 163	5,8	-2,0
Europe Non-ODA countries***	600 698	543 173	420 336	17,7	19,7	10,2	33 962	27 572	41 209	21,3	49,5
Global	2 117 997	2 557 207	3 333 284	23,8	42,1	46,7	88 898	60 741	71 333	-19,8	17,4
Not broken down by region	-	-	-	96,8	83,8	89,1	-	-	-	-	-
Total	12 364 355	13 829 917	15 683 532	534,0	534,6	549,2	23 152	25 870	28 555	23,3	10,4

*The figures for 2004 have been adjusted compared to the annual reports for 2004 and 2005.

**The figures for 2005 have been adjusted compared to the annual report for 2005.

***In 2004 and 2005 Belarus and Ukraine were included as non-ODA countries. In 2006 they are included as ODA countries

Appendix 5. 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.

Composition of the staff

During the period 1996 to 2006, the number of women increased by some 32 per cent while the number of men increased by some 6 per cent. In particular it is new recruitments of women programme officers that have affected the breakdown between women and men. This tendency did not change to any great extent in 2006 when 69 women and 29 men programme officers were recruited externally.

According to Statistics Sweden’s statistics on the educational levels by women and men for the period 1990 to 2005, the proportion of women with a post secondary education of 3 years or more has increased from 11 per cent to 22 per cent while the increase for men was from 11 per cent to 17 per cent. A university education is required for most decision-making posts at Sida and the conclusion that can be drawn from Statistics Sweden’s statistics is that, among those who have the educational level required by Sida, women are in the majority on the labour market.

There is great awareness of gender equality when new recruitments are being made and, in particular, that Sida has more women than men. It is women who best meet requirements laid down in legislation in respect of merits and proficiency as well as the requirements laid down by Sida in respect of education and merits. This has contributed to the overall breakdown of 63 per cent women and 37 per cent men at Sida in 2006. In 2007, Sida’s goal is to try to find ways to make the breakdown between women and men less lopsided.

Management staff is the category with the most even breakdown between women and men. During the year nine new managers were appointed of whom four were women and five were men.

Sida’s work in respect of diversity

Sida’s concept of diversity includes all groups covered by anti-discrimination legislation, i.e. legislation in respect of:

- gender
- actions against discrimination in working life due to ethnic affiliation or religion
- prohibition of discrimination in working life due to sexual preference
- prohibition of discrimination in working life due to disability.

On the basis of this legislation Sida produced a diversity

plan in 2006 with goals for its work and a definition of its diversity concept.

The definition is that diversity consists of people with different qualities, potential and experience of life. The goal is to channel, develop and make the best use of diversity. It is not the differences in themselves but the interaction between them that make diversity a success factor.

The goals of diversity are that:

- working conditions shall suit men and women of all ages regardless of their ethnic affiliation, religion or sexual preference. As far as possible working conditions shall be adapted to meet the needs of disabled persons.
- Sida shall have an open and permissive working climate—this is essential for successful work with diversity. Sida shall also make it easy for Swedes and staff with another mother tongue to communicate with each other.
- harassment shall be prevented.
- it shall be possible to combine working at Sida with parenthood.
- planning talks between management and staff shall include a diversity perspective
- working tools, equipment, furniture and fittings shall be functional for everyone, including those with disabilities.

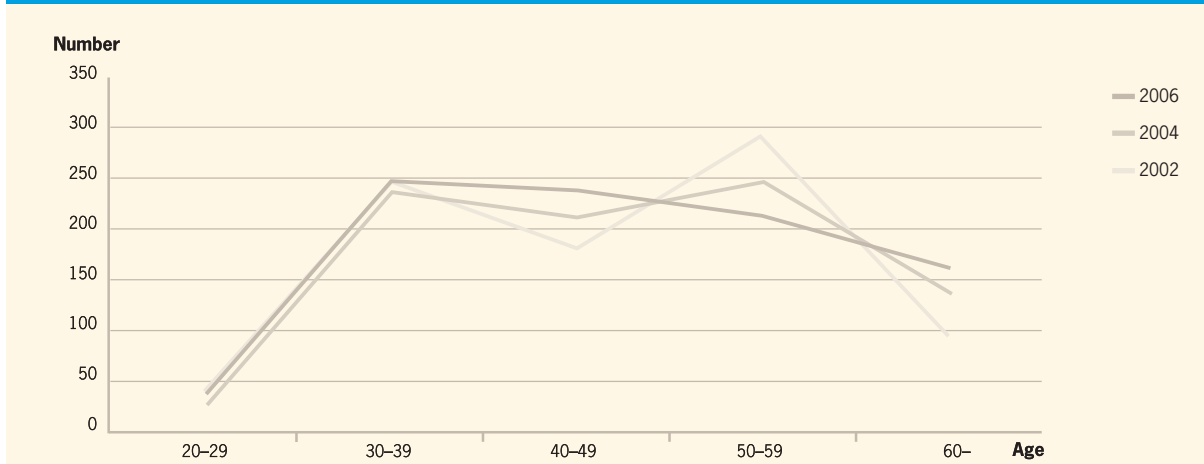
Sida is participating in a project called “diversity now” which is being led by a company called Inregia AB and is being financed via the EU.

The aim is to enhance activities by exerting an influence on views and attitudes towards differences. The intention is that the companies and government agencies participating in the project shall take a number of steps forwards regarding taking practical measures for diversity and against discrimination by:

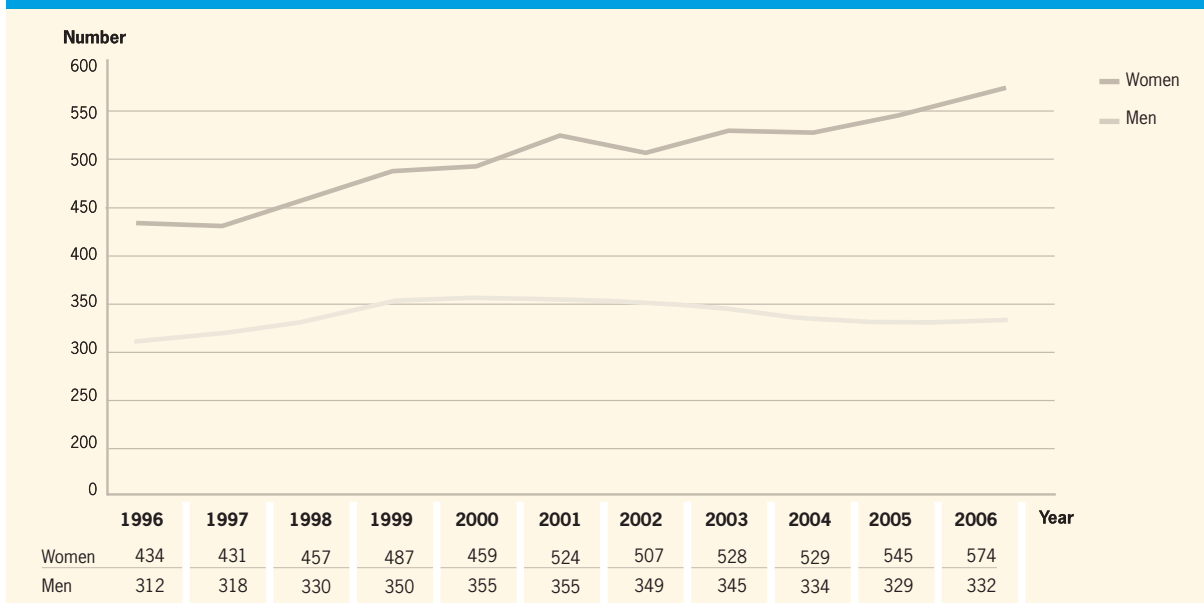
- enhancing their knowledge of what diversity and non-discrimination mean.
- gaining inspiration and concrete examples for ways in which work can be organised.
- transforming their diversity plans into concrete action.
- making their own analyses of their situation with regard to diversity and discrimination
- obtaining tools and methods for the work.

Sida made a diversity study in 2006 with the aid of Statistics Sweden. The survey shows that the number of employees with a non-Swedish ethnic background has increased and today amounts to some 20 per cent of the staff. This reflects Swedish society in general. The increase is mainly in the form of young persons who are second-generation immigrants, have a Swedish education and speak fluent Swedish.

Appendix 5.1. Age structure, including staff on leave of absence



Appendix 5.2. Total number of employees, 1996–2006



Job evaluation and pay survey

In 2006, the work of producing a job evaluation instrument was completed and a decision to approve the methods documents and pay survey was made in consultations with the trade union organisations in March 2006. The job evaluation instrument provides support for managers and staff where setting pay levels is concerned. It helps to ensure that salary levels are set objectively. It is also used for analyses and surveys of salary levels that are not objective.

Job evaluation has been implemented for all individual posts and has formed the foundation of definitions of equal work prior to the pay survey, which was made before the revision of salaries took place in 2006.

The pay survey showed a number of suspected cases of unobjective differences in pay. After analyses had been made, the pay of one member of staff was adjusted. The job evaluation has also formed the foundation of the internal pay statistics for the revision of salaries in 2006.

Appendix 6. Sida's human resource management

Sida shall submit a report on the measures it has taken with the aim of ensuring that qualified staff are available to achieve the goals of its operations. The report shall include an analysis and assessment of the ways in which the measures taken have contributed to achieving the goals of Sida's operations.

Composition of the staff

Sida has 906 employees. Of these 63 per cent are women and 37 per cent are men. This is an increase of 1 per cent for women and a decrease of 1 per cent for men compared to 2005.

The average age of the staff is 48 years: for women it is 46 years and for men 49 years. The corresponding figures for externally recruited staff during the year were 40 years for women and 35 years for men. As in other parts of the labour market, a large proportion of Sida's staff was born in the 1940s (243 persons) and there were few under 30 years (36 persons or 2 per cent).

Sida's age curve corresponds to that of the government administration in general.

Sida's staff have relatively high levels of education, almost 79 per cent of the staff have a university degree, or higher, which is a high level in comparison with the government administration in general.

47 per cent have been employees for more than 10 years and 21 per cent between 5 and 10 years. The remaining 32 per cent have been employed by Sida for five years or less.

Recruitment and staff mobility

Compared to other government agencies, staff mobility is relatively high at Sida. Internal mobility is some 20 per cent and external mobility some 16 per cent.

More than 50 per cent of the internal mobility is the result of staff being stationed in positions abroad and returning from these positions.

In total, Sida recruited 145 persons: 103 women and 42 men. Table 6.1 shows that 104 external persons were recruited. These are mostly women programme officers—their number has increased by 41 persons compared to 2004.

Also, where embassies and field offices are concerned, it is mostly women who have been recruited for management and programme officer posts. In total, 45 women were recruited while the number of men recruited amounted to 20.

15 persons, or 2 per cent, have retired with old age pensions and 14 persons have left Sida for other jobs: half to other parts of the government administration and half to the private sector. As in previous years, Sida can be considered to have low levels where staff leaving the agency are concerned.

Learning and human resource development

Extensive development work was started in 2006 with the aim of ensuring that qualified staff will be available at Sida to achieve the goals of operations. This work has resulted in a specific structure and better systems for Sida's multi-faceted work of developing the skills of its staff. Everything is based on the willingness to work effectively in order to develop skills. The focus has been shifted from arranging individual courses for employees at Sida and Swedish partners in cooperation to offering managers and staff coherent training programmes and consultative support for learning.

Special training programmes have been offered to different groups of staff, for example new employees at Sida, new heads of divisions, internal trainers, national programme officers (NPOs) and locally employed staff at embassies and field offices, and those taking up posts at embassies.

Sida also offers training in specific subjects such as poverty reduction, capacity development, the Logical Framework Approach (LFA), cooperation strategies, environment, HIV/Aids and gender equality.

Among other things, the work on human resource development has had the result that Sida staff can use Sida's intranet for orientation in order to find different forms of human resource development and information on the activities currently being offered. The work of structuring and systemising human resource development has also had the effect that there is now a greater understanding among managers and staff of the importance of learning and human resource development. Sida would make the assessment that the work done on human resource development contributes to ensuring that qualified staff are in place to handle changes in international development cooperation. However, some work remains to be done in the organisation to create greater awareness of ways in which it is possible to systematically support human resource development and learning in practice. The work of developing the skills of Sida's partners in cooperation also requires further contributions in the years to come.

Absence due to sickness

Absence due to sickness increased in 2006 compared to 2005 from, on average, 2.46 to 2.73 per cent of the total number of employees. Long-term absence due to sickness is almost at the same level as in 2005, 35 persons.

Working environment

In 2006 Sida moved into new premises. In connection with the conversion of the new premises, the goal has been to create an environment-friendly office, a so-called green office. Considerable consideration was given to the environ-

Appendix 6:1. **Personnel statistics**, as at December 31, 2006.

	2004			2005			2006		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Form of employment									
Permanent staff	370	260	630	389	259	648	426	263	689
stationed in Stockholm	287	192	479	298	186	323	323	192	515
stationed in Härnösand	6	6	12	6	6	12	7	5	12
stationed at embassies	72	62	134	78	65	143	87	62	149
other duty stations (EU, Gotland)	5	0	5	7	2	9	9	4	13
Temporary staff	83	46	129	86	42	128	87	36	123
stationed in Stockholm	55	31	86	56	30	86	51	28	79
stationed in Härnösand	0	1	1	2	0	2	2	0	2
stationed at embassies	26	12	38	27	11	38	31	8	39
other duty stations (EU)	2	2	4	1	1	2	3	0	3
Staff on leave of absence	76	28	104	70	28	98	61	33	94
in other development cooperation organisations	11	8	19	7	13	20	11	17	28
for studies	8	3	11	5	1	6	2	1	3
for other reasons	57	17	74	58	14	72	48	15	63
Total number of employees	529	334	863	545	329	874	574	332	906
Posts excl staff on leave on absence									
Management posts	43	49	92	52	56	108	61	51	112
Programme officers	305	235	540	322	229	551	363	233	596
Administrative assistants	105	22	127	99	18	117	89	15	104
Total	453	306	759	473	303	776	513	299	812
Educational levels									
Postgraduate education	27	38	65	26	38	64	31	38	69
Higher education, post secondary education > 2 years	354	243	597	372	238	610	402	242	644
Post-secondary education < 2 years	28	13	41	30	13	43	32	13	45
Upper secondary education	108	32	140	106	29	135	100	32	132
Nine-year compulsory school	12	8	20	9	8	17	9	7	16
External recruitments									
Management staff	0	0	0	2	1	3	0	1	1
Programme officers	20	22	42	21	11	32	66	29	95
Administrative assistants	2	0	2	3	1	4	7	1	8
Recruitments to embassies									
Management staff	4	6	10	0	0	0	18	6	24
Programme officers	31	19	50	32	24	56	27	14	41
Administrative assistants	0	0	0	0	0	0	0	0	0
Average age									
Employees	46	49	48	47	49	48	46	49	48
Externally recruited staff	37	38	38	36	38	37	40	35	38

ment in the selection of materials and systems for recycling and in the selection of equipment, both for the offices and for machines and electrical equipment. Focus has been put on achieving as low energy consumption as possible.

Sida has abandoned individual offices in favour of landscaped offices. This represents a major change for the staff and has required a carefully thought-out plan for the offices.

Appendix 7. Summary—Reports and assignments

1 Reports on the management and control of Sida's activities

1.1 POLICY AREA: FOREIGN POLICY AND SECURITY POLICY 2006

Operational area: Peace, promotion of security and conflict prevention activities

Sida shall submit a report on the ways in which it has met the needs for training and practical exercises of personnel sent abroad, or on call in Sweden, for peace and crisis management situations, through cooperation with the Folke Bernadotte Academy.

Report on page 116.

1.2 POLICY AREA:

INTERNATIONAL DEVELOPMENT COOPERATION

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 on page 117.

Operational area: Research

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.

Sida shall describe the methods it has used to fulfil the goal of strengthening 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.

Report on pages 62–63.

Operational area: Humanitarian contributions and conflict-related activities

Humanitarian contributions

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

Conflict-related activities

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.

Report on pages 68–69.

Operational area: Non-governmental organisations

Sida shall make an assessment of how activities have contributed to achieving the goal. Where the Swedish NGOs are concerned, Sida shall also submit a report on the breakdown of grants by frame organisations, sectors, and number of foreign partners in cooperation per frame organisation. The report shall include the number of Swedish organisations included in the frame organisations' activities.

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 on pages 77–78.

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 disarming, demobilising and rehabilitating soldiers, so-called DDR contributions, and other conflict-related activities in countries that have experienced conflicts, and regionally.

Reports on pages 22–24.

Operational area: Eastern Europe and Central Asia

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.

Sida shall submit a report on the scope and focus of contributions in the Western Balkans that support regional integration, for example within the framework of the stability pact.

In respect of cooperation with the Western Balkans, Sida shall submit a report on the ways in which its support has improved the possibilities for return of refugees, asylum seekers and internally displaced persons, including the Roma, to and within the region.

Sida shall submit a report on the measures it has taken to support national action plans for the integration of minorities, particularly the Roma, in the Western Balkans

Where the Swedish NGOs' activities in non-ODA countries are concerned, Sida shall submit a report which shows the breakdown of grants by frame organisations, sectors and number of foreign partners in cooperation per organisation. The report shall include the number of Swedish organisations included in the frame organisations' activities.

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

Reports on pages 47–48.

Operational area: Global development programmes

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 results of activities.

Reports on pages 52–57.

Operational area: Concessionary credits

Sida shall submit a report on the use of funds broken down by sectors and countries and assess the outcome in relation to the goal.

Report on page 73.

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 on page 79.

2 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 14–16.

2. *Sida shall submit a special report on its internal work to ensure that programme support is permeated by the two perspectives. With the aid of examples, Sida shall how programme support has been permeated by the perspectives and the results of this work. Conclusions shall be drawn on Sida's experience of this work hitherto (vis-à-vis other donors, in its own organisation, and vis-à-vis partner countries in the dialogue).*

Report on pages 16–18.

3. *Sida shall submit a report on the outcome by operational area which shall include*
 - *conclusions drawn and lessons learned from the analyses of outcome or similar that have been produced during the year in connection with the cooperation strategy processes;*
 - *relevant results from evaluations made during the year;*
 - *actions taken and results to achieve concentration of cooperation.*

Report under each operational area.

4. *In addition, for the regional operational areas, a report on the outcome of the implementation of country, regional and cooperation strategies, including programme support, shall be provided based on the goals formulated in these documents. In cases where there are no goals, Sida shall make a corresponding report based on the priorities and focus given*

Report under each regional operational area.

5. *For each operation area, and totally, Sida shall report*
 - *financial outcome, of which financial outcome per form of support (general budget support, sector programme support, project support etc) main sector and channel and the five main partner countries*
 - *number of contributions, number of contributions over SEK 15 000 000, and the number of new contributions*
 - *The outcome shall be analysed and explained.*

Report under each operational area and in the volume of Swedish international development cooperation.

6. *For each operational area, and totally, Sida shall give its assessment of the results of operations and how they have contributed to achieving the goal of the operational areas. The assessment shall include an analysis, discussion of problems and conclusions, including lessons learned, from the evaluations made during the year.*

Report under each operational area and in the volume of Swedish international development cooperation.

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.

Report under each regional operational area.

More effective development cooperation

No later than October 31, 2006, Sida shall submit a report on the actions that have been taken at head office and in the field to implement the Paris Declaration.

Communication to the Government on October 31, 2006.

At the same time Sida shall provide an overall report on the ways in which the EU Commission, the World Bank, the regional development banks and the UN system have implemented the Paris Declaration in the partner countries in which Sweden has major bilateral activities.

Communication to the Government on October 31, 2006.

Special programmes

Infectious diseases including HIV/Aids

Sida shall submit a report on initiated and implemented contributions in the operational areas concerned in Sida's implementation of the strategic action plan for Sweden's contribution to the global struggle against infectious diseases, and results achieved.

Report on pages 84–86.

Sida shall present a report on the ways in which measures related to HIV and Aids have been strengthened and integrated into Sida's other work. Sida shall present a report on ways in which fields such as prevention, care and treatment and the consequences of the epidemic have been handled and the results that have been achieved. Sida shall also show the ways in which children and young people have been included in its contributions. Furthermore, Sida shall provide information on the ways it has participated in the dialogue and in the coordination of resources in the HIV and Aids field and make an assessment of this coordination work.

Report on pages 86–87.

Gender equality

Sida shall submit a report on its work with methods development and human resource development in respect of measures that strengthen analyses from a gender equality perspective in the preparation and assessment of contributions and their outcome, for example the work on poverty analyses, conflict analyses, assessments and the like.

Sida shall submit a report on measures it has taken to combat gender-related violence in times of peace and in conflicts and post-

conflict situations. Within this framework, a description shall also be given of the work to combat female genital mutilation, violence against HBT persons, sexual assault in post-conflict situations, violence in the home, and violence in the name of family honour.

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; ways in which 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.

Reports on pages 87–90.

Conflict management, common security, conflict prevention and peace building

Sida shall submit a report on the projects in which Swedish personnel have been placed at the disposal of international peace and security promotion activities. The report of cost trends for this activity and any possible changes of activities shall be made, by project, every quarter and also contain information on the numbers of women and men recruited and the posts to which they have been recruited.

Has been reported on above.

Sida shall submit a report on the measures that have been taken to ensure that programmes of development cooperation in areas affected by conflicts, or areas prone to conflicts, are implemented in a way that is sensitive to the conflict to ensure that they do not have a negative effect on an armed conflict or contribute to a conflict of this type arising.

Report on page 91.

Sida shall submit a report on the measures that have been taken to make full use of the possibilities offered by development cooperation to contribute to preventing and solving armed conflicts by working to exert an influence underlying structural causes.

Report on pages 91–92.

Sida shall submit a report on the implementation of contributions that have the aim of promoting the equal participation of women and men in conflict prevention, crisis management and peace building, in accordance with UN Resolution 1325 on women, peace and security.

Report on page 92.

Sida shall submit a report on contributions it has implemented that have the aim of reforming and developing the security sector. The report shall include the results of, and experience gained, from these contributions.

Report on page 92.

Sida shall submit a report on the scope and focus of its contributions for mine management. Sida shall also report on the scope and focus of its support to dialogue processes in conflict and post-conflict countries.

Report on pages 92–93.

Employment and the labour market

Sida shall submit a report on the ways in which it has worked to strengthen the perspective of employment and labour market issues in development cooperation. The report shall describe activities in Sida's cooperation with the ILO and with other partners such as the African Union, as well as support for cooperation between the parties on the labour market in developing countries.

Report on pages 93–94.

Sida shall submit a report on the ways in which it has developed its contributions to enable them to contribute to enhancing knowledge of economic growth and employment policies in the partner countries. Sida shall also report on the measures taken to make labour markets function more effectively in the partner countries.

Report on pages 94–95.

Sida shall submit a report on the contributions it has made in partner countries where improvements to conditions for entrepreneurs and property systems are concerned, and shall also report on training programmes that increase the supply of personnel that are attractive on the labour market.

Report on page 95.

Sida shall also submit a report on the ways in which it has acted to strengthen ILO's work of defending the rights and privileges of members of employers' organisations and trade unions.

Report on page 95.

Environmentally sustainable development

Sida shall submit a report on initiated and implemented contributions in the operational areas concerned with a special emphasis on water and sanitation, chemical safety, renewable energy and the climate issue, sustainable urban development, sustainable use of natural resources and protection of the environment, and education and training, support for capacity development and environmental management. The report shall contain a description of ways in which Sida has cooperated with the Swedish resource base and ways in which the know-how of the Swedish resource base, including industry, government agencies and NGOs, has been put to good use.

Report on pages 95–97.

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 97–98.

Drugs

Sida shall submit a report on the measures it has taken in respect of drugs as an obstacle to development. The links between drugs and HIV and Aids, sexual and reproductive health and rights, and crime-related questions such as trafficking in humans and other forms of exploitation shall be given special attention.

Report on page 99.

Programme support including general budget support and public financial management

Sida shall submit a report on the work it has done on its methods to increase programme support. Sida shall also submit a report on its

methods related to general budget support and its experience of this form of support, guided by OECD/DAC's international evaluation of budget support.

Report on pages 100–101.

Sida shall also submit a report on its methods work in the field of public financial management, as well as its experience and the results of its contributions, particularly for the countries for which programme support is ongoing or being planned.

Report on page 101.

Migration and development

Sida shall submit a report on the measures it has taken to ensure that it has a broad approach to the relationship between migration and development in development cooperation. In addition to humanitarian contributions, an approach of this type also includes labour force migration as well as issues such as the consequences of migration in countries of origin, combating trafficking in human beings and, in the work for creating productive employment opportunities and work-related rights, observing whether there is extensive migration in countries or sectors. Special importance shall be attached to ways in which a broad approach can be reflected in the cooperation strategy process.

Report on pages 102–103.

Trade-related support

Sida shall submit a report on its support for capacity development in the trade-related field in accordance with the Government's guidelines for Swedish trade-related support.

Report on pages 103–104.

Social and environmental responsibilities of enterprises

Sida shall submit a report on the concrete measures it has taken to stimulate the social and environmental responsibilities of enterprises with a focus on working conditions linked to poverty reduction. Sida shall also report on ways in which guidelines for the social and environmental responsibilities of enterprises are reflected in its procurement regulations.

Report on pages 104–105.

Guarantees

For each type of guarantee Sida shall report the guarantee undertaking in accordance with the recommendations contained in the report of the Swedish National Debt Office on cost and risk reports for government agencies. With the exception of the risk-valued outcome, information shall also be provided in the interim report.

Report on pages 105–106

Information requested was submitted in the interim report.

Unspent balances on appropriations

Sida shall submit a report to the Ministry for Foreign Affairs, no later than March 1, 2006, on the amount of the unspent balances, committed and uncommitted, carried forward as at December 31 2005 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, 2006.

Forecasts

Sida shall submit expenditure forecasts to the Ministry for Foreign Affairs at appropriation level and sub-item level for the years 2006–2009 in Hermes for all appropriations placed at the disposal of the agency. For 2006 Sida shall report expenditure forecasts for 2006–2009 on the following dates: January 19, March 8, May 2, August 21, and November 2. 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 and programmes, international finance institutions, OSCE, Council of Europe etc. and on the selection of strategies and the measures taken to increase the number of Swedes in international organisations. The report shall be made by organisation.

Report in appendix 3.

Cooperation with Swedish industry and the trade union movement

Sida shall submit a report on measures it has taken to take advantage of the knowledge skills and experience possessed by Swedish industry and the Swedish trade union movement and describe the cooperation that is taking place in this field today.

Report on pages 106–108.

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 measures it has taken with the aim of ensuring that qualified staff are available to achieve the goals of its operations. The report shall include an analysis and assessment of the ways in which the measures taken have contributed to achieving the goals of Sida's operations.

Report in appendix 6.

Cooperation for the promotion of security in Eastern Europe and Central Asia

Sida shall also prepare and approve contributions in respect of

improving proficiency in asylum and migration policies, preparedness for accidents and disasters as well as frontier surveillance, and contributions to strengthen controls at external frontiers. Contributions relating to the non-proliferation fields can be prepared by Sida. However, they shall be prepared by the Ministry for Foreign Affairs in cases where they are of particular importance in respect of foreign policy and security policy. Sida can also prepare and approve contributions in the following fields to the extent that the contributions are not of particular importance in respect of foreign policy and security policy: security policy expertise, democratic total defence, peace promotion contributions and defence environment contributions. During the preparation stage, contributions on which Sida makes decisions shall be taken up in the working group for support for the promotion of security for consultations and policy discussions. It shall be possible to give support to all partner countries in Eastern Europe and Central Asia, but priority shall be given to Russia, Ukraine, Georgia, Serbia and Montenegro, and Bosnia and Herzegovina. Sida is encouraged to actively identify and initiate projects.

The European Union

In their EU work, Sida's personnel shall follow the Ministry for Foreign Affairs' circulars containing guidelines for EU work. Special attention shall be given to circulars 3, 5 and 13.

Sida shall participate in executive committees for the EU's international development cooperation activities and in the executive board work of the European Agency for Reconstruction (EAR).

Sida shall submit a report to the Ministry for Foreign Affairs on its participation in expert groups and executive committees and make an assessment of the results of its participation, among other things in respect of the possibilities available to Sweden to obtain an impact for Swedish standpoints.

Report on pages 111–113.

United Nations

In order to clarify the division of responsibilities between the Government Offices and Sida, and to improve planning and to ensure that resources are used efficiently, the Government Offices and Sida shall make an overall plan of Sida's participation in multilateral work every six months.

Whenever necessary, and in accordance with the plan, Sida shall supply information to the Government Offices (Ministry for Foreign Affairs) for Swedish standpoints based principally on Sida's special field experience.

Twinning activities in Europe, Middle East and North Africa

Sida shall have the main responsibility and shall be the national contact point for all twinning activities in Phare, TACIS, Cards and MEDA. Sida shall also be the national contact point for TAIEX. In these issues, Sida shall be responsible for contacts with the European Commission, the European Agency for Reconstruction (EAR), the countries concerned, and the EU delegations and embassies in these countries. Sida shall offer the Government Offices and other government agencies support for their preparatory work on twinning projects, including the financing of the costs of preparations, the financing of the preparation of study visits during ongoing twinning projects that are not paid for by the Commission, and certain training activities for the agencies. Where TACIS/twinning

is concerned, Sida shall give priority during the year to Russia, Ukraine and Moldova. Where CARDS/twinning is concerned, Sida shall give priority to Croatia, Serbia and Macedonia. Where Phare/twinning is concerned, Sida shall give priority to Turkey. The nature of the activities necessitates close cooperation and consultations between Sida and the Ministry for Foreign Affairs.

Working groups and regular goals

In consultations with the Ministry for Foreign Affairs, Sida shall participate in the country, regional and cooperation strategies that form the basis of international development cooperation, including budget support.

Sida shall participate in the Government Offices' working group for support for the promotion of security in Eastern Europe and Central Asia.

Sida shall participate in the Ministry for Foreign Affairs' working group for peace and conflict contributions in international development cooperation.

Sida shall participate in the Ministry for Foreign Affairs' working group for gender mainstreaming and gender surveys and analyses where international development cooperation is concerned.

4. Assignments

Results report

Prior to the submission to Parliament by the Government of its communication on results in 2007, Sida shall submit a report, no later than October 31, 2006, on the ways in which the agency has worked within the framework of its own activities and in cooperation with other stakeholders, to contribute to the implementation of the Swedish policy for global development.

Communication to the Government on October 25, 2006.

Millennium Development Goals

Sida shall submit a report, no later than April 30, 2006, 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 on April 28, 2006.

Africa

Sida shall submit a proposal for a cooperation strategy for Mozambique no later than November 8, 2006.

Communication to the Government on November 6, 2006.

Sida shall submit a proposal for a cooperation strategy for regional and sub-regional cooperation with sub-Saharan Africa no later than December 31, 2006.

Assignment postponed.

Sida shall submit a proposal for a cooperation strategy for Uganda no later than April 30, 2007.

Cooperation strategies for Mozambique and Uganda extended to December 31, 2007.

Cooperation strategy for regional and sub-regional cooperation with sub-Saharan Africa extended to July 1, 2007.

Sida shall submit a proposal for guidelines for Somalia no later than April 30, 2006.

Communication to the Government on April 24, 2006.

Sida shall start working on guidelines for a Swedish position in respect of Sudan in 2006.

Communication to the Government on December 22, 2006.

The position paper for Zimbabwe shall remain in force until December 31, 2006.

Sida shall start working on a new position paper for Zimbabwe in 2006.

Embassy instructed to make an outcome analysis and a country analysis.

The country strategy for Tanzania is extended until June 30, 2006.

The sub-regional strategy for West Africa is extended until December 31, 2007.

The strategy for cooperation with Malawi is extended until June 30, 2006.

The strategy for cooperation with the Lake Victoria region is extended until December 31, 2007.

Asia, Middle East and North Africa

Sida shall submit proposals for new cooperation strategies for Cambodia and Bangladesh no later than October 31, 2006.

Communication to the Government on October 30, 2006.

The country strategy for Mongolia is extended until December 31, 2007.

The country strategy for Afghanistan is extended until March 31, 2006.

Sida shall submit a proposal for a regional cooperation strategy for the Middle East and North Africa no later than February 1, 2006.

Communication to the Government on February 1, 2006.

The country strategy for West Bank/Gaza is extended until December 31, 2006.

The simplified country strategy for Iraq is extended until December 31, 2007. Sida shall submit a proposal on revised frames of reference for the simplified country strategy no later than November 1, 2006.

Communication to the Government on October 27, 2006.

Latin America

Sida shall start working on producing a proposal for new cooperation strategies for Latin America and the Caribbean no later than December 31, 2006.

Assignment postponed.

Eastern Europe and Central Asia

Sida shall submit proposals for new strategies for cooperation with Moldova and Belarus no later than October 31, 2006.

Communication to the Government on October 30, 2006.

The country strategy for Belarus is extended until December 31, 2006.

The regional strategy for Central Asia is extended until March 31, 2006.

In 2006, pending a long-term solution, Sida shall administer the support provided for the participation of the county administrative boards of Västerbotten and Norrbotten in the regional programme of cooperation for the Barents region. More detailed guidelines for this will be provided in a separate decision of the Government.

Contribution approved on May 31, 2006.

Every six months Sida shall make a presentation to the Government Offices' working group for support for the promotion of security of the projects for which final reports have been received by Sida.

Communication to the Government on August 7, 2006.

Sida shall participate in the German Marshall Fund for democracy in Belarus. The Ministry for Foreign Affairs shall be consulted prior to every executive board meeting.

First meeting in 2007.

Cooperation in the Baltic Sea region

Sida shall submit a report to the Government on main operational areas and expected results in these areas no later than March 31, 2006.

Communication to the Government on March 16, 2006.

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.

Report made.

Corruption

Sida shall submit, no later than September 30, 2006, an overall report on the measures it has taken with the aim of supporting the ambition of the partner countries to combat corruption, including support for the ratification and implementation of the UN's convention against corruption. In the report, the effectiveness of the contributions made in this field shall be identified. 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 on October 17, 2006.

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.

Evaluation activities

Sida shall submit a report on its evaluation and internal audit activities in 2006 no later than April 2, 2007. The report shall provide a brief description of important conclusions and recommendations made in studies and present an overall report on the feedback of results of studies, measures decided on, and the follow-up of these measures.

Prevention of natural disasters

With reference to its communication of October 8, 2003 entitled Proposal for strategic focus and scope on support for natural disasters, Sida shall submit a proposal, no later than October 1, 2006, for a strategy of ways in which, Sida, as part of its long-term development cooperation, can extend its activities for the prevention of natural disasters. In its proposal Sida shall take into consideration the assumptions contained in the Hyogo Platform for Action 2005–2015, which was adopted by the World Conference on Disaster Prevention in Kobe, Japan, in January 2005. In its production of the strategy, Sida shall take into consideration the work done by the Swedish Rescue Services Agency on the prevention of natural disasters.

Communication to the Government on September 22, 2006.

Follow-up of the HBT study

Sida shall submit an action plan for the follow-up of the study of the Swedish policy and administration of HBT issues in international development cooperation, which was made in 2005, no later than September 1, 2006. Sida shall report on the ways in which issues relating to sexual preferences and HBT issues shall be concretised in development cooperation.

Action plan produced.

Research

Sida shall make a review of the operational area Research. Sida shall consult the Government Offices (Ministry for Foreign Affairs) on terms of reference. The review shall be presented to the Government no later than December 31, 2006

Review made. Summary of recommendations submitted on November 29, 2006.

UNESCO strategy

Sida shall assist the Swedish UNESCO council in the production of proposals for a Swedish UNESCO strategy for 2007–2010. The point of departure of the proposals shall be the Swedish Policy for Global Development. Sida shall allocate sufficient resources to enable it to assist in this work.

Agreement reached on September 28, 2006.

Capacity for participation by civil personnel in international peace promotion contributions

Sida shall assist the Folke Bernadotte Academy in the production of a proposal for the collection of existing and requested capacity under the leadership of the Academy who, through education and training activities, can be made available as civil aid-financed personnel in international peace promotion projects under the leadership of the UN, EU, OSCE and other organisations, or in other ad-hoc contexts. The point of departure of this work is that the Academy shall submit its proposal to the Government no later than April 30, 2006.

Communication to the Government on June 8, 2006.

Terrorism

Today, there is no generally accepted relationship between poverty and terrorism. There is a need to acquire more knowledge of the relationships between development, radicalisation, and recruitment to terrorism. More knowledge is also required about the possibilities

to counteract radicalisation processes through preventive inputs.

Development cooperation, within the framework of the overall goal of development cooperation, particularly in vulnerable states, can contribute to counteracting the emergence or existence of terrorism.

Report on pages 108–109.

Environmental objectives

Sida shall report its work on its special sector responsibility for environment objectives to the environmental objectives committee every fourth year. The report shall be made on the basis of the guidelines issues by the committee.

Postponed until February 28, 2007

Training, information and communication

Sida shall, in cooperation with the Government Offices, prepare and implement communication and information activities related to the special programmes approved by the Government.

Activities have been implemented.

Promotion of investments

Sida shall submit a report on contributions that encourage developing countries take measures that attract investments.

Report on pages 110–111.

Cooperation strategies

Sida shall take action to ensure that Joint Assistance Strategies (JAS) are developed in cooperation between donors and partner countries. Sida shall participate actively in processes of this type and, through consultations with the Ministry for Foreign Affairs on the country, regional and cooperation strategies that form the basis of development cooperation, inform the Ministry of developments prior to the adoption of important standpoints. The guidelines for cooperation strategies that were approved by the Government on April 28, 2005 apply to participation in joint assistance strategy processes. Any deviations from the guidelines to facilitate adaptation to the joint assistance strategy process are stipulated in the assignment.

As soon as Sida becomes aware that joint assistance strategy processes are being discussed or introduced in countries where Swedish development cooperation is governed by a country or cooperation strategy, Sida shall make a brief report to the Ministry about this. The report has the aim of informing the Ministry prior to the adoption of a standpoint on the ways in which the joint assistance strategy work affect current Swedish country or cooperation strategies. In cases where the Government makes the assessment that a new or revised Swedish cooperation strategy shall be produced, a decision will be made by the Government on an assignment for Sida. The report shall therefore:

- describe the most important features of the joint assistance strategy process—for example which donors are participating, the role of the partner country, the character of the strategy, preliminary timetable.*
- propose and motivate a Swedish line of action—Swedish participation in the joint work, need to revise the current Swedish country or cooperation strategy, or need of a new cooperation strategy*
- when appropriate propose Swedish priorities to focus on in the joint strategy work.*

A report has been made (Africa).

Cultural exchanges

Together with the Swedish Institute Sida shall produce a proposal on the focus of cultural exchanges with ODA countries and submit a report to the Ministry for Foreign Affairs no later than July 1, 2006.

Communication to the Government on June 29, 2006.

Environmentally sustainable development

No later than May 31, 2006, Sida shall submit a report on planned and initiated contributions in the operational areas concerned for the special environmental programme announced by the Government in 2004 and which is expected to lead to gradual increases in order to reach SEK 1,000 million by 2008. Special emphasis shall be placed on water and sanitation, chemical safety, renewable energy and the climate issue, sustainable urban development, sustainable use of natural resources and protection of the environment, and training capacity support and environmental management. Projects shall be made in fields where Sweden has a strong position and can provide valuable contributions. They shall combine solidarity, ecological considerations and economic growth both in Sweden and in our partner countries. Consultations and cooperation shall take place with the Swedish resource base, including trade and industry, government agencies and NGOs.

Communication to the Government on May 31, 2006.

Environmental technology

Within the framework of the increase in funds allocated to the special environmental programme, Sida, the Swedish Environmental Technology Council (SWENTEC) and the Government Offices'

project export secretariat shall draw up a programme for environmental technology with the aim of being able to start projects in the programme on July 1, 2006. Special emphasis shall be placed on sustainable urban development (Sustainable Cities) and renewable energy. Sida and SWENTEC shall submit information on ways in which cooperation can gradually increase in 2007 and 2008.

Communication to the Government on May 31, 2006.

Council for the special environmental programme

Sida shall establish a council for the special environmental programme. The council will give advice on the focus and breakdown of the special programme. The council shall meet regularly, at least four times per year. The director general will decide on the allocation from Sida's appropriation to the special programme. The council, which will be appointed by the Government, shall consist of representatives of relevant parts of the Government Offices, government agencies concerned, industry, and environmental organisations. Sida shall submit a report to the Ministry for Foreign Affairs on the allocation of funds and the focus of the council no later than October 31, 2006.

Communication to the Government on October 27, 2006.

Eritrea

The Government has commissioned Sida to ascertain the possibility to support Swedish university cooperation with Eritrea, and, if there are suitable possibilities, start a programme of cooperation of this type with a long-term character.

A study has been commenced.

Abbreviations and photographers

2006



Abbreviations and acronyms

AAN	African Archaeologists' Network
ACP	Countries in Africa, the Caribbean and the Pacific Ocean region
ADB	Asia Development Bank
AERC	African Economic Research Consortium
AFEW	Aids Foundation East-West
AFSC	American Friends Service Committee
AHPSR	Alliance for Health Policy and Systems Research
AIT	Asian Institute of Technology
ALA	EU's executive committee for Asia and Latin America
AMM	Aceh Monitoring Mission (EU assignment in Indonesia)
APWLD	Asia-Pacific Forum on Women, Law and Development
ARTF	Afghanistan Reconstruction Trust Fund
ASYCUDA	Automated Systems for Customs Data Administration
AU	African Union
AWEPA	Association of Western Parliamentarians for Africa
BBE	Bilateral Associate Expert
BEHTRUWC	Basic Education for Hard to Reach Urban Working Children Project
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
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CBDC	Community Biodiversity Development and Conservation Programme
CEP	Core Environmental Programme
CEPRESI	Center for Education and Prevention of Aids
CGAP	Consultative Group to Assist the Poor
CIP	International Potato Centre
CIVICUS	Worldwide Alliance for Citizen Participation
GLACSO	Consejo Latinoamericano de Ciencias Sociales
CODESRIA	Council for the Development of Social Science Research in Africa

CPDC	Conflict Peace and Development Cooperation
DAC	Development Assistance Committee (of the OECD)
DDG	Danish Demining Group
DFID	Department for International Development (UK)
DGDEV	Directorate General for Development (EU)
DI	Dramatic Institute
DRC	Democratic Republic of Congo
EAC	East African Community
EAR	European Agency for Reconstruction
EBRD	European Bank for Reconstruction and Development
ECCP	EU's Climate Programme
ECHO	European Community Humanitarian Office
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EDF	EU's Committee for the developing countries in Africa, Caribbean and the Pacific Ocean
EIDHR	European Initiative for Democracy and Human Rights
EIB	European Investment Bank
EMVI	European Malaria Vaccine Initiative
EPA	European Partnership Agreements
ESAMI	Eastern and Southern Africa Management Institute
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
EUEI	EU's Energy Initiative
EU-ESDP	EU's Security and Defence Policy
FAO	Food and Agriculture Organisation
FBA	Folke Bernadotte Academy
FIAS	Foreign Investment Advisory Service
FIDH	International Federation for Human Rights
FIGO	Federation of International Gynaecologists and Obstetricians
FIRST	Financial Sector Reform and Strengthening Initiative
FLACSO	Facultad Latinoamericana de Ciencias Sociales (network for social sciences in Central America)
FONDEAGRO	Fondo de Desarrollo Agropecuario

FTI	Fast Track Initiative
GAM	Gerakan Aceh Merdeka (resistance movement in Indonesia)
GATT	General Agreement on Tariffs and Trade
GAVI	Global Alliance for Vaccines and Immunization
GICHD	Geneva International Center for Humanitarian Demining
GOVNET	Network on Governance (international forum for development cooperation)
GSO	General Statistics Office (Vietnam)
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
IA	International Alert
IADB/IDB	Inter American Development Bank
IAPSO	Inter-Agency Procurement Services Office
IBFAN	International Baby Food Action Network
ICFTU	International Confederation of Free Trade Unions
ICIPE	International Centre of Insect Physiology
ICMA	International Consortium for Medical Abortions
ICRAF	International Centre for Research in Agroforestry
ICRS	International Commission of the Red Cross
ICT	Information and Communications Technology
ICT4D	ICT for Development
ICTP	International Centre for Theoretical Physics
ICTSD	International Center for Trade and Sustainable Development
IEA	Integrated Economic Analysis
IF	Integrated Framework for Trade-Related Capacity Building in LDCs
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFEX	International Freedom of Expression Exchange
IFRTD	International Forum for Rural Transport and Development

IFRC	International Federation of the Red Cross and Red Crescent
IGAD	Intergovernmental Authority on Development
IIED	International Institute for Environmental Development
IIEP	International Institute for Educational Planning
ILO	International Labour Office
IMF	International Monetary Fund
IMO	International Maritime Organization
INDETPH	International network consisting of 38 websites for surveillance of health-research in Africa, Asia and Latin America
IOM	International Organisation for Migration
IPA	Instrument of Pre-Accession Assistance (EU's future instrument for funding)
IPGRI	International Plant Genetic Resources Institute
IPPF	International Planned Parenthood Federation
ISAF	International Security Force in Afghanistan
ISDR	International Strategy for Disaster Reduction
ISO	International Standardisation Organisation
ISP	International Science Programme
ISS	Institute for Social Studies
IT	Information Technology
ITC	International Trade Centre
IUCN	World Conservation Union
IUF	International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers Association
IVI	International Vaccine Institute
JED	Junior Experts to the Delegation
JPO	Junior Professional Officer
LDC	Least Developed Countries
LFA	Logical Framework Approach (tool for project planning and administration)
LMD	Labour Market Dialogue
LRA	Lords Resistance Army, Uganda
LTTE	Liberation Tigers of Tamil Eelam (resistance movement in Sri Lanka)
LWF	Lutheran World Federation
MAG	Mine Advisory Group
MAMTA	Health Institute for Mother and Child, New Delhi, India

MAINIAC	Mainstreaming in Action
MDG	Millennium Development Goals
MDF	Multi Donor Fund
MEDA	EU's committee for the Mediterranean region
MIF/IFAD	Multilateral Investment Fund/International Fund for Agricultural Development
MINIGUA	United Nations mission in Guatemala
MIM	Multilateral Initiative on Malaria
MRC	Mekong River Commission
NAFRI	National Agriculture and Forestry Research Institute
NALEP	National Agriculture and Livestock Extension Programme
NALF	Namibia Agriculture Labour Forum
NDEP	Nordic Dimension Environmental Partnership
NEC	National Environment Committee
NEFCO	Nordic Environment Finance Corporation
NEPAD	New Partnership for Africa's Development
NETROPICA	Network for Research and Training in Tropical Diseases in Central America
NGO	Non-Governmental Organisation
NHA	National Health Accounts
NIB	Nordic Investment Bank
NORAD	Norwegian Agency for Development Cooperation
NORDIC+	Group consisting of the Nordic countries plus Ireland, the Netherlands and Great Britain
NSEDP	National Socio Economic Development Plan
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
ODHIR	Office for Democratic Institutions and Human Rights
OSCE	Organization for Security and Cooperation in Europe
OSSREA	Organisation for Social Science Research In Eastern and Southern Africa
PAHO	Pan American Health Organization
PARPA	Strategy Document for the Reduction of Poverty and Promotion of Economic Growth
PCS	Project Counselling Service (for strengthening peace initiatives in civil society in Colombia)
PEAP	Poverty Eradication Action Plan
PEFA	Public expenditure and financial accountability

PRISED	Poverty Reduction through Integrated Small Enterprise Development
PPP	Public-private partnership
PROANI	Programa Avante Niassa (Sida's programme in Niassa province in Mozambique)
PRS	Poverty Reduction Strategy
RHSC	Reproductive Health Security Commodities
RIATT	Regional Inter-Agency Task Team
SADC	Southern Africa Development Community
SAMOUZA	Towards safer motherhood in southern Africa in the era of Aids
SCSC	Sida Civil Society Centre
SEAL	Support to the Establishment of the Afghan Legislature
SEI	Stockholm Environment Institute
SEMLA	Strengthening Environmental Management and Land Administration
SENSA	Swedish Environment Secretariat for Asia
SEWA	Self-Employed Women's Association
SIPRI	Stockholm International Peace Research Institute
SIWI	Stockholm International Water Institute
SLMM	Sri Lanka Monitoring Mission
SRHR	Sexual and Reproductive Health and Rights
SSATP	Sub-Saharan Africa Transport Policy Programme
STEPS	Social Transformation and Empowerment Analysis
SWEDBIO	Swedish Biodiversity Centre
TDR	Tropical Disease Programme (WHO's programme for new vaccines and medicines for malaria and tuberculosis)
TEC	Tsunami Evaluation Coalition
TI	Transparency International
TIPH	Temporary International Presence in the City of Hebron
TPTCA	Trade Policy Training Centre in Africa
TRALAC	Trade Law Centre for Southern Africa
TWAS	Third World Academy of Sciences
TWOWS	Third World Organisation for Women in Science
UN	United Nations
UNAIDS	Joint United Nations Programmes on HIV/Aids
UNCHR	United Nations Commission on Human Rights
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
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFPA	United Nations Population Fund
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
UNI	Union Network International
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
UNOCHA	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
UNSC	United Nations Staff College
UNTCA	United Nations Technical Cooperation Activities
UNV	United Nations Volunteers
UN/WIDER	World Institute for Development Economics Research
USAID	U.S. Agency for International Development
UWONET	Uganda Women's Network
WABA	World Alliance for Breastfeeding Action
WARDA	West Africa Rice Development Association

WCO	World Customs Organisation
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
WMU	World Maritime University
WP-EFF	Working Party of Aid Effectiveness and Donor Practices
WRI	World Resources Institute
WTO	World Trade Organization
WWF	World Wildlife Fund

Photographers

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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?

Visit Sida's website www.sida.se

or contact Sida's Information Centre sida@sida.se

Visiting address Valhallavägen 199, Stockholm

Tel: +46 8 698 55 80



SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

105 25 STOCKHOLM