

annual report

2003



## Sida's mission statement

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

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

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

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

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

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

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





annual report

2003

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Introduction

2003

# Introduction

The year 2003 contained many bright spots that demonstrate that long-term development cooperation leads to positive results and contributes to reducing poverty. At the same time, our work is characterised by the difficult situation in many partner countries, and by rapidly changing developments. The war in Iraq and social protests in Bolivia were two of the events that had a profound effect on development cooperation in 2003.

Globally, progress is being made towards the achievement of the Millennium Development Goals. However, there are considerable differences between countries in this respect, as well as in the progress made towards the different Millennium Goals. Most of the countries that suffer from widespread poverty – and where it will be difficult to achieve the Millennium Goals – lie in sub-Saharan Africa. In many places development during the year was negative. This was particularly the case in war-torn countries such as Democratic Republic Congo and Burundi.

At the same time, progress could be noted in respect of economic, social and political development in Africa. Several of Sweden's partner countries, for example Uganda and Mozambique, enjoyed positive economic growth. Rates of growth in these two countries were between seven and eleven per cent. Seven parliamentary elections were held in a satisfactory manner in southern Africa. Social progress has been positive in several West African countries, and has led to a reduction in infant mortality. HIV/Aids continues to cast a dark shadow over all development on the continent. Where southern Africa is concerned, the proportion of people infected with HIV is 45 per cent in Botswana and 26 per cent in South Africa. Sida's regional HIV/Aids team in Lusaka has intensified its cooperation with regional organisations and has assisted the Swedish embassies with extensive advisory services. The focus of HIV/Aids contributions is on prevention, treatment and care. Sida is also supporting research programmes for the production of vaccine.

The Aids epidemic is also a threat to development in Asia. Sida appointed a regional HIV/Aids adviser,

stationed in India, who was given the task of identifying possible regional contributions. The SARS epidemic in the spring of 2003 was an additional threat to development, and contributed to delaying the programme of cooperation with China.

The security situation remained difficult in Afghanistan, with fighting in the north and attacks by Taliban forces against representatives of the Government and international donor organisations in the southern and eastern parts of the country. However, it was possible to implement Swedish programmes of support according to plan. These programmes were mainly in the fields of primary education and road rehabilitation, and also included a fund to finance the Government's current expenditure.

Conflicts also characterised cooperation in the Middle East and North Africa. The war in Iraq dominated events. At the same time, the conflict between Israel and the Palestinians was intensified. Sweden increased its humanitarian support to Iraq and, in the next two years, intends to focus on humanitarian assistance with a small number of development contributions for democracy and human rights and for infrastructure. Sida's support for the West Bank and Gaza also consisted for the most part of humanitarian contributions, while several long-term development contributions had to be postponed due to the worsening conflict.

In Latin America, Sweden made a follow-up of the ways in which the poverty reduction strategies (PRS) are being implemented in Honduras, Nicaragua and Bolivia. The follow-up showed that the countries were attaching more importance to the poverty problem and that there was a broader dialogue on the issues. Donor coordination had become more effective. At the same time, in certain cases the partner countries' political "ownership" of the strategies was weak, as was their capacity to transform the strategies into practical policies. The report on the follow-up will form the basis for a further dialogue with the countries.

Social protests in Bolivia led to the resignation of the president. This resulted in delays in several

development cooperation projects and programmes linked to sector reforms. The new situation has had the consequence that cooperation is to be reviewed and will be given a greater focus on conflict management, civil society and work at decentralised levels.

Conflict management was also a main subject in cooperation with Colombia, together with human rights and international humanitarian law. Sida's work has focused on providing contributions for a future peace process.

The economic prospects were brighter in Nicaragua after an agreement had been signed with the International Monetary Fund (IMF). This will make possible the remission of the country's HIPC debts in the near future. A number of structural reforms have been implemented with the effect that government finances are improving. Sweden therefore gave further budget support, amounting to SEK 60 million, in 2003.

The uncertain political situation dominated events in Guatemala. The fact that the presidential election could be held in relatively good order and with a high number of voters was an important step forward. Sweden gave SEK 27 million in support of the election process through contributions for the country's election council, international and national election observation, and the education and training of voters.

In the Western Balkans, Swedish support has contributed to strengthening the possibilities available to the countries in the process towards EU integration. Sida has tried to gain broad support for the reforms that need to be made in order to make it possible for the countries to apply for membership of the EU in the future. Institution development has an increasingly important role. The legal sector is being given greater attention, as is environmental cooperation.

The Swedish government approved the first strategies for development cooperation with Central Asia and the southern Caucasus during the year.

Developments are positive in several countries in Central and Eastern Europe, primarily the EU accession countries. In Russia the increased resources available to the government and its determination to implement reforms have improved the conditions for development cooperation. However, problems still remain, for example inefficiency and corruption in the public administration. Ukraine's economy is also growing, which has facilitated Sida's activities there. On the other hand, the reforms are making slow progress in Belarus. Cooperation with Belarus has focused on the social sectors and projects that counteract human trafficking.

Development cooperation with the three Baltic countries is being phased out prior to EU membership.

## THE SCOPE OF SIDA'S ACTIVITIES

Sida's international development cooperation amounted to SEK 10 724 million, including administration expenses, in 2003. This is approximately six per cent less than in 2002, when it amounted to SEK 11 390 million. The reduction can be explained in its entirety by the fact that the Ministry for Foreign Affairs has taken back the responsibility for Sweden's annual grants to a number of UN agencies. In fact the outcome has increased in most operational areas. SEK 556 million was used for cooperation with Central and Eastern Europe compared to SEK 662 million in 2002. The outcome for the operational area peace promotion activities was SEK 14 million including administration expenses, compared to SEK 21 million in 2002.

The total number of contributions decreased during the year by approximately four per cent, from 6 224 to 5 986. Sida needs to continue to reduce the number of its contributions, and to make new contributions larger. This will enable Sida to increase the volume of development cooperation and maintain the same levels of quality, despite the fact that administrative resources will not increase at the same rate.

Support to the operational area Infrastructure, private sector development, urban development and financial systems amounted to SEK 1 662 million, excluding administration expenses. This can be compared with SEK 1 551 million in 2002. One example of Sida's contributions is the programme of support for electricity distribution in Qui Nhon in Vietnam, which has facilitated an increase in industrial production.

Support to the operational area Humanitarian assistance including conflict prevention amounted to SEK 1 665 million, compared to SEK 1 601 million in 2002. During the year a programme was started in support of the peace process in Sudan, in which Sida is a co-financier together with other donors.

Support to the operational area Democratic governance and human rights amounted to SEK 1 765 million, compared to SEK 1 726 million in 2002. Sector programme support to develop the legal system in Uganda is one of the contributions that was initiated during the year.

Sida allocated SEK 1 590 million in support to contributions in the operational area Social sectors, compared to SEK 1 366 million in 2002. An evaluation of the support that Sida has given to Bolivia via UNICEF during the period 1998–2002 showed that cooperation had contributed to reducing poverty. Among other things, bilingual teaching had strengthened the self-esteem and learning ability of students who do not have Spanish as their mother tongue.

Support to the operational area Natural resources amounted to SEK 869 million. Part of the support

was allocated to strengthening the capacity of the environmental authorities in Laos in order to permit greater consideration to be taken of the environment in the country's development processes.

More than 100 countries were reached by Sida's support channelled via twelve major Swedish non-governmental organisations (NGOs). The support amounted to SEK 902 million. A study of personnel contributions showed that approximately 500 persons from Swedish NGOs worked in developing countries in 2002, who were completely or partly financed by Sida.

Support to the operational area Research cooperation amounted to SEK 791 million. Evaluations of research cooperation with Mozambique and Nicaragua show the need for long-term cooperation. The progress in postgraduate studies has been slow but, with the aid of patient and persistent support, independent research environments have been developed.

Support to the operational area Economic reforms amounted to SEK 561 million. The support was given in the form of budget support to government budgets in partner countries.

The profile of the partner countries changed somewhat during the year, since support to Eritrea was phased out and the Government approved new strategies for cooperation with Central Asia and southern Caucasus.

#### FOCUS ON POVERTY

Sida has initiated a programme that is intended to give the stronger emphasis on poverty reduction an impact in its practical work. A project involving the entire agency, with a specific focus on poverty, was initiated.

The project is based on the document *Perspectives on Poverty*, which was completed in 2002. The document gives prominence to the importance of poverty analysis as the basis of Sida's work. The project is directed towards management at Sida, and 64 managers and advisers participated in seminars during the autumn. The emphasis on poverty reduction is well in line with the Government bill *Shared responsibility*, which was presented in the spring and approved by Parliament in December 2003.

The bill lays down one overriding goal for development cooperation: to contribute to creating conditions that make it possible for poor people to improve their standard of living. All cooperation is to be guided by a poverty perspective and a human rights perspective.

#### SIDA

Increasing field orientation continues to be one of Sida's strategic priorities. During the year, three more embassies were given delegated powers to reach decisions on new development cooperation contributions. Thus, eight embassies have now been given so-called extended delegation. At the same time, the number of locally employed programme officers is increasing and there are now as many locally employed programme officers as officers seconded from Sweden.

Sida is also giving high priority to establishing a greater degree of donor harmonisation and coordination. Together with six other donors (Denmark, Finland, Norway, Great Britain, Holland and Ireland), Sida took an initiative to extend the harmonisation of development cooperation in Zambia, in close cooperation with the government of the country. The ambition in respect of harmonisation is important in order to make development cooperation efficient and to reduce the transaction costs incurred by the partner countries.

A new edition of Sida's methods handbook, *Sida at Work*, was published during the year. A new system for project follow-up was also introduced, Sida's Rating System, which contains performance and risk assessments of projects.

Sida-East was reorganised and changed its name to the Department for Europe. The department, which previously combined a sector and region focus, will now closely resemble Sida's other regional departments.

The number of employees decreased by 17 persons to a total of 873, including 104 on leave of absence.

During the year Sida approved a gender equality plan. This has the ambition of achieving greater balance in the gender structure at the agency, more female managers, and more employees with different ethnic backgrounds. An extensive project was started which will make a survey of Sida's pay structure and examine whether there are any unobjective differences in pay.

The readiness of the Swedish people to give support was still strong. Statistics Sweden's opinion poll shows that more than 60 per cent of the Swedish people want the development cooperation budget to be maintained at current levels or increased.

# Overview of reports and assignments

2003

# Overview of reports and assignments

## 1.1 REPORTS AS STIPULATED IN SIDA'S ANNUAL DIRECTIVES

### A. International Development Cooperation

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

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

#### Under operational area 4. Natural Resources

*Sida shall submit a report on the scope and focus of its contributions in the sub-sectors of pollution and other forms of protection of the environment.*

Presented under operational area: Natural Resources.

#### Under operational area 7. Humanitarian Assistance

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

Presented under operational area: Humanitarian assistance and conflict prevention.

*2. Sida shall submit a report on the scope and focus of its assistance for humanitarian mine management.*

Presented under operational area: Humanitarian assistance and conflict prevention.

*3. Sida shall submit a report on the scope and focus of its conflict management contributions.*

Presented under operational area: Humanitarian assistance and conflict prevention.

*4. Sida shall submit a report on the total use of funds in the operational area, broken down by geographical area and purpose.*

Presented under operational area: Humanitarian assistance and conflict prevention.

*5. Sida shall submit a report to the consultative group for humanitarian assistance, at least once every three months, on its use of appropriations and its forecast for the remainder of the budget year in respect of item 8 Humanitarian Assistance and Conflict Prevention.*

Presented under operational area: Humanitarian assistance and conflict prevention.

#### Under operational area 8. Non-governmental Organisations

*1. The report on the activities of non-governmental organisations shall include allocations of grants to frame organisations, sectors and countries and the number of foreign partners in cooperation per frame organisation.*

*Where applicable, the number of Swedish organisations included in the activities of the frame organisation shall be specified.*

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

*2. Where support for the information activities of NGOs is concerned, Sida shall submit a report on the number of information grants disbursed to each organisation.*

Presented under operational area: Non-governmental Organisations.

#### Under operational area 9. Other Operational Areas.

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

Presented under operational area: Other Operational Areas.

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

Presented under operational area Other Operational Areas.

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

Presented under operational area: Other Operational Areas.

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

Presented under operational area: Other Operational Areas.

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

Presented under operational area: Other Operational Areas.

## **B. Cooperation with Central and Eastern Europe**

### **Under operational area 1. Common security:**

Sida shall submit a quarterly report on projects for which Sida has received final reports to the Government Office's working group for support for the promotion of security.

Presented under operational area: Common security.

### **Under operational area 2. Deepening the culture of democracy**

1. Where NGOs are concerned, Sida shall submit a report on the breakdown of grants by frame organisations, sectors and countries and the number of foreign partners in cooperation per frame organisation. Where applicable, the number of Swedish organisations included in the activities of the frame organisation shall be specified.

Reported under operational area: Democracy.

2. Where NGOs that have information activities in Sweden are concerned, Sida shall submit a report on the number of information grants disbursed per organisation.

Reported under operational area: Democracy.

## **C. Foreign policy and security policy**

### **Under operational area: Peace Promotion Activities**

A quarterly report shall be made on cost trends of activities that are financed by this appropriation item and any

changes in these activities. Each contribution shall be reported on separately.

Reported under operational area: Peace Promotion Activities

## **D. Other reports**

### **For both policy areas**

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

Reported in appendix 3, in the Financial Documents (page 133), and in the interim annual report.

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

Reported in appendix 4.

3. If Sida wishes to make reallocations of uncommitted balances, it shall submit a report to the Ministry for Foreign Affairs, no later than March 1, 2003, on the amount of the balances, committed and uncommitted, carried forward as at 31 December 2002 for each sub-item under appropriation 8:1 Development Cooperation and 9:1 Cooperation with Central and Eastern Europe, and submit proposals for the allocation of the uncommitted balances.

There was no need to make reallocations.

4. Sida shall submit expenditure forecasts to the Ministry for Foreign Affairs at sub-item level for the years 2003 to 2006 inclusive for all appropriations placed at the disposal of the agency. The forecasts submitted in May and October need only contain forecasts for 2003 and 2004.

The forecasts shall be submitted no later than 22 January, 10 March, 7 May, 11 August, and 3 November.

The forecasts shall be commented on both in relation to the previous forecast and in relation to budget. The assumptions that form the basis of the forecasts shall be presented.

Reported in accordance with the above requirements.

### **Policy area 8. International development cooperation**

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

For each operational area, a report shall be submitted on the financial outcome by form of support and channel

for the entire operational area and for the five largest countries in respect of expenditure. The information shall be commented on. The total number of contributions, number of contributions larger than SEK 15 million, and the number of new contributions shall also be reported and commented on.

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

- financial outcome,
- conclusions and lessons learnt from Sida's performance analyses and evaluations
- programmes of sector support (numbers shall be given).

The report shall contain a description and an analysis and discussion of problems in respect of the outcome.

Furthermore, where appropriate, methods work, policy changes and human resource development programmes shall be reported on and linked to the conclusions presented in the above-mentioned report.

Reported under each operational area and under Overview of operational areas.

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

Reported under each region.

7. No later than May 1, 2003, Sida shall submit a report to the Government on Sida's evaluations and internal audits for the budget year 2002. The report shall summarise major conclusions and recommendations made in the studies and provide an account on the feedback of audit results, requisite measures approved, and follow up of these measures.

Report to the Government 2003-04-23.

8. In its annual report for 2003, Sida shall present indicators of the agency's internal efficiency in the various parts of its activities.

Reported in appendix 7.

9. No later than May 1, 2003, Sida shall submit a list of all posts financed by the development cooperation appropriation as at January 1 2003 to the Ministry for Foreign Affairs, and report any changes in relation to this list. The report should also contain:

- the number and focus of full-time posts in the field which are settled against the development cooperation appropriation.
- the number and focus of short-term posts, which are settled against the development cooperation appropriation.
- total annual cost of consultants, which are settled against the development cooperation appropriation.

Report submitted to the Government 2003-06-05.

10. No later than May 1, 2003, Sida shall submit a forecast to the Ministry for Foreign Affairs on the estimated use of the development cooperation appropriation for posts financed by the appropriation for the year 2003. The forecast shall be supplemented with a breakdown into short-term appointments and full-time appointments.

Report submitted to the Government on 2003-06-05.

Sida shall submit a report on its work to contribute to the fulfilment of the Millennium Development Goals.

Reported under Overview of operational areas

#### **Policy area 9. Cooperation with Central and Eastern Europe.**

11. Sida shall submit integrated performance reports on the partner countries under each operational area in relation to the goal of the operational area, the overall guidelines and the country strategies. The report shall contain a description and an analysis and discussion of problems in respect of the outcome. A special report shall be submitted on cooperation projects in the Barents region. For priority countries for which country strategies and performance reports were not produced in 2003, reports shall be submitted no later than March 1, 2004. The report on gender equality shall be broken down into analyses and reports on individual contributions that have the specific goal of promoting equality between women and men, an analysis of how aspects of gender equality have been integrated into all approved contributions, and a specification of the results this has led to for women and men and girls and boys respectively.

Reported under Cooperation with Central and Eastern Europe, under each operational area and in a communication to the Government no later than 2004-03-01.

12. Sida shall submit a report in tabular form on commitments per country and operational area for the years 2001, 2002 and 2003. The report shall be made by country in respect of Estonia, Latvia, Lithuania, Poland, Russia, Ukraine and Belarus. One report shall be submitted for all other countries. Contributions for Russia for 2003 shall be broken down at federal level. Contributions in the Barents region shall be reported on separately.

Reported on in Appendix 2.

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

Report submitted to the Government on 2003-03-27.

14. Sida shall draw the attention of the Ministry for Foreign Affairs to any need of revisions of country strate-

gies no later than September 30, 2003.  
No revisions required in 2003.

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

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

16. Sida's assignments within the framework of the Baltic Sea Programme 2 (appropriation for the development of trade and industry in the Baltic Sea region, expenditure area 24) and Baltic Sea Programme 1 (previously appropriation for Cooperation and development in the Baltic Sea Region, expenditure area 1) shall be reported on in accordance with the directives issued by the Ministry for Foreign Affairs. A special report shall be made in relation to appropriation item 9:1.1.

Reported under Cooperation with Central and Eastern Europe.

## 1.2 ASSIGNMENTS GIVEN IN THE ANNUAL DIRECTIVES

### Assignments for Policy areas 8 and 9

1. No later than January 31, 2003, Sida shall present a coordinated approach for election observation contributions, including proposals for criteria on which decisions on participation can be based, appropriate preparations and monitoring. Sida shall also examine the possibility of linking these contributions to other forms of development cooperation in the field of democratic governance.

The document shall contain an assessment of the capacity of the most important parties involved: OSCE, EU and the UN. The approach shall give due consideration to the guidelines that have been drawn up internationally and which Sweden has participated in producing.

Report submitted to the Government on January 17, 2003.

### Policy area 8. International development cooperation

2. No later than December 19, 2003, within a framework to be determined later by the Government, Sida shall submit proposals on support to economic reforms and debt relief for 2004, including a breakdown by recipients, forms and channels for the support.

Report submitted to the Government on December 18, 2003.

3. No later than January 30, 2004, on the basis of Sida's policy for sexual and reproductive health and rights as well as the population conference of 1994 and the follow-up conference of 1998, Sida shall evaluate its work on sexual and reproductive health and rights. By describing how Sida has contributed to achieving international agreements and handling sensitive issues in this field, the evaluation should present ways in which Sida can further develop its work in the field.

Report submitted to the Government on January 29, 2004.

4. No later than December 31, 2003, Sida shall present a report on the ways in which it has put into operation the guidelines given in the Government's communication 2001/2002:186 for concretizing a rights of the child perspective in programmes of development cooperation

Report submitted to the Government on November 26, 2003.

5. No later than March 31, 2003, Sida shall submit a report on the programmes it has participated in to prevent and counteract involuntary migration.

Report submitted to the Government on March 31, 2003.

7. No later than December 31, 2003, Sida shall submit an action plan for the years 2004 to 2006 for Sweden's development cooperation in Latin America within the framework of the EU. The action plan shall be based on existing regional and country strategies for Latin America. The action plan shall constitute a continuation of the action plan for 2001 to 2003. The point of departure shall be the objectives that Sweden has for European development cooperation. The action plan shall give prominence to development cooperation sectors that shall be given priority in development cooperation with Latin America. Attention shall be given to areas in which the programmes of Sweden and the EU supplement each other or where synergy effects can be achieved. Channels through which Sweden can obtain the best impact for its development cooperation should be described.

Report submitted to the Government on December 2, 2003.

8. In 2003, Sida shall continue its work of drawing up a strategy for humanitarian assistance to Iraq. The point in time for the completion and submission of the strategy will be decided at a later date.

Report submitted to the Government on December 15, 2003.

9. In 2003, Sida shall submit proposals to the Government in respect of country or regional strategies for the following countries/regions: Kenya, Laos, Moldova, Namibia, India, Sudan, South Africa, Vietnam, West Africa (including Burkina Faso, Mali and Guinea Bissau), the Great Lakes Region (including Burundi, Rwanda and Democratic Republic Congo).

Proposals submitted to the Government

Kenya	2003-10-27
Laos	(not complete)
Moldova	2003-12-19
Namibia	2003-12-17
India	(not complete)
Sudan	2003-06-12

South Africa	2003-10-29
Vietnam	2003-11-13
West Africa	2003-12-19
Great Lakes Region (extension)	2003-11-20

*Sida shall submit proposals to the Government in 2003 on revised or extended country strategies for the Western Balkans, in accordance with the plan approved by the Ministry for Foreign Affairs.*

Proposals submitted to the Government

Albania	2003-12-19
Croatia	2003-12-19
Serbia and Montenegro	2003-12-15

*Sida shall submit a proposal to the Government in 2003 on a revised position for development cooperation with Zimbabwe.*

Proposal submitted to the Government on May 6, 2003.

*Sida shall submit a proposal to the Government in 2003 on a strategy for sustainable development in the Lake Victoria region.*

Proposal submitted to the Government on December 15, 2003.

### **1.3 REPORTS REQUIRED BY DECISIONS OF THE GOVERNMENT**

*Sida shall submit a report on the extent to which the agency's objectives for human resource management in 2003 have been achieved, and the goals of the agency's human resource management in 2004 and for 2005–2006 respectively.*

Presented in Appendix 6.

# Policy area International Development Cooperation

2003

# The year's results from the perspective of the objectives

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

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

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

On December 16, 2003, the Swedish Parliament approved the Government's new coordinated policy for global development. From 2004 onwards, Swedish international development cooperation will have partly new goals.

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

## RAISING THE LIVING STANDARDS OF POOR PEOPLE

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

- A. Direct effects on the poor
- B. Projects and programmes in which the poor are included among other groups
- C. Indirect effects through policies and institutions
- D. Support at national level that has an indirect effect on poverty reduction
- E. Other approaches (for example internal Sida studies in a certain field and methods development projects)

No one approach is better than another. They are all more or less effective and efficient for the case in point. The classification is made when a contribution is started and is based on the programme officer's perception of its focus and results.

Table 1 presents Sida's activities, partly in the form of outcome, and partly in the form of the number of contributions for the poverty objective, broken down into the different classification categories. There is a definite trend at Sida and internationally from minor project support towards major programme support. Moreover, there is a greater focus on producing policies and providing support for institutions that work to reduce poverty.

*Perspectives on poverty*, which was approved in 2002, is Sida's overall position on poverty and the ways in which it can be combated. Poverty deprives people of the freedom to make decisions about their lives. It has different effects at different points in time and for different people and places, and can only be understood in its specific context. Poverty has many dimensions and must be attacked in a holistic manner. A project involving the entire agency, with a specific focus on poverty, started in 2003 to support the practical implementation of *Perspectives on poverty*.

It was planned that project work in the autumn would give specific prominence to the poverty goal,

and 64 managers and advisers in Stockholm participated in one-day seminars to extend their understanding of the content of *Perspectives on poverty*. Much of the seminars took up essential points of departure for a poverty analysis and ways in which Sida can make assessments of, and support, the capacity of the partner countries to produce analyses.

All officers responsible for Sida's activities in the field in Africa, Asia and Latin America were given a somewhat shorter presentation of the content of the seminars at the regional conferences.

At the end of the year, presentation material was distributed to all managers in Stockholm and the field. They can use this material for providing guidance and for discussions with their staff.

## SIX SUB-GOALS FOR DEVELOPMENT COOPERATION

### 1. Economic growth

Most researchers agree that economic growth is a prerequisite for the reduction of poverty. Different theories on the causes of economic growth emphasise the importance of

- macro-economic balance and stability and international competitiveness,
- efficient public institutions, absence of corruption, broad participation in the development process and political maturity,

- a large amount of human capital,
- efficient, competitive domestic markets, a stable financial system and an effective physical infrastructure, and
- limited aid dependency, a sustainable foreign debt and considerable domestic savings, as well as direct foreign investments,
- no discrimination and conflicts.

Support to *economic reforms* – mainly in the form of general budget support – contributes to providing macro-economic stability and promoting comprehensive reforms with the aim of improving economic growth and combating poverty.

A large part of Sida's support is given with the aim of *developing the capacity of the public administration*, for example for strengthening the legal system, strengthening the protection of private ownership, making business contracts binding and thereby contributing to economic growth. Two examples of this are the support provided for making the local administration of land ownership issues more efficient in the Quang Tri province in Vietnam, and the support provided for Vietnam's National Legal Aid Agency.

Sida has been active in the *education and health* sectors for a long time, primarily in respect of building up human capital in the partner countries. The evaluators of Swedish support to the education sector in

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

	2003		2002		2001		2003	2002	2001
	Out- come	%	Out- come	%	Out- come	%	No. of contri- butions	No. of contri- butions	No. of contri- butions
<b>Poverty reduction</b>									
A Direct effect	2 130	21	1 705	16	1 927	17	722	633	556
B Projects and programmes that include the poor	1 799	18	1 873	17	1 982	17	726	777	828
C Indirect effects through policies and institutions	4 356	43	4 840	44	4 543	40	2253	2325	2150
D Indirect effects through national support	1 323	13	1 616	15	1 885	16	758	813	903
E Other effects	620	6	894	8	1 100	10	886	1057	1251
<b>Total</b>	<b>10 228</b>	<b>100</b>	<b>10 927</b>	<b>100</b>	<b>11 437</b>	<b>100</b>			
<b>Peace, democracy and human rights</b>									
Principal objective	3 604	35	3 069	28	2 453	21	1 805	1736	1616
Significant objective	4 621	45	5 527	51	5 744	50	2 078	2131	2028
Other objective	2 002	20	2 332	21	3 240	28	1 416	1659	1949
<b>Total</b>	<b>10 228</b>	<b>100</b>	<b>10 927</b>	<b>100</b>	<b>11 437</b>	<b>100</b>			
<b>Environment and sustainable development</b>									
Principal objective	1 141	11	1 240	11	1 348	12	772	890	911
Significant objective	4 395	43	5 046	46	5 348	47	1 731	1663	1605
Other objective	4 692	46	4 642	42	4 741	41	2 810	3007	3115
<b>Total</b>	<b>10 228</b>	<b>100</b>	<b>10 927</b>	<b>100</b>	<b>11 437</b>	<b>100</b>			
<b>Gender equality</b>									
Principal objective	1 247	12	784	7	708	6	567	560	556
Significant objective	6 049	59	7 032	64	7 018	61	2 769	2806	2580
Other objective	2 933	29	3 111	28	3 712	32	1 979	2182	2490
<b>Total</b>	<b>10 228</b>	<b>100</b>	<b>10 927</b>	<b>100</b>	<b>11 437</b>	<b>100</b>			

Bolivia between 1998 and 2002 make the assessment that cooperation with Sida has contributed to reducing poverty, for example through the initiative for bilingual teaching of students who do not have Spanish as their mother tongue.

Sida's new policy for *private sector development* emphasises the importance of development of this type for economic growth and for improving the situation of the poor.

*Agriculture* is the largest sector in many developing countries and is the source of living of most of the poor people. Agriculture therefore receives a considerable amount of support from Sida.

Discrimination not only violates human rights, it reduces the productivity of those who are discriminated against and inhibits economic growth. For example, the poorest countries also tend to have the smallest proportions of girls in school. It can therefore be expected that support to groups that are discriminated against, for example the contribution financed by Sida and the United Nations Development Programme (UNDP) to strengthen the participation of women in politics in Kazakhstan, promotes economic growth.

Many of the countries in Africa that have had the weakest economic growth over a long period of time have often been involved in armed conflicts. Therefore, contributions for *peace promotion and conflict management* also combat poverty. Sida's support, for example, for the joint administration of shared water resources in southern Africa is a method for making more efficient use of the scarce resources and, at the same time, for preventing conflicts.

## 2. Economic and political independence

The importance of this goal has changed considerably since it was originally established. Most countries have now achieved formal political independence. These states now face the task of consolidating their legitimacy by strengthening democracy, by showing respect for human rights, and by developing a more efficient public administration, all with the aim of combating poverty. Two interesting examples are Sida's support to *Consejo Nacional Anticorrupción*, the national anti-corruption council in Honduras, and cooperation between Vietnam and Sweden for combating corruption (see section four below on democratic development).

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

nomic growth and broad prosperity. Contributions for *Debt relief, improved debt management, education and research* extend economic freedom of action.

## 3. Economic and social equality

As opposed to what was maintained previously, most economists now agree that a relatively even distribution of productive assets makes rapid and sustainable economic growth possible.

Many Sida contributions have the aim of increasing the capacity of the poor to be economically productive – to create economic growth – by increasing the access of poor people to productive resources. Labour is the principal economic asset of many poor people. An analysis of the results of the support provided for the agricultural sector in Vietnam shows that land reform, supported by Sida, is one of the most important reasons for the economic upswing in Vietnam.

Other contributions are intended to enhance the capacity of the poor to use their resources effectively. For example, soil conservation contributions should encourage a more productive and environmentally sustainable use of agricultural land.

Further contributions have the aim of reducing the vulnerability of the poor and the potentially poor by promoting microeconomic stability and giving them the opportunity to improve their access to the legal system and to micro-credits. Partly as a result of Sida's support to the central bank in Sri Lanka, the currency of the country is no longer tied to the US dollar. Instead its foreign currency policy focuses on combating inflation. This should reduce the risk that the poor are affected by economic crises.

## 4. Democratic development

Sida's contributions are intended to promote opportunities, security, empowerment, and the right to a life in dignity for poor people by contributing to democratic development in the partner countries. Democracy is of central importance for ensuring respect for human rights. Sida is trying to strengthen the values that are essential for democratic development, for example accountability, the participation of citizens in society, openness and control, and the equal rights and dignity of all people, regardless of their age or sex. In concrete terms this can entail support for measures that strengthen freedom of speech, free and independent media, access to information, supervisory functions such as ombudsmen and independent audit bodies.

Expenditure on activities that had peace, democracy and human rights as a principal or significant objective increased somewhat in 2003 compared to previous years. It now amounts to 80 per cent of expenditure. The proportion of contributions with this principal objective or significant objective

increased to 73 per cent. All in all, 35 per cent of the expenditure and 34 per cent of the contributions had peace, democracy and human rights as a principal objective.

The year has been characterised by further efforts to apply a democracy, human rights and child perspective in all parts of Sida's development cooperation. For example, the impact of the democracy and human rights perspective has increased considerably in Sida's cooperation with local ministries, authorities and organisations etc in Kenya. Sida has also participated in the political dialogue conducted by Sweden with the authorities and organisations in Laos and Vietnam in order to improve respect for human rights.

One dimension of poverty is lack of power. Sida has initiated a methods project on power analyses as a part of the overall poverty analysis. Work on the country strategies for Burkina Faso, Mali and Kenya started with analyses of power relations in the countries, mainly made by local experts. During the year Sida also arranged a seminar with international experts in order to learn from experience gained hitherto and to refine its methods. Furthermore, Sida has started a dialogue with the *Institute for Development Studies* at Sussex University on the relationship between poverty, power and rights. Sida is also supporting research in the fields of democracy, peace and conflicts.

An effective legal system is essential if people are to assert their rights and to hold the state accountable. For example, Sida has supported the *Comparative Research Programme on Poverty* of the International Social Science Council, which held a seminar on law and poverty in order to stimulate analyses of ways in which legal systems are being used to combat poverty.

The trend towards budget support and sector programme support makes increasingly specific demands on the public administrations in the partner countries. However, the donors have been slow in using the programme support form for contributions that have the aim of developing the capacity of public administrations in the partner countries. In 2003 Sida decided to enter into a programme of sector support in the legal sector in Uganda, and talks are being held with Tanzania, Kenya and Ethiopia on support to legal sector programmes. Furthermore, from 2003 onwards, parts of Sida's support for the district administration in Tanzania has been reorganised into a form of programme support at municipal level.

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

Under Sida's policy for environmentally sustainable development, environmental aspects are to be integrated into all Sida's operations. In principle Sida has implemented all the measures in the action plan contained in Sida's environmental management system

that has been in force hitherto. A revised action plan has now been approved. The work of integrating environmental aspects into Sida's operations has focused in particular on two strategy instruments: *Perspective on Poverty* and *Sida at Work*.

Among the major measures taken to integrate environmental issues into Sida's work during the year, mention can be made of the following: With the document *Climate and Development – Sida's position*, the foundations have been laid for integrated work at Sida on climate-related issues. Sida has drawn up a proposal on the amount of its support for natural disasters and ways in which the support can focus on preventive environmental measures. The publication *Growth and the Environment* was revised and used, for example, in connection with the year's conference on poverty, which had the theme of economic growth. Much of Sida's support for research has the environment as a principal objective. Sida cooperates with the Foundation for Strategic Environmental Research and has produced a report *Environmental Challenges in Developing Countries – Some Reflections* for future research support within the framework of the work done by the foundation. On the basis of the work done at the Department for Environmental Economics at the University of Gothenburg, Sida has produced a booklet on environmental economic instruments: *Instruments for Environmental Policy*. A new publication from Sida *The Environment, Natural Resources and HIV/Aids* draws attention to the relationships between these three factors. During the year Sida reported to the Government Offices on the progress of the action plans for the most important environmental conventions.

In order to increase its capacity in the environmental field, Sida worked during the year with a number of Swedish organisations including the Centre for Environmental Impact Assessments at the University of Agricultural Sciences in Uppsala, the Department for Environmental Economics at Gothenburg University, the National Environmental Protection Agency, and the National Chemicals Inspectorate. The Swedish International Biodiversity Programme at the Centre for Biological Diversity in Uppsala, which was officially opened during the year, will also support Sida's environmental activities. The Swedish Environment Secretariat in Asia, which is Sida's regional environmental unit in Bangkok, drew up a strategy and action plan for Southeast Asia for 2003–2004. Sida also supports research intended to generate new knowledge and to develop the capacity for sustainable production systems and natural resources. Through Sida's support to international agricultural research, it has been possible to save some 300 million hectares of ecologically vulnerable land. This has been done as a result of research into drought resistant varieties of plants and cultivation techniques that increase the capacity of the land to retain water.

Compared to 2002, the proportion of Sida's expenditure on activities in which the environmental sub-goal was a principal or significant objective decreased by four percentage points to 54 per cent. Only 11 per cent of the outcome had the environment and sustainable development as the principal goal. The proportion of contributions in which the environmental sub-goal was a principal or significant objective remained fairly constant, amounting to 47 per cent.

#### **6. Equality between women and men**

The proportion of contributions in which gender equality is the principal objective or a significant objective has remained fairly constant and now represents 71 per cent of the expenditure. The proportion of contributions with this as the principal or significant objective increased somewhat to 63 per cent. The proportion of expenditure or contributions where gender equality is the principal objective remained small. This is consistent with Sida's *mainstreaming* strategy, under which a gender equality perspective is to permeate all Sida's work, instead of merely being included in certain, specific gender equality contributions.

The selection of strategies and methods is a critical phase in the introduction of a gender equality perspective in all development cooperation. In its proposal for a new country strategy for Kenya, Sida has cho-

sen to focus on two issues of central importance for poor women: participation of women in the development of policies and the right of women to own land and other property. Several contributions in the country strategy are to interact in order to strengthen the right of women to ownership. Furthermore, Sida has consolidated its gender equality work in Ethiopia by producing a strategy to give prominence to gender equality issues in the dialogue with partners in cooperation. In order to strengthen gender equality in the environmental and energy sector in Russia, Sida has funded an analysis and field study of local government services.

During the year Sida followed up the recommendations of the evaluation *Mainstreaming gender equality* (Sida 2002). Sida has established support and advisory functions that are intended to ensure that the policy has an impact. Training programmes in gender equality have been improved and are now better adapted to sectors and regions. Training programmes for Sida staff have also been implemented regionally. Sida has also given greater emphasis to methods development and to strengthening skills in the dialogue. Sida has presented a report on the follow-up of a EU conference, which aroused considerable interest. Furthermore, a revision of Sida's policy and action plan for gender equality in development cooperation was started during the year.

# Overview of operational areas

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

During the year, the work done in the operational areas was characterised by the ambition to transform Sida's new views on poverty reduction in *"Perspectives on Poverty"* into practice in programmes of development cooperation. This was the case, for example, in the field of democracy and human rights where the powerlessness of poor people is an essential component in the multi-dimensional poverty concept and a great obstacle to combating poverty. Methods work has been done to strengthen Sida's capacity to make power analyses and to develop forms of support for local human rights organisations.

The need to extend investments in social development and to make them more efficient has governed the work done in the social sectors. A change in attitude was sought which gives prominence to social development and social mobilisation as a driving force and prerequisite for economic growth and democratic development. Sida needs to be able to make poverty analyses that have their point of departure in the multidimensional poverty concept. Therefore methods were developed in respect of social development, culture issues and life style issues during the year.

A further example of Sida's ambition to implement the new approach to poverty is the policy that has been drawn up for support to private sector development. A recurrent theme in this policy and in evaluation work is "making markets work for the poor", i.e. ways in which it is possible to strengthen conditions for the poor on local, national, regional and international markets. The policy emphasises the mutual relationships between economic, social and democratic development.

Moreover, in its work in the operational area of natural resources, Sida emphasises that the causes of poverty need to be analysed and combated at international, regional, national and local level. Evaluations

and analyses have shown that there are often strong relationships between problems and corrective measures at different system levels, and that actions taken at one system level are often essential for the success of contributions at another level.

In all operational areas there are examples of ways in which Sida works at different system levels.

For example, bilateral contributions in Sida's research cooperation are being increasingly supplemented by support for regional and international research networks. There are also interesting examples of ways that are being sought to create networks that link research to decision-making and policy development in strategic areas for poverty reduction.

*"Perspectives on Poverty"* emphasises that the national poverty strategies are a central point of departure of Sida's support for poverty reduction in individual partner countries. It is therefore positive that the national poverty strategies are gradually receiving more importance in international development cooperation. Sweden is linking more of its support for economic reforms to these strategies.

In 2003, harmonisation and coordination were given high priority in international development cooperation. The goal is that dialogue and monitoring should be coordinated to a greater extent. Greater emphasis is being attached to national ownership and to the establishment of common mechanisms for monitoring the poverty strategies. Donors are being encouraged to allocate a higher proportion of their funds to budget and sector programme support.

Sida's strategic initiative to make its development cooperation more efficient by using methods that require fewer resources is well in line with this international harmonisation agenda. The number of programmes of sector support or of similar forms of cooperation continues to increase. Sector programme support is also starting to be used in fields where this

type of support has not been so common, for example in the legal sector. The extension of support to cultural funds can be seen as an example of a way in which Sida is trying to develop forms of cooperation that require fewer resources but, at the same time, facilitate donor coordination.

In light of the further development of programme support, it has become increasingly clear that Sida needs to strengthen its capacity to analyse and conduct a dialogue with its partners in cooperation and other donors on sector development and sector policies. In the reports on the various operational areas, a number of examples are provided of ways in which Sida is focusing on human resource development and methods development.

During the year Sida completed an extensive project on developing methods for programme support that have a focus on, among other things, financial management in the partner countries. As a consequence of this Sida has decided to strengthen its resources in this field. One example of methods development for programme support is the development of sector indicators in the education sector.

#### **Multilateral development cooperation**

The policy for global development strengthens the multilateral dimension in development cooperation and foresees more exchanges of knowledge, dialogue and cooperation between Sweden and the multilateral development organisations.

Sida has drawn up proposals for strategies for Sweden's cooperation with UNESCO and UNDP. Sida represents Sweden, together with the Ministry for Foreign Affairs, in several UN agencies, and presents points of view based on Sida's strategies and experience from bilateral development cooperation. Sida has participated in the annual meetings of the World Bank and the International Monetary Fund (IMF). Sida has also held discussions with representatives of the World Bank on partnership and the formulation of a new framework agreement, on co-financing and on the Swedish consultancy funds.

Sida represented Sweden at 21 meetings of European Commission executive committees. The emphasis has been on matters concerning efficiency and quality. Sida also participated in other committees and in some twenty expert groups. Likewise, Sida has continuously provided information to the Ministry for Foreign Affairs in connection with the work done in the EU's Council of Ministers.

In its contacts with the multilateral organisations, Sida makes demands for a specific focus on poverty, for increasing gender equality, consideration of the environment and human rights, and gives prominence to issues of harmonisation and greater coordination. One essential task is the assessment of the efficiency of the multilateral organisations, not least at country level.

#### **ANALYSIS OF OUTCOME**

The outcome for most operational areas has increased. The main reason for the overall reduction is Other operational areas. This is due to the fact that the Ministry for Foreign Affairs is once again disbursing the grants to UN agencies. Table 2.

#### **REPORTS REQUIRED**

*Sida shall submit a report on how it has worked in order to contribute to the achievement of the Millennium Development Goals.*

The goals of Swedish development cooperation up to and including 2003 (as well as the new goal and the focus stipulated in the Government bill on development cooperation) are an expression of the long-term ambition to eradicate multi-dimensional poverty. This also permeates the Millennium Development Goals, which provide concrete sub-goals and indicators on the way towards a world without poverty.

Sida's operations focus to a great extent on sectors that correspond to the Millennium Development Goals, for example natural resources – including food supplies and rural development, health – with an emphasis on reducing rates of maternal and infant mortality and combating HIV/Aids and malaria, education, gender equality, and sustainable development that takes the environment into consideration. In addition to this there are activities that are particularly important for economic growth that reduces poverty and provide incomes for poor women and men (see above under the section on *The year's results from the perspective of the objectives*, sub-goal *economic growth*).

However, the achievement of the Millennium Development Goals is influenced not only by the conditions in each sector (policies, institutions and activities), but also by developments in other sectors and by a number of other factors. For example, rates of infant and maternal mortality are not merely influenced by goal-oriented health sector contributions, but also, to a great extent, by all the other MDG factors such as the incomes of households, employment, equality, education, water supplies and sanitary conditions. In addition to this, there are a number of other factors such as corruption and the quality of governance, armed conflicts and natural disasters.

The Millennium Development Goals are essential and measurable examples of desired results but are not a complete list. They should not be interpreted in such a way that other aspects than those included in them are unimportant for the living conditions of poor people.

Sida is working in accordance with the Government's directions on several aspects that are included in the Millennium Declaration but are not part of the Millennium Development Goals, for example support

for peacekeeping activities and conflict solution as well as democracy and human rights.

The strategies of the partner countries and Sida's support cover all essential areas that have an effect on the Millennium Development Goals, other aspects of poverty and other national development priorities, for example roads and telecommunications, macroeconomic stability and efficient credit markets.

As a result of the assignment in the Government's annual directives in respect of the Millennium Development Goals, in 2003 Sida commissioned a consultant to make a study of the ways in which Sida can cooperate with the international community in respect of performance reports on the Millennium Development Goals, and the extent to which and ways in which the goals should govern Sida's activities and be integrated into its operational plans.

The report finds that the Millennium Development Goals are far too narrow to cover the spectrum of activities pursued by Sida. The Millennium Declaration and Goals should rather be seen as a treaty between rich and poor countries to eradicate poverty. At the same time it can also be seen as a political manifestation.

"*Perspectives on Poverty*" emphasises that poverty has many dimensions and that poverty can be expressed in different ways and can have different causes in different societies and in different phases of development. Therefore it is important to make poverty analyses in every specific situation in order to make the cooperation programmes and contributions effective and to contribute to reducing poverty. Thereby they will also contribute to enhancing the possibility of achieving the Millennium Development Goals.

With this aim, Sida is supporting the development of analytical, research and evaluation capacity in the partner countries, as well as statistics, in order to improve their prospects of following up the Millennium Development Goals in their own countries.

Sida is also supporting poor women and men and their representatives at the national and local level to enable them to participate in the formulation of strategies, projects and programmes and in their implementation and follow-up. Sida is trying to adapt the programmes of cooperation to the countries' poverty strategies, priorities and administrative systems.

*Deviations compared with the programme matrix in Sida's budget documents for 2003.*

The outcome for *Democratic governance including human rights* is about 16 per cent over forecast, *Social sectors* about 21 per cent over. *Infrastructure, private sector development, urban development and financial systems* have a much lower outcome, mainly as a result of fewer concessionary credits than planned. Natural resources also shows a much lower outcome as a result, among other things, of delays in the planning of contributions, chiefly in Asia. *Economic reforms* is also under forecast but the Government only approved SEK 485 million for this operational area compared to Sida's request for SEK 690 million. *Research cooperation* is about 14 per cent under forecast. On the other hand, the outcomes for *Humanitarian assistance and conflict prevention* are much higher than forecast, 25 per cent, largely due to the fact that needs are difficult to foresee. The outcome for *Non-governmental organisations* is much lower than the budget forecast due a reduction in appropriations.

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

International development cooperation	2003			2002			2001			2003	2002	2001
	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	No. of contri- butions	No. of contri- butions	No. of contri- butions
Democratic governance and human rights	1 811	1 765	17	1 774	1 726	16	1 559	1 520	13	1 515	1555	1543
Social sectors	1 661	1 590	16	1 431	1 366	13	1 561	1 504	13	759	835	869
Infrastructure, private sector development, urban development and financial systems	1 748	1 662	16	1 607	1 551	14	2 124	2 035	18	960	978	1009
Natural resources	933	869	8	959	902	8	973	929	8	512	589	599
Economic reforms	583	561	5	535	514	5	514	499	4	25	21	19
Research cooperation	855	791	8	915	846	8	886	828	7	333	358	372
Humanitarian assistance and conflict prevention	1 703	1 665	16	1 637	1 601	15	1 681	1 666	15	562	560	596
NGOs	912	902	9	907	896	8	905	876	8	137	109	121
Other operating areas	517	424	4	1 624	1 525	14	1 700	1 581	14	490	499	438
<b>Total</b>	<b>10 724</b>	<b>10 228</b>	<b>100</b>	<b>11 390</b>	<b>10 927</b>	<b>100</b>	<b>11 903</b>	<b>11 437</b>	<b>100</b>	<b>5 293</b>	<b>5504</b>	<b>5562</b>
Total number of contributions*										5 188	5397	5476

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

# Democratic governance and human rights

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

## GENERAL

Today, slightly more than 140 of the states in the world are classified as democratic, in the sense that they have held, among other things, reasonably free and fair elections. But many of the newly fledged democracies among the developing countries should still be regarded as semi-authoritarian states. They are characterised, for example, by the exercise of real power outside the political institutions. Political power is also often dominated by an old elite in a new guise. These states are seldom successful in promoting human rights, such as the right to education and health, which are of crucial importance for poverty reduction. In the last few years, there has been an increase in political polarisation regarding respect for human rights. Since 2001, the struggle against terrorism has, in many cases, considerably increased the power and security of the state at the expense of the human rights and rule of law for individuals. The work and legitimacy of human rights' organisations have been questioned in several of Sida's partner countries. The absence of an independent legal system in countries of this type makes it difficult for development cooperation to have a permanent impact.

In light of the above, Sida's contributions have the aim of promoting the opportunities, security and empowerment of poor people and their right to a life in dignity by contributing to the development of democracy in the partner countries. Sida is trying to strengthen processes and values that are essential for democracy, such as demands for accountability, participation, openness and the equal rights and value of all men and women, girls and boys. The inclusion of these issues in programmes of development coopera-

tion has made progress largely on account of to education and training and a dialogue based on these four principles. Sida's cooperation with local ministries, government agencies and other organisations in Kenya is an example of a democracy and human rights perspective that has achieved a greater impact.

## Analysis of outcome

The operational area is extensive and the total volume corresponds to approximately 17 per cent of Swedish development cooperation. The largest partner country in the operational area is, like last year, Mozambique. The increase in respect of Cambodia is due to an extensive programme of support for local democracy and public administration that was started during the year in cooperation with the Asian Development Bank. The lower outcome for South Africa can be explained by the intention to proceed to broader cooperation and partnership in which traditional development cooperation will play a smaller role. The total number of contributions has decreased in comparison with previous years while large contributions of more than SEK 15 million continue to increase somewhat, which is in line with Sida's intentions. The outcome of support to sector programmes has decreased but the number of sector programmes is however increasing, in line with Sida's instructions. *Table 3.*

## DEMOCRACY INCLUDING THE MEDIA

### Performance analyses, evaluations and sector programme support

During the period 2001 to 2003, Sida and six other

[Picture removed]

**Legal aid for young people in Vietnam. In 2003 Sida provided support for projects that had the goal of improving the access of poor people to legal aid.**

donors supported the national anticorruption council, CNA, in Honduras. The goal has been to formulate a strategy and action plan for the Council. CNA's strength has been that it enjoys support in society and has representatives of all important functions in the state, civil society, trade unions, the private sector, the church and the university system. On the other hand, the Council has had a limited degree of success in its concrete work. Important steps for the development of its work, which independent evaluations have recommended, have not yet been implemented. An evaluation of the Council's work states that it has not proceeded from words to action but, at the same time, its solid work on preparations, analyses and information has formed the foundation of a sound strategy for combating corruption in Honduras.

In the Balkans (Serbia and Macedonia), with the difficult conflicts of an ethnic nature, Sida has supported a Danish voluntary organisation, Cross Culture Project Association, and its project, Open Fun Football Schools, which is working for peace and rec-

onciliation. Almost 13 000 children (8–12 years), leaders and parents from several different nations have participated in activities that are intended to contribute creating cultural tolerance and democratic thinking among both children and adults. The reception of the project by the participating municipalities and schools has been very positive and, according to the performance analysis, the results are good. However, the participation of girls has not increased. The contribution counteracts nationalism and prejudices and increases tolerance and understanding among people with different ethnic backgrounds and religions, and therefore contributes to creating a more democratic society.

#### **Analysis and discussion of problems**

Political determination at all levels is essential for implementing and securing change. In cases where political determination is weak, cooperation with organisations in civil society can contribute to generating support for reforms. Free and independent

media have an important role to play, for example in disclosing abuses of power and corruption. Parliamentary legislation is essential as the first step, but laws are not sufficient for giving women the same opportunities as men and creating political equality. Lasting changes in the political culture can also be started through team sports that promote values such as cooperation, fair play and respect. They can also provide new opportunities for organising voluntary contributions for various purposes.

#### **Methods, policy changes and human resource programmes**

Poor people are often powerless. Sida is working to create methods that help us understand how poverty affects power relationships. What are the formal and actual power relationships and power structures in the partner countries – between the elite and the poor, between men and women, between the generations, between urban and rural areas? How does this affect development cooperation? The work on the country strategies for Burkina Faso, Mali and Kenya was started with analyses of power relationships in the countries that were mainly made by local experts. During the year a seminar was arranged to learn from experience gained hitherto of the analyses, and to refine methods for forthcoming analyses in other country strategies.

During the year, Sida arranged a conference on democracy together with Uppsala University. The conference took up the gap between reality and people's expectations that their lives would be improved as a consequence of a process of transition to democracy (in a narrow formal sense of the term). Almost 120 persons participated in the conference: researchers, students, Sida staff, NGOs, diplomats and consultants.

New guidelines were approved during the year for support via organisations associated with Swedish political parties for the development of democracy in developing countries and countries in Central and Eastern Europe.

#### **Example**

In 2003 the Swedish civil servants' trade union reported on its Sida-financed contribution, which is intended to increase the participation of women in the Colombian peace process. The goal of the contribution was to give women an opportunity to participate in the process and to exert an influence on it, so that a peace agreement would also improve the situation of women. Over 200 women's organisations around the country participated in the project, which resulted in a peace agenda with twelve main points that was adopted in November 2002.

#### **Analysis of outcome**

In the field of democracy and the media, support has remained constant during recent years, with a proportion of some 26 per cent of expenditure in the operational area. A large part of this expenditure, more than 25 per cent, was in the media sector. This proportion increased in 2003.

#### **PUBLIC ADMINISTRATION**

##### **Performance analyses and sector programme support**

In 2003, the initial phase of a project for administrative reforms in Quang Tri province in Vietnam was finalised. The goal of the project has been to make the local administration of land rights issues more efficient. Sida and its partner in cooperation made the assessment that considerable improvements had been made to the local service during the three-year period. The time required for the administration of certain matters have been reduced by 70 to 90 per cent, largely due to the introduction of the principle that it is only necessary for people to visit an administrator in order to have their business finalised. The number of certificates issued on land rights, and the number of households affected by them, increased dramatically between 2000 and 2003.

Sida has supported the district administration in Tanzania for several years. In 2003 parts of the support were reorganised into a type of budget support at municipal level. The contribution is being made within the framework of the Local Government Reform Programme (LGRP), which is part of Tanzania's poverty strategy. The contribution is interesting since it does not create parallel systems but is directly integrated into the districts' activities.

##### **Analysis and discussion of problems**

The public administration field is very extensive internationally, and Sida is only one of many major parties involved. There have been ambitions to coordinate the donor community in sector programme support in the public administration field for several years. Sida is participating in contributions of this type, for example in Bolivia and Mozambique, but in both cases various factors inside and outside the programmes have complicated cooperation.

Uncoordinated and overlapping support in the field is still common, and Sida has the ambition to coordinate its contributions as far as possible with other donors. The international trend towards more programmes of sector support and budget support makes greater demands on the public administrations in the partner countries, and in particular on their capacity to handle financial systems. The administrative capacity of the partner countries also determines the degree of permanence of the results of development cooperation. Sweden has good prospects of con-

tributing to the public administration sector.

#### **Methods, policy changes and human resource programmes**

In 2003, Sida's project group for programme support finalised its work on methods for programme support. One important result was that Sida decided to establish two posts in the field of financial management to support the increasing number of programme support contributions that Sida is participating in, where the partner country's financial management system is of central importance. The posts will be located in the Department for Democracy and Social Development. Another important result was that guidelines were produced for the ways in which Sida will work with silent partnership in cooperation with other donors in programme support. The group has also started a project on methods for capacity development and for measuring results within the framework of programme support.

#### **Example**

Sida and the World Bank initiated a major water and sanitation programme (WSP) in January 2002, which has the aim of strengthening Indian authorities at state, regional and local level and improving their capacity to implement urban reform programmes in the sector. Initially the support has focused on institutional reforms (urban level) and guidelines to involve the private sector in the development of the systems. The first reports on the contribution indicate that the authorities concerned have improved in transforming guidelines into practice.

#### **Analysis of outcome**

After having dominated the operational area for the last few years, the outcome for public administration decreased somewhat in 2003. However, this is not part of a deliberate strategy, more a coincidence. The need to improve the public administration in Sida's partner countries has increased in recent years, particularly in connection with the increasing number of sector programme support contributions.

### **HUMAN RIGHTS**

#### **Performance analyses, evaluations and sector programme support**

In 2003 Sida intensified its cooperation with the International Catholic Child Bureau (ICCB) in support of children's rights in Mali. Previously, Sida has supported the organisation's work on behalf of imprisoned children, whose situation has been improved. In Mali, ICCB's work has contributed to ensuring that legislation in respect of minors is generally in harmony with the Convention on the Rights of the Child.

An evaluation of Swedish support to the Office of the Status of Disabled Persons (OSDP) in South Africa was made in 2003. The study states that the extensive Swedish programme of support, SEK 35.5 million in the period 1998 to 2003, has been an important contribution to OSDP's work, particularly for the development of an integrated national strategy for working with functionally disabled children, which has been adopted by the South African government. The Office is highly praised for its methods in which participation and a specific human rights perspective permeate its work.

In 2003, the Peruvian truth and reconciliation commission presented its first report on violations of human rights committed in Peru in the period 1980 to 2000. Sida has supported the commission since it came into being in June 2001 and has provided a total amount of SEK 3.2 million. The report on Sida's programme of support indicates that, as a result of its candid and neutral approach, the commission has attracted positive attention and identified important lessons for Peru's future leadership. At the same time there is still a long way to go in order to achieve to real reconciliation and accountability.

#### **Analysis and discussion of problems**

It is important to have a realistic view of what can be achieved in the field of human rights. Making fundamental changes to approaches and values in regimes and public administrations, which is the objective of the work in countries that do not observe the international human rights conventions, takes a very long time. It should be clearly understood that donors' contributions often constitute a challenge to existing power structures in society.

One successful way has proved to be to work with the human rights organisations in countries, in particular to enable them to stimulate debate and to exert an influence on legislation and the authorities. Sida's support for education and training programmes and the establishment of standards by international organisations has also been successful.

#### **Methods, policy changes and human resource programmes**

Sida has supported the Human Rights Network (HURINET) in Uganda since 1997. HURINET is an umbrella organisation for human rights organisations in Uganda. The organisation is responsible for a fund that can give grants to local organisations working for human rights. The method of allowing the local organisation to administer the fund is an indication that previous support has developed capacity and paved the way for a form of support with a high degree of ownership, in line with Sida's intentions. In the field of human rights, this approach is unique.

Sida has financed Disability Rights Promotion International (DRPI) at the University of York in

Toronto, which has performed a research programme into ways which make it possible to follow-up violations of the rights of the disabled in developing countries. The study proposes that the universal declaration of human rights can be used as a basis for follow-up. The study also identifies needs for education and research. Furthermore, the study states that there is a long way to go before methods are found that permit follow-ups to be made of violations of the rights of the disabled, in particular since they are not given special attention in the follow-ups made of the ways in which states conform to international agreements on human rights that they have signed.

### Example

From 2003 onwards, Sida has decided to support the UN High Commissioner for Human Rights (OHCHR) in Geneva and the two field offices in Cambodia and Colombia. This will have the effect that, in the future, all support for OHCHR will have the same guidelines and one point for cooperation instead of, as was the case earlier, being channelled via several departments and units at both parties. The new form of cooperation is expected to give considerable advantages both in the dialogue with the High Commissioner and through the reduction in the administrative workload of both parties.

### Analysis of outcome

Support to contributions for human rights continued to increase in 2003. The support also increased in comparison with other sub-sectors in the operational area and human rights is now the largest sub-sector. In general, individual contributions are relatively small and there are very few examples, if any at all, of contributions over SEK 15 million. The reason for this

is that the support mainly focuses on organisations and has few cost-intensive components, such as technical support or investments in infrastructure.

## THE LEGAL SYSTEM

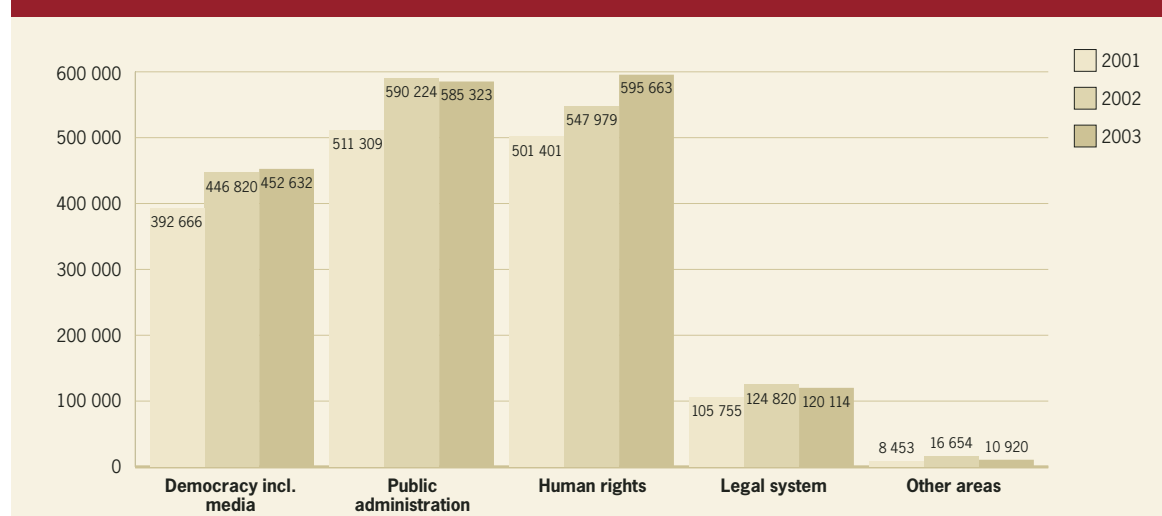
### Performance analyses, evaluations and sector programme support

With the aid of Sida funding, the Ministry of the Interior in Bosnia and Herzegovina has cooperated with the Swedish National Police Board to build up a modern and professional police force. The programme of cooperation has been in place since 1999 and an internal evaluation was made in 2003. One particularly interesting experience gained from the programme is that the best way of teaching the subject of subject human rights to local policemen is to integrate the theory into their concrete work. The two policy academies that the National Police Board has worked with are now considered capable of continuing the training programmes for the entire training concept and not merely those parts on human rights. The contribution has also been successful in respect of its work with different ethnic minorities, together and at the same time.

Sector programme support as a form of support has not previously existed in the legal field but, in 2003, several processes of this type were started. Sida has decided to enter into a programme of sector support in Uganda and talks on sector programmes are being held with Tanzania, Kenya and Ethiopia.

Sida's support hitherto in the legal sector in Uganda has consisted of providing assistance for building up special women's sections in eight prisons, at a cost of SEK 6.5 million, and of contributions for drawing up a sector plan for the entire legal sector, at a cost of SEK 1 million. In addition to Sida, ten other donors are participating in the sector programme, which has

Diagram 1. Democratic governance including human rights: Financial outcome, expenditure in SEK million



been organised with a rotating chairperson. The Netherlands was the chairperson in 2003. It is hoped that this coordinated contribution in the legal sector will lead to lower transaction costs, a better overview of the sector, and more effective programmes of development cooperation.

#### Analysis and discussion of problems

The central problem in the legal sector as a whole is that most partner countries do not have an independent legal system. Accordingly, the challenge lies in contributing, despite this situation, to improving the rule of law for the citizens, particularly for the poorest. This can be achieved through educational and training programmes, individual legal aid, assistance to influence the legalisation and legislators, and of speeding up institutional development in the sector.

Another problem is the informal legal structures that govern the administration of justice for poor men and women in rural areas in many countries. The formal legal systems rarely reach the rural areas. One shortcoming in Swedish support is that the expertise possessed by Sida and the Swedish resource base is limited to formal legal systems.

#### Example

During the year Sida continued cooperating with and providing financial support to the National Legal Aid Agency in Vietnam, which is a department in the Ministry of Justice. The goal of the project is to increase the availability of legal aid for poor people. We have concentrated on the legal needs of women, children and minorities. Since 2003 the project has also included a programme of support to a youth centre working with legal aid. During the year the youth centre ran an advertising campaign in which it provided information via TV, radio and newspapers on its legal aid activities for young people. The centre also made a survey of the legal aid needs of young people in five provinces and five municipalities. The results showed that young people mostly need legal aid in matters relating to work, family and land. With the aid of this survey the youth centre was able to work strategically during the year and to target its interventions via mobile legal aid centres.

#### Analysis of outcome

The legal sector is the sub-sector that has the lowest outcome. The number of contributions is also smaller than in the other sub-sectors, but more than indicated by the outcome. The reason for this is that contributions in this field require relatively small resources, which is primarily a result of the fact that the sub-sector is a complicated operational area.

Table 3.

### Democratic governance including human rights, expenditure in SEK '000

	2003	2002	2001
<b>The five largest partner countries</b>			
Mozambique	110 711	99 516	101 753
Serbia and Montenegro*	100 427	93 223	116 661
Cambodia	86 064	28 669	30 042
South Africa	78 151	89 659	100 870
Vietnam	71 414	71 934	79 712
<b>Sub-total</b>	<b>446 768</b>	<b>383 002</b>	<b>429 038</b>
Other countries/regions	1 317 883	1 343 496	1 090 546
<b>Total</b>	<b>1 764 651</b>	<b>1 726 498</b>	<b>1 519 584</b>
Administrative expenses	46 331	47 579	39 370
<b>Total expenditure</b>	<b>1 810 982</b>	<b>1 774 077</b>	<b>1 558 954</b>
* of which Kosovo	44 548	34 207	59 841
<b>Form of support</b>			
Project support	1 236 464	1 088 745	943 542
Sector programme support	34 882	44 985	46 326
Tech. assist. incl. contract-financed. tech. coop.	144 038	170 961	131 334
International training programmes	41 973	35 338	33 179
Credits	–	–	16 310
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	307 293	386 469	348 893
<b>Total</b>	<b>1 764 651</b>	<b>1 726 498</b>	<b>1 519 584</b>
<b>Channels</b>			
Multilateral organisations	378 111	334 394	328 288
Swedish organisations	720 659	770 023	688 843
Organisations in partner countries	419 625	418 616	339 468
Organisations in other countries	155 136	133 932	101 141
International NGOs	91 120	69 533	61 843
<b>Total</b>	<b>1 764 651</b>	<b>1 726 498</b>	<b>1 519 584</b>
<b>Total number of contributions</b>	<b>1515</b>	<b>1555</b>	<b>1543</b>
Of which: Agreements >SEK 15 million	108	100	90
Number of new contributions	503	549	559

# Social sectors

This operational area includes the sub-sectors of health, education, and other social sectors including culture. The objective of the operational area is to make sustainable social services and security possible with the aid of a rights-based and gender-aware approach.

## GENERAL

Both the World Bank's World Development Report and the UNDP's Human Development Report, 2003, underline that social investments must increase if the world is to have a chance of achieving the Millennium Development Goals. In the low-income countries, the gap between needs and resources for social development, and between the poor and rich, has widened. While the number of poor people who manage to escape from poverty is today larger than ever before, the total number of poor people is increasing. It is the most vulnerable groups in the poorest countries that have the most negative future prospects.

Therefore Sida has increased its efforts to make its social contributions more effective and to expand them in the fields of education, health, culture and media, and will continue to strengthen local ownership through sector programme support, interest networks and funds.

Sida focuses its work in the operational area on the following five Millennium Development Goals: universal primary education, equality in education, reduced infant mortality, improved maternal health, and a reduction in the spread of HIV. In addition to this, the work related to the multi-dimensional poverty concept has been reinforced and been given a greater emphasis on human rights, free and accessible communication, cultural diversity and greater consideration of cultural and ecological conditions for development.

However, it is not just the need of an increase in social investments that is requested in UNDP's analysis, it is also a change in attitude towards social development, and social mobilisation as the driving force and prerequisite for economic and democratic development. In the latter perspective, the multi-dimensional and rights-based poverty perspective is an important break in the trend, and makes greater demands in respect of development of policies and methods,

analyses of poverty, and strategies, participation and empowerment.

In 2003 Sida worked to meet this need of poverty analyses, strategies and policies. This work is also part of an ongoing study of social development, including social care and security.

## Analysis of outcome

The outcome for 2003 was 16 per cent larger than in 2002 for the entire operational area. Expenditure in respect of Kenya and Afghanistan increased by SEK 57 and SEK 71 million respectively. This is partly due to a new programme of support amounting to SEK 50 million in the education sector in Kenya, and sector programme support for the education of girls in Afghanistan amounting to SEK 60 million, as well as support for a population census amounting to SEK 10 million, which was also new for the year. *Table 4.*

## HEALTH

### Performance analyses, evaluations and sector programme support

During the year Sida participated actively in three sector programmes: in Uganda, Zambia and Bangladesh. Uganda has developed a complete sector programme in the health sector which includes all donors. In Zambia a large number of vertical programmes have been collected to form a sector programme, which now constitutes the main focus in the country's health reform. In Bangladesh Sida is cooperating with the World Bank in programme support in the health sector. Continued discussions on further sector programmes took place in respect of Burkina Faso, Malawi, Honduras and Nicaragua.

During the year Sida evaluated its support to health programmes in Angola. The training of midwives in Angola has been an important contribution to keeping maternal mortality at delivery clinics at a

[Picture removed]

**The project Music Crossroads in South Africa wants to promote freedom of expression and cultural diversity. The project is intended for young people who meet and create music together. The project is run by Jeunesse Musicales International with support from Sida.**

low level. The number of visits to maternity clinics has increased and the advisory services to teenagers on contraceptives have been a great success. However, the evaluation showed that in Luanda 80 per cent of all deliveries still take place at home. The programme also included support for the national immunisation programme. The evaluation showed that the programme has led to greater availability of vaccines for the people, but that far too few people get them.

Sida has made an evaluation of the Swedish Expertise Fund for the procurement of Swedish

expertise to the World Health Organisation (WHO), which has been part of the agreements with the WHO for the periods 2000–2001 and 2002–2003. Sweden does not meet its quota of employees in the WHO and the recruitment situation should be improved. During the four years that the fund has been in existence, a certain improvement has taken place but it is not certain that it is the fund itself that is the reason for this improvement. The evaluation stated that the fund functions as one instrument among many others with the aim of attracting more Swedes to work internationally in the WHO.

#### **Example**

Health support to Honduras and Guatemala are two examples of ways in which Sida works with poverty-oriented support to the health sector. The goal of the programmes of support in both countries is to improve health systems at municipal level, for example by greater local participation and by giving the programmes a focus on reaching the poorest sections of the population. The support, for which WHO/PAHO has been the implementing organisation, has now been bilateralised.

#### **Analysis and discussion of problems**

During the year Sida has worked more intensively on focusing its health support on poor people. Health and poverty was the theme of Sida's information campaign until October 2003. A cooperation agreement with the World Bank has been prepared. Part of the work has the goal of developing methods to permit health systems to reach poor people to a greater extent than they do today and to deal with their problems. The methods are based on studies made within the current programme of cooperation with the

World Bank on how the health systems of a large number of countries reach – or do not reach – poor people.

#### **Methods, policy changes and human resource programmes**

During the year Sida was commissioned by the Government to draw up a proposal for a strategy for development-related cooperation with the UN Drugs Control Programme (UNDCP). Greater cooperation in the field of narcotics is compatible with Sida's initiatives in respect of public health and life style issues, such as drugs and tobacco, according to the guidelines in *Health is Wealth*. The point of departure is that the problems associated with drugs stand in the way of global social, economic and political development, and have a negative effect on the living conditions of people, including production, trade and consumption.

During the year Sida was the host of three important international seminars. These seminars not only involved participants from the entire world, they were also important training opportunities for programme officers at Health Division and the Swedish resource base. In January a seminar was held in Stockholm on personnel resources and capacity development for health development. In June a conference – Sector Wide Approach – on sector programme support to the health sector in low-income countries was held in San Francisco. The conference was financed and arranged by Sida. In October a seminar on marginalisation was held in Stockholm on the initiative of PAHO and the International Labour Organisation (ILO) with participants from Latin America and donor organisations in Europe. A regional seminar was arranged in cooperation with PAHO in Honduras in April. The seminar had the aim of integrating the health of young people, HIV/Aids and gender-based violence into the national health reforms in Central America. Participants were officers from the ministries of health in Sweden's partner countries and Sida's seconded programme officers.

#### **Analysis of outcome**

After the temporary decline in the outcome for health contributions in 2002, it returned to its former level in 2003. The increase can be largely explained by the increase in health contributions in Africa.

### **EDUCATION**

#### **Performance analyses, evaluations and sector programme support**

The "Back to School" campaign, which Afghanistan started in 2002 in cooperation with UNICEF and with support from Sida to get students to return to school, exceeded all expectations. Almost three million students returned to school, which they had been deprived of under the Taliban regime, as opposed to

the anticipated 1.7 million. However, only 30 per cent of these students were girls. In order to better receive all students and to improve the quality of the teaching, Sida extended the campaign throughout 2003.

An evaluation of the programme of support that Sida provided to Bolivia from 1998 to 2002 through UNICEF shows that cooperation has clearly contributed to reducing poverty. The education component in this programme of support was used for the education reform and for bilingual teaching. The basic educational programmes in reading and writing are in the students' mother tongues, while teaching in Spanish, which is the colonial language, comes in as a second language. The evaluation shows that the students' self-esteem has been strengthened noticeably and that they find it easier to express themselves. In turn this has led to strengthening their aptitude for learning, both in Spanish and their mother tongues. Relations between the schools and parents have also improved and the parents are now giving greater priority to the education of their children.

Together with twelve other donors, Sida has made an evaluation, Joint Evaluation of External Support to Basic Education in Developing Countries, on development cooperation in the field of basic education and developments in this sub-sector. The evaluation started at the beginning of 2002 and the final report was presented in September 2003. The evaluation shows that development cooperation support has contributed to considerable progress where the availability of education is concerned. On the other hand, it has proved to be the case that the total support for basic education has not increased at the rate which was expected or promised, and that it does not appear that the Education for All (EFA) goals and the Millennium Development Goals for education will be achieved by 2015. During the period 1990 to 2002, both the external support and national resources in many of the partner countries focused more on formal primary schooling than on the broader basic education field, despite the fact that there is complete agreement among all the parties concerned that the focus should lie on basic education. The evaluation also shows that partnership between national and external parties improved during the period. One clear trend has been to develop sector programme support in the education sector. This has contributed to a situation in which the recipients have assumed more responsibility for their parts of the cooperation and that coordination of education support has improved. Unfortunately, local solutions and models have not been utilised very well and the important target group of teachers had not participated sufficiently in the reform processes that were implemented to improve the education sector and to make it more efficient.

Sector programme support or other forms of pro-

gramme support took place in 2003 in the following countries: Mozambique, Namibia, Mali, Tanzania, Cambodia, Afghanistan, East Timor, Bangladesh, Laos, Bolivia and Rwanda. A new sector programme was agreed with Honduras within the framework of the so-called "Fast Track" initiative.

#### **Analysis and discussion of problems**

This year, in its EFA Global Monitoring Report, which receives support from Sida, UNESCO took up trends in respect of gender equality in the education sector in the world. The report states that progress has been made inasmuch as the proportion of girls attending school has increased. Despite this, there are still considerable inequalities in many countries. The report estimates that 60 per cent of all countries are in danger of not achieving the Education for All goal and the Millennium Development Goal of having as many girls as boys at school by 2005, and that 40 per cent of the countries will not have achieved the goals by 2015. The countries that have the most inequitable gender breakdown in their schools are often the poorest countries. Girls are prevented from taking part in education for a number of cultural, religious, traditional and financial reasons. The special needs of girls, as well as their vulnerability to, for example, sexual assault, must be met in the teaching so that girls can complete the education they have started. In the countries where progress has been made in respect of gender equality, the state has usually played a decisive role by reducing the financial burden of households.

In 2003 Sida participated in a global partnership initiative entitled Education For All Fast Track Initiative (FTI). The overall goal of this initiative is to contribute to the achievement of Millennium Development Goal number two, i.e. to ensure that all boys and girls shall be able to complete a full course of free and compulsory primary schooling by 2015. The aim of the initiative is to help those countries that have education plans of an acceptable standard, but which lack resources to achieve the goal of education for all. In 2003 the FTI members worked on producing a framework for the initiative. In the framework it is stated specifically that further resources for the countries' education sectors, and more specifically for primary education, will primarily be mobilised among the group of donors represented in the country. It is only in cases in which partner countries have too few donors in place that they can obtain extra resources from an international fund. Coordination and cooperation between this initiative, produced by the World Bank, and the international undertaking made in the EFA declaration, which UNESCO is responsible for following up, will be of decisive importance for the achievement of the Education for All goals.

#### **Methods, policy changes and human resource programmes**

As part of Sida human resource development, a training conference is organised each year for education programme officers in the field and in Stockholm. At this year's conference there was a discussion of ways in which Education Division at Stockholm should support the programme officers in the field and on methods of flexible cooperation between the field and Stockholm within the framework of Sida's field vision.

During the year Sida started to make an analysis of the policies chosen by partner countries in the field of education, and the consequences these policies have had for the development of the education sector. This is of special importance when programmes of support for education change form from project support to sector programme support. Sida therefore gave Stockholm University the assignment of studying relevant statistics and development indicators for the education sector in a sample of Sida's partner countries. The study shows how indicators can best be utilised for analysing guidelines for education in connection with the preparation of sector programme support. It also shows that there is a considerable lack of reliable data for analyses of education systems and that statistics and indicators need to be improved and further developed.

In parallel with this, Sida has initiated a programme of cooperation with Gapminder Ltd. The aim of this is to improve and refine a computer programme that can transmit statistical time series in user-friendly manner and with clear graphics. The first version of the World Education Chart for 2003 was produced with the aid of this software.

During the year Sida finalised the Swedish strategy for cooperation with UNESCO. A specific example of greater donor harmonisation is the Memorandum of Understanding that has been concluded by UNESCO and the Nordic countries. The agreement has the effect that Nordic support for capacity development for Education for All will be coordinated. This not only has the effect that financial support to the education sector in the developing countries will increase, it also underlines the undertaking made by the Nordic

#### **Example**

Honduras is the first country that Sweden is supporting within the framework of the global partnership initiative known as the Education For All Fast Track Initiative (EFA-FTI). The great problem in Honduras is that teaching is of very poor quality. The new programme of sector support that Sida has undertaken to provide therefore includes an initiative for teacher training which will have the effect that Honduras will have a better chance of achieving the UN's Millennium Development Goal of universal primary education by 2015.

countries in the Dakar agreement, i.e. that no country that has a feasible strategy for Education for All will lack the means to implement it. Sida has also concluded an agreement with UNESCO to support its work with Education for All.

#### Analysis of outcome

Expenditure in the education sector increased by SEK 83.8 million or by slightly less than 17 per cent.

### CULTURE AND OTHER SOCIAL SECTORS

#### Performance analyses, evaluations and sector programme support

Sida has evaluated two major projects: Sida's support for dramatic art for the West Bank and Gaza and Sida's support for a film fund in Gothenburg.

The evaluation of the support for dramatic art for the West Bank and Gaza proposes an increase in support to music while several of the drama projects can be finalised. An increase in support to music and drama in schools is recommended.

#### Analysis and discussion of problems

Sida aspires to have efficient programme of cooperation with low administrative costs and therefore has the aim of having fewer and larger contributions. At the same time Sida wants to promote freedom of speech through support to small civil organisations. Therefore, in accordance with the sector programme support and donor coordination approach, Sida developed new forms of support for cultural funds during the year to meet these requirements.

A cultural fund can be a national or bilateral organisation for creating financial resources in support of cultural diversity and/or partnership.

Each cultural fund is adapted to specific political, economic and social conditions. With the aid of support to cultural funds, more small organisations can

receive support instead of a few large organisations. Moreover, decision-making powers in respect of the projects that should receive support are transferred to the partner countries. The cultural funds can also be open to other donors.

During the year Sida has provide support for cultural funds in Vietnam and Tanzania and prepared new funds in South Africa and Zimbabwe. In South Africa, the Ministry of Culture will be responsible for one-fifth of the fund's budget. The fund will support cooperation projects between Swedish and South African organisations. In Zimbabwe the culture fund is to be established without government involvement.

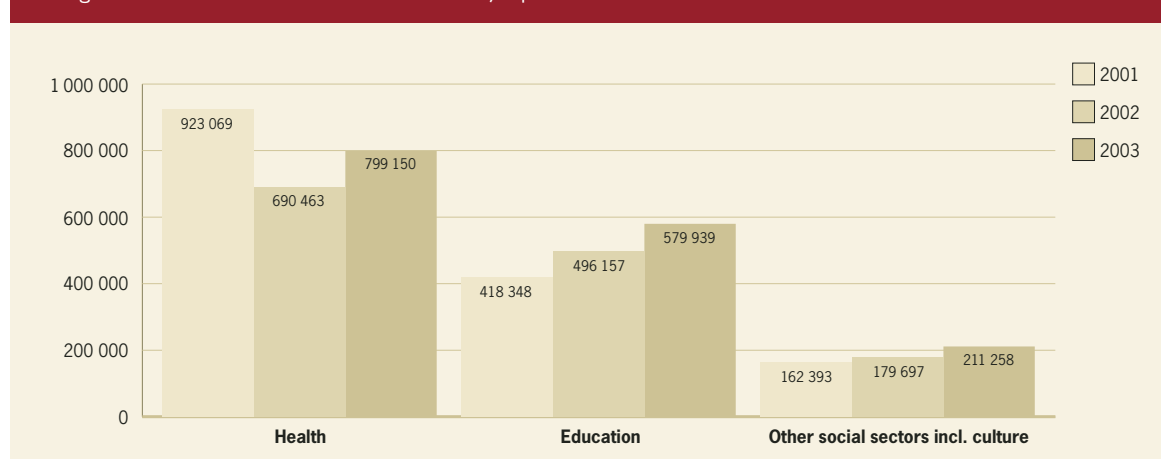
#### Methods, policy changes and human resource programmes

Sida has continued its work on methods and guidelines for ways in which culture and media can be used to protect human rights. During the year Sida also worked with culture and media in relation to conflict management and peace work. Sida made contributions relating to culture and conflict management at two conferences arranged by Lund University and the Nordic Africa Institute respectively. In May, Sida and UNESCO arranged an international conference in Vaxholm on the role of media in conflict management. A Sida-financed study on media and conflicts was presented at the conference.

Sida also continued to develop guidelines for its work with culture. In May the Swedish UNESCO Council and Sida arranged an international conference on culture policies. A Sida-financed study on culture policies and development was presented. Sida was also the chairperson in a cultural network of representatives of Swedish cultural and research institutions. During the year Sida and the Bank of Sweden's Tercentenary Fund supported a pre-study for a World Cultures Report. The study was presented at a seminar in Stockholm in November.

In September Sida arranged a conference in Bag-

Diagram 2. **Social sectors: Financial outcome**, expenditure in SEK million



### Example

In southern Africa Sida is supporting the project Music Crossroads Southern Africa. The project works for freedom of expression through the creation of music and focuses on young people in Malawi, Mozambique, Tanzania, Zambia and Zimbabwe. Music Crossroads arranges musical festivals with competitions and seminars at the regional, national and international level. Activities are held in both rural and urban areas. By bringing together young people with different mother tongues and from different classes, cultural diversity is promoted since the young people gain greater mutual respect for each other. The project works with gender equality issues and with the Aids epidemic in southern Africa. At each festival, seminars on sexual relations and cohabitation are held, based on methods adapted for creative young people. In Zimbabwe the festivals also provide an opportunity to express opinions on the political and economic situation in the country.

amoyo in Tanzania for culture and media programme officers, including eight programme officers from embassies in Africa and Asia. The conference took up Sida's field vision in the culture and media sector in relation to the ongoing evaluation of Sida's culture policy, conflict management, and contributions in respect of HIV/Aids. A programme for human resource development with recurrent theme meetings and seminars was also implemented. The aim of the programme was to hold in-depth discussions of different culture and media fields together with representatives of Swedish cultural institutions. During the year theme days were held on media, culture policy and HIV/Aids.

### Analysis of outcome

The outcome for other social sectors including culture increased by approximately 18 per cent in comparison with 2002. This is due to the fact that sectors that provide support for social services, general population issues, migration, population censuses and combating drugs increased more than support for cultural contributions which decreased somewhat.

Table 4.

## Social sectors, expenditure in SEK '000

	2003	2002	2001
<b>The five largest partner countries</b>			
Tanzania	148 305	139 642	96 663
West bank and Gaza	85 934	90 239	45 761
Afghanistan	72 000	1 186	4 917
Kenya	71 588	14 730	16 667
Zambia	62 932	76 432	61 787
<b>Sub-total</b>	<b>440 760</b>	<b>322 228</b>	<b>225 795</b>
Other countries/regions	1 149 588	1 044 089	1 118 014
Annual grants to UN agencies	–	–	160 000
<b>Total</b>	<b>1 590 348</b>	<b>1 366 317</b>	<b>1 503 809</b>
Administrative expenses	70 155	64 397	56 902
<b>Total expenditure</b>	<b>1 660 503</b>	<b>1 430 714</b>	<b>1 560 711</b>
<b>Form of support</b>			
Project support	1 028 353	919 960	1 004 307
Sector programme support	449 299	359 698	316 438
Tech. assist. incl. contract-financed. tech. coop.	31 331	32 089	23 675
International training programmes	28 167	23 825	24 893
Credits	–	–	23 700
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	53 197	30 745	110 796
<b>Summa</b>	<b>1 590 348</b>	<b>1 366 317</b>	<b>1 503 809</b>
<b>Channels</b>			
Multilateral organisations	394 662	340 910	587 815
Swedish organisations	276 610	255 218	290 882
Organisations in partner countries	667 293	584 967	493 942
Organisations in other countries	130 777	141 180	90 962
International NGOs	121 007	44 042	40 208
<b>Total</b>	<b>1 590 348</b>	<b>1 366 317</b>	<b>1 503 809</b>
<b>Total number of contributions</b>	<b>759</b>	<b>835</b>	<b>869</b>
Of which: Agreements >SEK 15 million	103	98	86
Number of new contributions	217	247	276

# Infrastructure, private sector development, urban development and financial systems

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

## GENERAL

In the light of Sida's new position on poverty, the importance of poverty-oriented growth in the partner countries has been increasingly emphasised. It is of great importance to create efficient capital markets in order to mobilise capital for investments in infrastructure. Reforms and institutional development in the sub-sectors of the operational area are important for making poverty reduction and the mobilisation of resources possible.

The rapid growth in world trade and in the increasing importance of the World Trade Organisation (WTO) have resulted in a continuation of the strong focus on trade policy issues and contributions for strengthening the capacity of developing countries to work with these matters. Sida is participating in a number of initiatives for international cooperation between donors and in the dialogue with the partner countries.

Sida is working extensively on the development of guidelines and methods in different parts of the operational area. During the year, Sida approved guidelines or the equivalent on support for private sector development, water and sanitation, and for Sida's work on climate issues. Similar work is taking place in respect of trade, micro-finance and transport.

In connection with Sida's annual information campaign on the theme of economic growth for all, special initiatives have been undertaken in respect of information and dialogues. An information brochure, *Making markets work for the poor*, has been distributed and a series of growth-oriented seminars has

been started. Sida also continued its long-term initiative for human resource development in the strategic knowledge and methods areas for the operational area (in the INEC Academy).

## Analysis of outcome

The total outcome increased by seven per cent in comparison with 2002. Mozambique, Tanzania and Bosnia and Herzegovina are once again the main partner countries in the operational area. Credits and disaster contributions exert an influence on the five countries that have the largest disbursement volumes in a particular year. Support is mainly given in the form of project support and credits. The sector programmes have not been extended. More than one-third of the support is channelled via Swedish organisations and one-quarter via organisations in the partner countries. Only one-eighth is channelled via multilateral organisations. The total number of contributions is decreasing and the number of larger contributions is increasing, which is line with Sida's ambition. *Table 5.*

## INFRASTRUCTURE

### Performance analyses, evaluations and sector programme support

Sida evaluated its support for the distribution of electricity in Qui Nhon in Vietnam in 2003. The establishment of a reliable electricity supply has had the effect that the industries have increased their production and invested in modern equipment. The working

environment has also improved through better lighting, ventilation and safety systems etc. Businesses, hotels and restaurants have expanded their activities by more than 30 per cent since 2001. A financial review of the solar electricity project in Zambia has resulted in measures being taken to strengthen the financial viability of the project. A third phase will investigate payment principles and suitable levels of subsidies for this type of electricity in rural areas. The performance analysis of support to the road sector in Laos shows that villages that have been given a road connection generally produce more than before. Road connections have also led to positive trends in the fields of education, health, trade, agriculture and land use.

#### Analysis and discussion of problems

Economic growth and social development are dependent on an efficient infrastructure. Constant power failures – or no electricity at all – are an obstacle to private sector development, particularly small enterprises. One example is the town of Qui Nhon in Vietnam, which shows that an improved electricity supply can speed up development. Difficult and important issues in the electricity sector are how prices should be set and how large subsidies should be. Sida supports the reform of the energy sector in several countries in order that specific and effective tariff systems can be established. In many of Sida's partner countries a large part of the population living in rural areas will not have an electricity supply in the foreseeable future, but electricity from solar panels is a possible alternative. Sida is supporting work on pilot projects as a basis for national electrification strategies.

Villages without access to effective transport are isolated and the villagers have problems in reaching markets to sell any surplus they produce. Villages that have been given a road connection in Laos have demonstrated positive economic and social development. However, if this positive development is to continue, the roads must be regularly maintained, which is not being done in most developing countries. Sida is therefore supporting the establishment of road funds and road associations.

#### Methods, policy changes and human resource programmes

New methods are currently being developed to supply

[Picture removed]

**In many of Sida's partner countries a large part of the rural population do not have access to the electricity supply system. In such cases electricity from solar panels is a possible alternative. The man in the picture is speaking from a telephone box that gets its power from solar cells.**

rural areas in Africa with electricity. New agencies and funds are being established in order to collect

#### Example

The transport sector is a priority sector in Sida's support to Afghanistan. In order to break the country's isolation, a great deal of support has been allocated to rehabilitation of the road network. Pending the EU's total renovation of the main road between Kabul and Pakistan, Sida has supported the emergency repair of one hundred kilometres of roads in order to

facilitate transports and to lower transport costs. The contribution has made it possible to increase the speed of vehicles using the road from 10–20 kilometres per hour to 50–60 kilometres per hour. The method of using graders for levelling roads is new in Afghanistan and has proved to be a quick and cost-efficient method.

funds and to channel investments. Sida is supporting this work in Uganda, Tanzania and Zambia. A Zambian and a Tanzanian energy delegation visited Uganda during the year to discuss the country's reform work in general, and electricity supplies in rural areas in particular. The visit was a step towards the development of new agencies for electricity supply, Rural Electrification Authorities, which Zambia and Tanzania are on the verge of creating. Three members of Sida's staff working in the energy sector participated in the visit to Uganda in order to learn more about the process. In November a seminar was held in Tanzania for Sida's energy programme officers in Stockholm and Africa in order to develop ideas and a common approach to electricity supplies in rural areas.

#### **Analysis of outcome**

Major investments in infrastructure such as power stations, electricity distribution, roads and bridges result in an uneven outcome over the years. The outcome for 2003 and 2001 was accordingly larger than for 2002. Less costly contributions such as reform work and consulting studies generally result in an even outcome from year to year.

### **URBAN DEVELOPMENT AND HOUSING SUPPLY**

#### **Performance analyses, evaluations and sector programme support**

The Urban Management Programme (UMP) is a global education initiative for employees in local government administrations. Approximately 120 cities are part of a network that develops solutions to their metropolitan problems, including poverty and degradation of the environment, with the aid of best practices and democratic governance. Sida evaluated its support to the initiative in 2003 in order to make an assessment of the amount of support that would be needed in the future. According to the evaluation, the municipal consultations process is successful. The consultations lead to a municipal action plan that constitutes the basis of various measures, including improvements to infrastructure that are based on the slum-dwellers' own resources.

Sida is supporting a twinning programme between municipalities in Sweden and partner countries in close cooperation with the Swedish Association of Local Authorities. The programme focuses principally on urban planning, environmental control and democratic development. Sida's evaluation arrived at the conclusion that well-established relations are needed between participating municipalities as well as well-defined project goals if the twinning concept is to be successful. The conclusion will lead to a re-examination of the organisation of the programme.

In connection with the work on the country strate-

gy for South Africa in 2002 to 2003, a performance analysis was made on the urban programme in the country. Sida's cooperation concentrates on three towns: Kimberley, Port Elizabeth and East London. The programme focuses on democratic governance and contains several components: town planning, environmental control, housing and financing. In addition it focuses on the most vulnerable groups, such as poor women and children, the disabled and people with HIV/Aids. The analysis mentions that the municipalities are important for democratic development and have the possibility of reducing poverty by providing municipal services. The analysis recommends, among other things, further support for human resource development in the municipalities, the production of new models for local economic development, and a focus on twinning cooperation between municipalities in South Africa and Sweden.

Within the framework of Sweden's support for sustainable development in the Lake Victoria region, a number of contributions are being made in the towns around the Lake. During the year Sida made an analysis of the results of all ongoing projects. In Uganda, the municipality of Kampala is receiving assistance to develop a sanitation system for poor inhabitants based on small-scale ecological methods. In Musoma (Tanzania), Kisumu (Kenya) and Kampala, the towns have introduced new methods for town planning based on participation of the citizens. Sida has also provided support for a programme of cooperation between networks of towns around Lake Victoria and the Baltic Sea, on issues relating to sustainable municipal development, democracy and women's rights. The analyses show without exception that the local administrations and the organisations around Lake Victoria need to strengthen their capacity. However, it also shows that cooperation for urban development around Lake Victoria is important.

#### **Analysis and discussion of problems**

The urban population in the world is expected to increase by almost two billion people in the next 30 years. At the same time urban poverty has increased. The negative consequences of urbanisation, for example the poor air quality as a result of traffic and the lack of sewage systems in slums have extremely negative effects on health. By providing support for democratic organisations and municipalities, this trend can be reversed. One example is the situation in Indian towns where the lack of influence on the part of slum dwellers, linked to a lack of interest on the part of the municipalities in developing water and wastewater systems, has speeded up negative spirals. Sida is therefore supporting local initiatives which give poor slum dwellers a voice and which create new forms of financing through locating commercial properties in central slum areas, thereby creating the financial

scope for the development of housing, water and sanitation for the poor.

The urbanisation process in Africa is the fastest in the world. The problems of high levels of unemployment and violence, low standard municipal services and low standard housing, and a weak local administration are considerable. In South Africa Sida is therefore supporting the development of new municipalities in which integration and better services for the population in townships is a central feature.

In Central America, where the degree of urbanisation is already high, there is a great lack of satisfactory housing. Sida has therefore tried to develop the links between capital markets and the possibilities for poor people to obtain housing loans by providing support to micro-finance institutions.

In Eastern Europe the threat to the environment and the difficulties of adjusting to a market economy are the largest problems. Sida is supporting the restructuring of municipal companies in order to reduce the pressure on the environment and to improve cost-efficiency.

#### **Methods, policy changes and human resource programmes**

During the year Sida approved a new strategy for issues relating to water and sanitation. This document is an important directive for contributions in the urban programme. Sida's new policy for private sector development (see below) will affect the urban programme in a number of areas that concern local economic development, for example the promotion of local construction activities, finance for housing, micro-finance for small businessmen (i.e. small loans to entrepreneurs).

#### **Example**

In May 2003 Sida arranged an international seminar and exhibition of historical cities in development. Representatives of several Sida-supported cultural heritage contributions presented projects from Zanzibar, Bagamoyo, Hebron and Bethlehem. The discussions led to the production of a strategy document.

#### **Analysis of outcome**

The outcome decreased from SEK 748 million in 2001 and SEK 614 million in 2002, to SEK 473 million in 2003. Support for water and sanitation was unchanged, while support for housing and urban development decreased somewhat. The reason for this is mainly that credits have decreased (for example in the cases of Melamchi in Nepal and school buildings in Sri Lanka), and that some major investment projects have been phased out (for example support for sewage systems in China and housing in the Balkans).

Rural water programmes have been phased out and have not been replaced by new programmes.

#### **PRIVATE SECTOR DEVELOPMENT AND TRADE**

##### **Performance analyses, evaluations and sector programme support**

In 2003 Sida evaluated the programmes for small businesses in Tanzania and Zambia. The evaluation points out that the model of using business relations to develop small local companies does not work well in countries with an undeveloped business climate.

##### **Analysis and discussion of problems**

To make it possible to draw up new agency guidelines for Sida's support for the development of the private sector, an extensive analysis was made. In this analysis Sida established the importance of economic growth that gives consideration to the situation of the poor and to the environment. Four cornerstones for Sida's work of contributing to making this type of economic growth possible are:

- competitive markets
- entrepreneurship as the source of innovation and change
- non-discriminatory and effective property rights
- decent work conditions and sustainable use of the environment.

Trade is a powerful motor in a policy for economic growth, but many poor countries are not able to take advantage of the increase in world trade. Therefore requests for trade-related technical and capacity building support have increased in recent years. This has taken place in a period when many countries have proceeded towards greater openness and deregulation. A further factor behind the growing interest is that the regulations of the World Trade Organisation (WTO) have increased in scope and now also include areas that concern national policies. It is extremely expensive to implement the trade rules and the poorest countries have considerable shortcomings in respect of resources and capacity. Requests for support have therefore increased.

In this respect Swedish support plays an important role in the aspirations of the poor countries to be integrated into world trade and the global economy. Sida wishes to strengthen the capacity of the countries to identify and formulate their trade policy interests and participate actively in international negotiations. In addition, support provided is intended to strengthen the local know-how and institutional capacity that are necessary for effective trade (including the capacity to live up to the requirements of export markets).

### Methods, policy changes and human resource programmes

After an intensive process which involved many members of staff at Sida and the embassies in 2002 and 2003, Sida approved a policy for support to private sector development. The policy is based on a report that provides a broad overview of the subject area. During the year Sida also started to work on the production of an action plan for the introduction of the policy, and aids for its application.

In 2003 Sida started to develop a strategy for its work with trade and development. A number of background documents were produced. Special attention was devoted to making an increase in trade contributions possible. In addition Sida focused on strengthening the agency's expertise in the field of trade and development, and introduced trade issues in the country strategy work. Sida concluded a cooperation agreement with the National Board of Trade in order to use the agency to implement WTO-related technical cooperation.

#### Example

South Centre is an international developing country organisation for cooperation between developing countries and the coordination of their participation in international forums. A special secretariat has been established to promote the capacity of the least developed countries to present their interests in the WTO's ongoing negotiations in the field of trade in services. The Sida-supported activity assists negotiators with information and analyses, holds seminars, offers office services for visitors, and provides rooms for meetings.

### Analysis of outcome

The outcome is relatively unchanged, approximately SEK 250 million, for 2001, 2002, and 2003.

## FINANCIAL SYSTEMS

### Performance analyses, evaluations and sector programme support

Since 2001, Sida has supported two projects that established micro-finance services for the reconstruction of houses for returning refugees in Bosnia and Herzegovina. According to an evaluation made in the summer of 2003, both projects, which have been implemented by the Cooperative Housing Foundation (CHF) and World Vision (WV), have been successful in achieving the social goal of contributing to general reconstruction in some fifteen villages. Where sustainability is concerned, CHF would appear to have better prospects than WV.

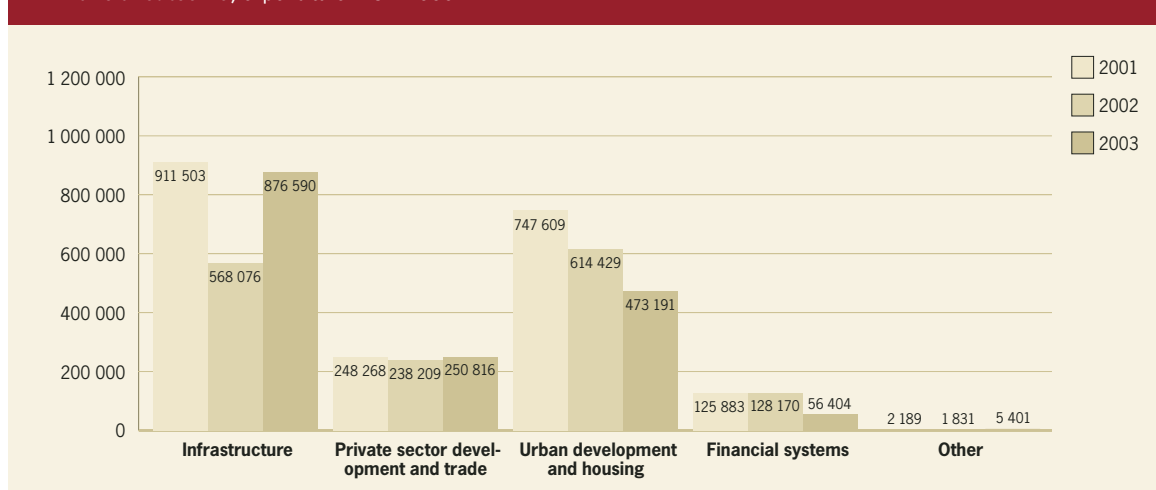
### Analysis and discussion of problems

The economic crisis in Asia had the effect that there was a drastic deterioration in the living conditions of large groups of poor people. Several development economists now consider that programmes of support that reduce the risk of financial crises increase the possibilities for growth in the partner countries. With financial support from Sida, the Bank of Sweden started a so-called mentorship programme with the Central Bank in Sri Lanka. This programme of cooperation also includes advisory services in respect of monetary and currency policies. The Swedish support played an important role when, in 2003, the central bank in Sri Lanka decided to abandon the policy of tying its currency to the US dollar and to use instead a floating currency based on goals in respect of inflation. The Swedish programme of support is an application of the recommendations given in Perspectives on Poverty to reduce the risk of poor groups being affected by economic shocks.

### Methods, policy changes and human resource programmes

In recent years, local capital markets for the develop-

Diagram 3. Infrastructure, private sector development, urban development and financial systems: Financial outcome, expenditure in SEK '000



ment of infrastructure or for industrial investments have become more important for financing purposes, even in poor countries. The revenue of infrastructure companies is usually in local currency and therefore finance should preferably be raised on the local capital market. Major currency risks, which are ultimately often passed on the consumers, can thereby be avoided. Sida is working on the development of instruments and institutions that will facilitate financing on local capital markets. Sida has taken the initiative of developing, together with the Department for International Development in Great Britain, a financing institution that has the assignment of supporting investments, on commercial grounds, which are financed by local capital markets.

### Example

During the year Sida decided to provide support for the Financial Sector Reform and Strengthening Initiative (FIRST) amounting to SEK 20 million to the end of the year 2005. FIRST, which is a foundation that came into being on the initiative of the International Monetary Fund (IMF), the World Bank and five bilateral donors, participates in the creation of stable and efficient financial systems. In 2003 technical support was given to 33 partner countries – 29 per cent of the support went to countries in Eastern Europe and Central Asia, and 28 per cent to countries in southern Africa. Most of the support has been used for reforms of the financial sector (reform of rural credits in Ghana) and for the development of institutions for the supervision of banks and insurance companies (in Armenia, for example).

### Analysis of outcome

The outcome amounted to SEK 56 million, which is 50 per cent of the outcome for 2002. Despite a smaller volume to countries in the Western Balkans, they are still amongst the largest recipients. Micro-finance contributions account for more than 50 per cent of the expenditure.

### REPORTING REQUIREMENT

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

Report in Appendix 3.

Table 5.

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

	2003	2002	2001
<b>The five largest partner countries</b>			
Bangladesh	188 087	30 925	142 712
Mozambique	178 575	89 988	94 749
Bosnia & Herzegovina	139 077	111 024	138 290
Tanzania	96 923	112 229	102 437
Laos	94 055	85 531	74 002
<b>Sub-total</b>	<b>696 717</b>	<b>429 696</b>	<b>552 190</b>
Other countries/regions	965 684	1 121 020	1 483 263
<b>Total</b>	<b>1 662 401</b>	<b>1 550 716</b>	<b>2 035 453</b>
Administrative expenses	85 806	56 700	88 107
<b>Total expenditure</b>	<b>1 748 207</b>	<b>1 607 416</b>	<b>2 123 560</b>
<b>Form of support</b>			
Project support	1 130 388	889 329	992 846
Sector programme support	46 134	59 287	53 470
Tech. assist. incl. contract-financed. tech. coop.	68 963	75 223	51 641
International training programmes	58 109	58 330	53 870
Credits	346 062	208 044	663 209
Guarantees	80	384	583
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	12 666	260 118	219 836
<b>Total</b>	<b>1 662 401</b>	<b>1 550 716</b>	<b>2 035 453</b>
<b>Channels</b>			
Multilateral organisations	222 403	263 487	327 280
Swedish organisations	661 435	655 245	928 150
Organisations in partner countries	414 032	348 411	534 514
Organisations in other countries	267 660	147 194	131 196
International NGOs	96 871	136 379	114 312
<b>Total</b>	<b>1 662 401</b>	<b>1 550 716</b>	<b>2 035 453</b>
<b>Total number of contributions</b>	<b>960</b>	<b>978</b>	<b>1009</b>
<i>Of which: Agreements &gt;SEK 15 million</i>	<i>154</i>	<i>135</i>	<i>134</i>
<i>Number of new contributions</i>	<i>260</i>	<i>231</i>	<i>236</i>

# Natural Resources and the Environment

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

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

## GENERAL

To a very great extent poverty in the world is still a rural phenomenon. Over 75 per cent of the extremely poor live in rural areas and the majority are small farmers who make their living from subsistence farming. Agriculture, fisheries, cattle breeding and forestry employ more than half of the labour force in developing countries. In the poorest countries, some 70 per cent of the population work with farming and in some of the very poorest countries in Africa, over 90 per cent. In the poorest countries, four women in five work with farming.

Sida's work with natural resources has the aim of making it possible to raise the living standards of poor people in rural areas. One prerequisite for this is often better conditions for using the natural resources. In order to achieve this, in 2003 Sida cooperated for change at the international, regional, national and local level. At the international level, Sida supported research into agriculture and forestry and the implementation of rules for marine resources. At the regional level, Sida gave further support for the administration of shared water resources in southern Africa, for example in respect of the Zambezi and Pungue. At the national level, Sida supported institutional change, policies, legislation and capacity building, for example in land issues, land reforms, environmental awareness, environmental impacts and trade matters. At the local level, Sida's support varied according to local conditions and needs. Some examples of local contributions are the introduction of sustainable production systems, increased productivity and diversification in the use of natural resources, improving conditions for the development of markets and market integration, human resource development and support for local

democratic institutions. Evaluations and analyses have shown that it is important that contributions at all levels are coordinated and those people that work with them learn from each other. For example, it is extremely important that experience gained from contributions at the local level is made use of at national levels, where policies are created.

## Analysis of outcome

The predominant part of the support in the operational area consists of major and long-term programmes of cooperation to reduce poverty in rural areas in more than ten countries. There have not been any new major partner countries in the last five years but, on the other hand, the support to the countries in the Balkans has increased considerably in recent years.

The total outcome for the operational area has been relatively constant during the last three years. As a result of delays in the planning of new contributions, mainly in Asia, the outcome for 2003 is almost SEK 150 million lower than planned.

There are still only a few sector programmes in the operational area. In 2003 the outcome for sector support decreased. This was partly due to the fact that the agricultural sector programme in Zambia ended. Otherwise, no major changes have occurred where the selection of form of support is concerned.

The trend of decreasing support to multilateral organisations has continued, but support to international NGOs, principally environmental organisations, is increasing.

Efforts to reduce the number of contributions continued during the year. All in all new contributions have decreased by 17 per cent since 2001. *Table 6.*

[Picture removed]

**Swedish support for the forest sector in Tanzania has provided several positive effects. Among other things it has turned community forestry and locally-based natural resource management into recognised approaches.**

## **NATURAL RESOURCES**

### **Performance analyses, evaluations and sector programme support**

In Laos, Sida made a performance analysis of the project Strengthen Environment Management (SEM). The main aim of the project is to assist environmental authorities in their efforts to give more consideration to the environment in the country's development processes. Through the project, a draft national environmental strategy and action plan have been produced, and offices have been opened and equipped in three pilot provinces. As a result of a needs analysis, personnel at both central and provincial level have been given training in leadership, environmental policy development and in rules for environmental impact assessments, including case studies. The project has supported the establishment of a national environmental committee, which held its first meeting in February

2003. Furthermore, two networks have been created between the ministries and provinces concerned in the fields of environmental awareness and environmental impact assessments, and a working group for environmental training and awareness has been appointed in which ministries, pilot provinces and grass roots organisations are participating.

In Kenya, Sida has analysed the results of the National Agriculture and Livestock Extension Programme (NALEP). The analysis shows that the programme has succeeded in developing and using the concept to increase the participation of farmers (both women and men) and to develop demand-driven extension services. The analysis also shows that personnel at the Ministry of Agriculture have improved their skills and that extension services have become more effective and better at reaching the farmers.

In Vietnam, Sida made a performance analysis of

support for rural development in the natural resources sector. The support has mainly focused on three areas: rural development, land reforms and environmental administration. The performance analysis shows that a certain political liberalisation has taken place, that many donors and programmes are working with rural development today, and that new and holistic methods for poverty reduction have been developed. The work done by Vietnam to reform the land sector is one of the major reasons for Vietnam's strong economic growth during the last 10 to 15 years. During the year Vietnam established a new ministry in order to administer environmental issues more efficiently and effectively. A large part of the capacity in the new ministry has been developed through earlier Swedish support, including support from the Swedish National Environmental Protection Agency.

The evaluation of support for the forestry sector in Tanzania showed that the focus on training had had positive effects in most areas in the Tanzanian forest sector. Swedish support (since 1969) has contributed to making village forestry and the locally-based administration of natural resources a recognised approach, with support from both ministries and the local level. In addition, Swedish support has had a positive effect on the development of physical resources, the introduction of new ideas and techniques, and the development of a forest policy and legislation. For example, Swedish support to village forestry has influenced the formulation of the National Forest Policy of 1998 and the Forest Act of 2002. On the other hand, it is difficult to estimate the degree to which Swedish forest support has contributed to reducing poverty. The evaluation indicates modest success. Swedish development cooperation did not succeed in fulfilling the goals laid down for forest planting and forest industries. In spite of the difficulties that arose in the 1970s and 1980s and the results that cooperation nonetheless led to, the results did not match the extensive financial support received by the sector. Where village forestry is concerned, everyone appears to agree that the most effective forestry is based on local use of natural resources. This approach is being used in the current district development programmes.

In Tanzania, Sida also evaluated the Soil and Water Conservation Programme in Arusha Region (SCAPA). The background to the programme, which started in 1969, was the serious soil degradation in the area around Mount Meru in northern Tanzania. The prevention of soil degradation was the point of departure for SCAPA to produce methods for better soil use and to integrate these methods into the extension system. The evaluation lays down that the programme has had positive effects on productive soil use. Even if it is difficult to measure the results, the

evaluation indicates that SCAPA has led to improvements in livelihoods and a considerably better environment in the area. The programme has also contributed to improve capacity among the extension personnel, from district to village level. This capacity development has also been extended to villagers and local leaders. Attention has been systematically given to gender equality. The evaluation establishes that one weakness of the design of the programme was that SCAPA was an independent project that was never institutionalised and integrated into the Tanzanian structure.

A review of the World Conservation Union (IUCN) in which Sida participated shows among other things that work is taking place on establishing new management functions and open planning procedures for its operations, but that there is a certain degree of resistance to the changes. The review confirms IUCN's role as a uniting force between agencies and civil society, IUCN's global importance for the production and dissemination of new knowledge on biological resources, and also the importance of IUCN's scientific commissions.

Sida was one of the parties that took the initiative in 1996 to form a global network for parties involved in water resource administration, the Global Water Partnership (GWP). Sida, together with Great Britain and the Netherlands, has now made an evaluation that shows that eleven regions around the world and a number of countries have formed a strong network. The network constitutes a platform for dialogue between different parties and has contributed to spreading knowledge and influencing policies. GWP is now established as a recognised organisation at the global, regional and local level.

In May 2003 Sida presented an evaluation of the results achieved hitherto by the programme of sector support, PROAGRI, which was established to make sustainable growth and poverty reduction possible in the agriculture and forestry sectors in Mozambique. The evaluation showed that the ministry had improved its administration of institution development and that it had been given better financial monitoring routines and a greater degree of decentralisation. On the other hand, the ministry had not given attention to the development of policies for agriculture and had not changed its organisation as planned. At the present time, the vision indicates that trade and the private sector should play a more important role to stimulate agriculture in Mozambique.

During the year, a sector programme in the forest sector in Vietnam has taken shape through the Forestry Sector Support Programme. After a cautious start, work has now picked up speed and discussions are now being held on ways in which financial support can be channelled to the sector programme through a Multi-Donor Trust Fund arrangement.

### Analysis and discussion of problems

Rural development is necessary to create growth and employment in many developing countries. Agriculture, especially small-scale agriculture, is important since it also contributes to strengthening the conditions for improving food security. However, performance analyses and evaluations clearly show that changes in a sector and support to geographically limited pilot areas do not reduce poverty in rural areas. Sustainable use of the environment and natural resources is one prerequisite, social development and security in rural and urban areas is another. At the same time Sida cannot support all areas and all levels in all partner countries. Therefore it is important that Sida, together with the authorities at all levels in the partner countries, gives priority to ways in which Swedish support can be used most effectively to make poverty reduction possible. This requires coordination of the contributions of different donors in the partner countries and greater coordination of different sectors in Sida's organisation. Sida is therefore contributing to making coordination of donors possible in several partner countries. Sida has also created internal cross-sector working groups for the planning and monitoring of complex contributions in rural areas.

Support for the administration of shared water resources is also complicated. It often requires international agreements and the establishment of river commissions. At the same time, it is important to improve cooperation and trust among the technical personnel in the countries concerned. Local institutions are often needed for small catchment areas, and this in turn makes it necessary for stakeholders and consumers to participate in decisions on water resources. Sida is contributing to all levels in the process which is time demanding, contains a conflict prevention perspective and is based on real influence. The work with shared water resources necessitates a long-term commitment and an integrated approach in which different sectors and decision-making levels participate.

### Methods, policy changes and human resource programmes

During the year, an internal working group with members of staff from different departments at Sida analysed methods for and experience gained from poverty reduction in rural areas. It is intended that the group will produce strategic guidelines for ways in which future support for rural development can be made more effective in order to reduce poverty. The group arranged a number of seminars on various relevant themes for staff learning as well as to obtain information for their working processes. Furthermore, the group made a desk study on experience gained of implementing aspects of gender equality in rural development.

The Sida-financed Swedish Environment Secretariat for Asia (SENSA) works regionally with water resource management and forestry. During the year, SENSA produced a strategy and work plan that emphasise the importance of working with these areas: improved cooperation in respect of the Mekong River as a regional resource, illegal felling and trade in timber and other forest products, improved chemical safety and ecological sanitation. SENSA will participate in an extended dialogue with national and regional initiatives, contribute to increasing knowledge at Sida of regional issues, actively seek synergies between different Sida-financed activities, and contribute to regional capacity development.

The Regional Land Management Unit (RELMA) will be integrated into the forestry organisation: World Agroforestry Centre (ICRAF). Therefore a resource centre for rural development issues in sub-Saharan Africa was established during the year, located at the Swedish embassy in Nairobi. During the year the resource centre drew up an action programme.

### Example

As an example of a natural resources activity that supports poverty reduction and decentralisation, mention can be made of a new rural development programme that was drawn up in Vietnam during the year. The extensive evaluation of the Mountain Rural Development Programme (MRDP) has provided an important basis for this work. The new programme is called Chia Se (which means power sharing in free translation from Vietnamese). The programme supports the local decentralisation and democratisation processes that are being implemented in rural areas in Vietnam. They are expected to lead to a greater understanding of the importance of local co-determination, more efficient contributions and investments for development and, not least offer the possibility for disseminating the experience that Chia Se is expected to generate. As an example of a specific project, mention can be made of food security. The overall goal of the programme is to contribute to reducing poverty and to increasing social security.

### Analysis of outcome

The changes in outcome for the sub-sector Natural Resources in relation to previous years are marginal and it is not possible to identify any specific trends.

## POLLUTION AND PROTECTION OF THE ENVIRONMENT

### Evaluations

Sida's programmes of cooperation with developing countries to reduce the use of ozone-depleting sub-

stances have been evaluated. The evaluation states that the network between authorities that has been established in Southeast Asia functions well and has made progress during its ten years of operation.

The Stockholm Environment Institute has implemented the bilateral programme. Controls of imports and exports and the small-scale use of refrigerants in cars and air conditioning are priority areas. For example, support is being given to a programme of cooperation that has the aim of reducing illegal trade in ozone-depleting substances. The evaluators state that the support has been given to strategically important areas and recommends that Sida continues the programme.

#### Analysis and discussion of problems

In many developing countries it is the poor people that are most severely affected by degradation of the environment.

The environmental situation has deteriorated in many places as a result of rapid industrialisation. The growing numbers of poor people in the cities in developing countries often live in unhealthy environments with inadequate access to clean water and sanitation, poor air quality and deficient or non-existent refuse collection.

In Asia, the situation is particularly critical due to rapid industrialisation and urbanisation. The environment in many cities is characterised by rapidly growing private use of cars with large emissions of exhaust fumes, and large slum areas built on unsuitable land with no water or sewage facilities. Sida is therefore supporting contributions for improving the air environment, and for improving water supplies, sanitation and solid waste management.

In India and China, there are strong links to Swedish environmental expertise, for example in the Sustainable City initiative.

In Central and Eastern Europe and the Balkans, there are considerable environmental problems that are a result of earlier social systems. There are still considerable sources of pollution that are the result of the lack of an environmental approach, democracy and economic directives.

In Africa, much of the pollution is to be found in the rapidly growing urban areas where the water and sanitation situation, and the management of waste (particularly hazardous waste from hospitals) and chemicals are very serious problems.

Sida gives priority to strengthening environmental institutions and improving the legal framework (environmental legislation and ordinances).

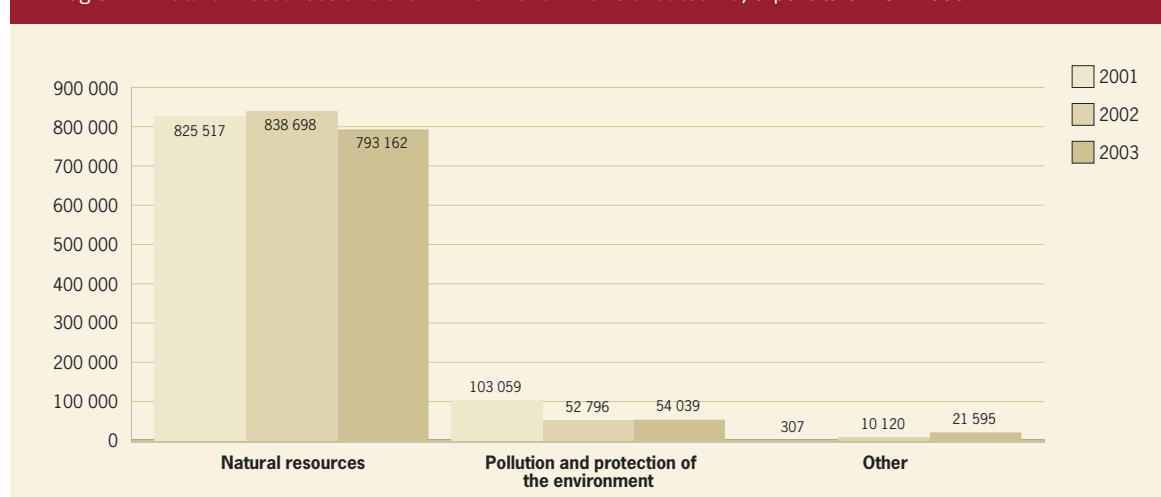
The international conventions have an important function in the work of achieving the environmental goals. The developing countries receive support for participating in the international work and for implementing the conventions at home.

#### Methods, policy changes and human resource programmes

Sida has approved guidelines for its climate work – Climate and development – Sida's approach and an action plan for 2004 to 2006. The document provides guidance for Sida staff and partners in cooperation in the climate issue. One point of departure is that climate-related contributions do not represent a new, large operational area for Sida but are rather a cross-sector activity. The document defines the ways in which Sida intends to contribute to Sweden's international work under the leadership of the Government Offices.

Guidelines have been produced for Sida's environmental work in the Balkans. They concentrate on, among other things, the integration of environmental issues in development cooperation, capacity development at central authorities, and support for the use of environmental impact assessments at public authori-

Diagram 4. **Natural Resources and the Environment: Financial outcome, expenditure in SEK '000**



ties. The guidelines also take up the implementation of national environmental plans and support for regional environmental cooperation.

During the year Sida approved guidelines for contributions in the field of water and sanitation. The guidelines cover discharges into water sources from industries, and water supplies in both urban and rural areas.

### Example

Sida is financing a programme of environmental cooperation with a focus on solid waste management between the cities of Stockholm and Tegucigalpa in Honduras. The programme has five sub-projects: institutional support and human resource development for waste management; a supervisory campaign for industrial waste; development of municipal information with a focus on waste and the environment; disposal of hospital waste; and exchanges of experience in the field of town planning. The first two projects have been implemented and the remainder have been started.

### Analysis of outcome

The outcome for the sector Pollution and protection of the environment has not changed to any great extent in comparison with previous years.

### REPORTS REQUIRED

*Sida shall submit a report on the scope and focus of its contributions in the sub-sectors pollution and protection of the environment*

In this operational area, Sida has supported some 40 contributions with a focus on air environment issues, ozone issues, waste management and the industrial environment. The outcome increased from approximately SEK 53 million in 2002 to SEK 54 million in 2003. Contributions in respect of the air environment have received support, in particular in Asia, and support in respect of ozone has mostly been allocated for the implementation of the Montreal protocol in the region. Waste management contributions are fairly equally distributed among the different regions. Most of the contributions focus on institution development and human resource development in order to build up capacity in the partner countries to deal with their environmental problems. The form of support is used is mostly project support and the implementing channels have been multilateral organisations or Swedish organisations.

Table 6.

## Natural Resources and the environment, expenditure in SEK '000

	2003	2002	2001
<b>The five largest partner countries</b>			
Ethiopia	109 359	78 762	78 296
Zambia	43 969	53 775	49 237
Tanzania	41 107	51 674	56 880
Kenya	39 308	29 030	30 021
Bosnia and Herzegovina	35 601	15 719	16 678
<b>Sub-total</b>	<b>269 344</b>	<b>228 960</b>	<b>231 111</b>
Other countries/regions	599 451	672 655	697 772
<b>Total</b>	<b>868 795</b>	<b>901 615</b>	<b>928 883</b>
Administrative expenses	64 629	57 355	44 432
<b>Total expenditure</b>	<b>933 423</b>	<b>958 969</b>	<b>973 316</b>
<b>Form of support</b>			
Project support	699 618	625 949	673 601
Sector programme support	35 436	132 846	94 289
Tech. assist. incl. contract-financed. tech. coop.	68 921	61 452	30 667
International training programmes	38 642	49 790	50 714
Credits	–	–	50 000
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	26 178	31 578	29 612
<b>Total</b>	<b>868 795</b>	<b>901 615</b>	<b>928 883</b>
<b>Channels</b>			
Multilateral organisations	91 613	193 742	217 340
Swedish organisations	247 003	221 064	242 938
Organisations in partner countries	337 657	347 649	270 314
Organisations in other countries	95 572	73 539	128 838
International NGOs	96 950	65 620	69 453
<b>Total</b>	<b>868 795</b>	<b>901 615</b>	<b>928 883</b>
<b>Total number of contributions</b>	<b>512</b>	<b>589</b>	<b>599</b>
Of which: Agreements >SEK 15 million	63	67	55
Number of new contributions	143	172	172

# Economic reforms

This operational area includes balance of payments support, budget support and debt relief, and support for capacity development in respect of debt management and debt strategies. The goal of the operational area is to support countries that implement economic reform programmes that promote economic growth, combat poverty and contribute to sustainable development.

## GENERAL

In 2002 and 2003, Sida's support within the framework of economic reforms was in the form of budget support for the state budget in each partner country concerned. The increase in the proportion of budget support is largely due to the current development of a number of international processes, including the Heavily Indebted Poor Countries Initiative (HIPC) and the Poverty Reduction Strategies (PRS). Today 27 countries are part of the HIPC initiative. Eight countries have undergone the entire HIPC process and reached the decision point, which means that these countries will have their debt burdens reduced to an amount that is defined in the initiative as a sustainable level. According to HIPC, resources that are released through debt relief should finance expenditure in essential areas such as the social sectors and productive investments, thereby creating requisite conditions for poverty-oriented growth and poverty reduction. The financing of priorities should be done in accordance with the poverty strategies that the countries have produced as part of the HIPC process.

National poverty strategies have also been produced to an increasing extent by countries that do not enjoy HIPC status. The national poverty strategies are gradually acquiring increasing importance for international development cooperation. Multilateral and bilateral donors, including Sida, are increasingly linking budget support to the poverty strategies. The strategies are of decisive importance for the focus of cooperation, the dialogue and follow-up. Together with the governments concerned and with other donors, Sida is working continuously on linking the aim and implementation of budget support to the recipient countries' PRS, their annual PRS reviews and budget process.

In 2003, harmonisation and coordination were given high priority on the international development

agenda. The goal is greater coordination of the dialogue and follow-up. The importance of national ownership and of establishing common mechanisms for the follow-up of poverty strategies and budget support is being emphasised. Donors are being encouraged to use a larger proportion of their funds for budget and sector programme support. Sida is participating actively in the harmonisation process in respect of budget and sector programme support, both in the partner countries and internationally.

## PERFORMANCE ANALYSES AND EVALUATIONS

A proposal for a framework for evaluation of budget support has been produced by some donors. This was discussed in 2003 at a number of meetings in which Sida has participated. A number of donors now plan to evaluate budget support together next year. With the framework as a point of departure, a number of country studies will be made in order to give prominence to experience gained of budget support in these countries. The intention is to compile, on the basis of the studies, a report that sheds light on global circumstances under which budget support can be an effective form of support.

## ANALYSIS AND DISCUSSION OF PROBLEMS

On average, debt service payments in the countries that are part of the HIPC process have decreased by approximately one-third compared to the annual payments prior to the HIPC initiative. Despite this, there are a number of problems to be overcome if the aim of HIPC is to be achieved. In a new study the World Bank states that the time frame for the initiative needs to be extended in order to include more countries, HIPC needs more resources, the levels of other forms of support must increase, additional con-

[Picture removed]

**A seamstress in Maputo, Mozambique. The aim of budget support is to support the implementation of the partner countries' poverty or development strategy.**

tributions are needed to strengthen the HIPC countries' debt management capacity, more realistic assumptions on growth must be made, poverty reduction needs to have more focus, contributions to improve economic growth are required, and increased coordination on poverty reduction strategies must be achieved.

As the poverty strategies acquire increasing importance in development cooperation, they contribute in many cases to stronger ownership. However, the work on the poverty strategies done by both the partner countries and the donors creates a number of challenges. The goals in the strategies must be realistic and reliable systems of follow-up must be established. It is important, for example, to ensure that the people are represented, that the priorities are reflected in the budget, and that the donors adapt their support to the budget cycles in the partner countries.

The intensified harmonisation and the Government's new policy places considerable demands on

Sida to develop flexible programmes of development cooperation and to better adapt assessment and decision routines to the systems and processes in the partner countries. In many countries in which Sida provides budget support, there is active donor coordination, which facilitates the dialogue and administration. Furthermore, budget support contributes to strengthening national ownership by supporting the partner countries' poverty strategies and channelling the support via the countries' own systems.

#### **METHODS, POLICY CHANGES AND HUMAN RESOURCE PROGRAMMES**

The project group that has worked on promoting programme support (budget support and sector programme support) at Sida presented its final report during the year. The group has worked with methods development in the following areas: accountability, public financial management and control, dialogue,

harmonisation and capacity development. The group has also participated in programmes of international development cooperation in this field, principally in OECD's Development Assistance Committee (DAC) and the Strategic Partnership with Africa (SPA). The report states that the international trend towards the programme support concept within the framework of the partner countries' poverty strategies confronts Sweden and Sida with a number of strategic issues in respect of policies, methods for assessment and follow-up. The report recommends further methods work in the fields of measurement of results, the role of the dialogue, capacity development in programme support and experience gained and conclusions drawn on programme support to organisations. The work done by the group led to a decision by Sida to establish two new posts in financial management. Training material on programme support was produced, primarily for staff at embassies.

With the aim of achieving more efficient programme support (budget and sector programme support), an intensive process of harmonisation and coordination of these forms of support is taking place in several countries between the government and bilateral and multilateral donors, which facilitates the dialogue and administration. Since programme support requires good coordination between two or more parties within the framework of common guidelines or a strategy, the donors must adapt and harmonise their working routines and rules. This thus has consequences for all parts of Sida's organisation (Stockholm and the embassies) and the organisation's ways of assessing, implementing and following up contributions, for example programme contributions have often created common performance-based follow-up mechanisms.

The work on the new planning instrument and the revision of the country strategies, in which budget support will be included, was initiated in the autumn.

This will entail major changes in the administration of budget support in respect of guidelines, assessments and follow-ups.

#### Example

In Mozambique the government and donors have been deeply involved in the preparations for the World Bank's development strategy (PRSC). This has had the result that the government, together with the World Bank and the group of donors (currently 14 members) for budget support, have drawn up a common follow-up mechanism with common indicators for the follow-up of budget support that is based on, and updates, indicators taken from the country's poverty strategy.

During the year greater degree of donor coordination was developed in some Latin American countries, for example a close dialogue took place during the autumn between the government, the World Bank and budget support donors in Nicaragua, with the aim of establishing a common follow-up mechanism for budget support from 2005.

#### ANALYSIS OF OUTCOME

The five largest recipients of budget support in 2003 were the same as in 2002. These were Tanzania, Mozambique, Uganda, Nicaragua and Rwanda. The total outcome in 2003 amounted to SEK 561 million, which was an increase of SEK 46 million in comparison with 2002. The largest proportion of the support went to countries in Africa, followed by Latin America and Asia. *Table 7.*

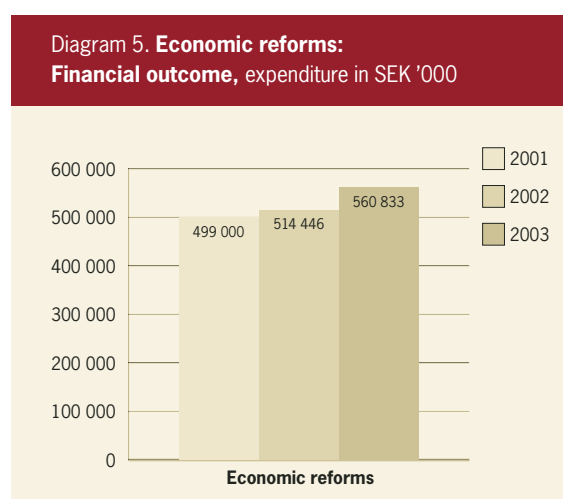


Table 7.

**Economic reforms,** expenditure in SEK '000

<b>The five largest partner countries</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Tanzania	110 000	120 000	80 000
Mozambique	100 783	100 360	100 000
Uganda	65 000	65 000	55 000
Nicaragua	60 000	60 000	0
Rwanda	50 000	50 000	40 000
<b>Sub-total</b>	<b>385 783</b>	<b>395 360</b>	<b>275 000</b>
Other countries/regions	175 049	119 086	224 000
<b>Total</b>	<b>560 833</b>	<b>514 446</b>	<b>499 000</b>
Administrative expenses	22 227	20 400	15 362
<b>Total expenditure</b>	<b>583 060</b>	<b>534 847</b>	<b>514 362</b>
<b>Form of support</b>			
Project support	–	–	–
Sector programme support	–	–	–
Tech. assist. incl. contract-financed. tech. coop.	–	–	–
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	560 833	514 446	499 000
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	–	–	–
<b>Total</b>	<b>560 833</b>	<b>514 446</b>	<b>499 000</b>
<b>Channels</b>			
Multilateral organisations	32 049	20 095	124 000
Swedish organisations	–	–	–
Organisations in partner countries	510 756	485 000	375 000
Organisations in other countries	27	360	–
International NGOs	18 000	8 991	–
<b>Total</b>	<b>560 833</b>	<b>514 446</b>	<b>499 000</b>
<b>Total number of contributions</b>	<b>25</b>	<b>21</b>	<b>19</b>
<i>Of which: Agreements &gt;SEK 15 million</i>	<i>19</i>	<i>19</i>	<i>18</i>
<i>Number of new contributions</i>	<i>9</i>	<i>8</i>	<i>10</i>

# Research cooperation

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

## GENERAL

Poor developing countries need to be able to make advanced analyses of ways of designing strategies that have their point of departure in local conditions and problem analyses. If they have the capacity to do research, they have greater prospects of evaluating strategies for poverty reduction that have their point of departure in external analyses and proposals. In the decision on further research cooperation with Vietnam, Sida has linked the support to research that is highly relevant to poverty reduction with a focus on health and rural development. Previously the support has had effects on the country's health policy. A new element is support for biotechnology that Sida expects will contribute to growth, as part of the country's poverty strategy. In Sri Lanka, Sida has focused new research projects on the peace process and on breaking Jaffna University's isolation, for example with the aid of contributions for developing computer and ICT networks, i.e. ICT capacity.

The poorest countries usually lack a coordinated structure for research. In countries of this type Sida has focused on the development of universities that conduct research programmes as an important base for research and postgraduate studies. During the year, Sida's Research Council approved further support for research development at the Dar es Salaam University in Tanzania, and on new contributions for university development in Rwanda and Laos. This support partly focuses on developing the organisation and administration of research and partly on planning and implementing research and postgraduate studies.

In the programme of cooperation with Tanzania, Sida has stipulated that the country should make its own contributions in order to strengthen its functions. In Rwanda and Laos, it is a case of building up research capacity from the bottom. These countries,

which are weak in resources, need contact with international knowledge development. With the aid of their own research they can contribute to innovations that create new possibilities of providing incomes for the people. In these countries there is a lack of both funds and structures for allocating appropriations to research projects in competition, and the capacity for making peer reviews and quality assurance in assessments of research projects and their results.

Sida therefore supplements bilateral contributions with funds for regional and international research networks. These often function as research councils and have resources that they can distribute. Sida has used this model for a long time in the field of social sciences through support to regional organisations in Africa and Latin America. The renewed support for Consejo latinoamericana de ciencias sociales, CLACSO, contains budgets for research groups, individual researchers and scholarships for young researchers. During the year a decision was also made to provide support for a regional research council with a focus on Lake Victoria. In this programme, research areas are defined by an advisory group in which the region's research councils are represented. In 2003, the group gave priority to wetland problems. Researchers from the region make announcements of the funds that are available and make assessments of applications in a peer review system.

Regional and international research networks can collect research into problems of great relevance to developing countries and contribute to policy development and contacts between researchers and decision-makers. The African Energy Policy Research Network has been given renewed support in order to develop its role. Sida has intensified its support to research into HIV and Aids through further support to biomedical research with a focus on the development of vaccines, through support for social science

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**Pharmacological research in Vientiane, Laos. Sida is supporting the development of research capacity in, for example, Laos and Rwanda.**

research into preventive methods, the rights of people infected with HIV in Africa, and social, economic and demographic consequences. A broad focus on research into malaria includes support via the International Center for Insect Physiology and Ecology (ICIPE), a European research network – the European Malaria Vaccine Initiative (EMVI) and to the Secretariat of the Multilateral Initiative on Malaria (MIM). The Secretariat has now been placed in Sweden and is supported by Sida in cooperation with the National Scientific Council and the strategic research foundation.

#### **EVALUATIONS**

Sida's evaluations of research cooperation with Mozambique and Nicaragua shed light on the need of long-term commitments. In weak research environments, the pace of postgraduate education has been slow but, as a result of persistent support, there are now research environments that can initiate research

and that have the capacity to start their own master's degree programmes.

Research cooperation through the South Asian Network for Development and Environmental Economic (SANDEE) fills, according to the evaluation, a significant gap in research and postgraduate studies with a focus on economic aspects of environmental problems and their links to poverty in southern Asia. The evaluators state that, of the countries in the region, it is only India that has research programmes with a focus of this type. Many of the countries have similar problems and there are also strong geopolitical tensions. Therefore it is important that economists from the countries can meet to stimulate research and increase understanding of sustainable development. The evaluation is of the opinion that SANDEE has succeeded in creating regional cooperation on environmental problems that are common to the countries and that it has been very successful in its education programmes and in its support for research.

A review of the support to research programmes

that take up the problems of coastal zones provides positive results. In Coral Reef Degradation in the Indian Ocean (CORDIO) programme, research into the extensive coral degradation has led to improved methods for the administration of the coastal zones. Earlier contributions for marine research in East Africa led to the formation of the Western Indian Ocean Marine Sciences Association (WIOMSA), which is now supporting research that will improve the utilisation of the coastal environment and thereby combat poverty and environmental degradation. According to the evaluation, the organisation has developed into one of Africa's leading resource centres for marine issues. The research has been used in, among other things, Kinondoni district in Tanzania where local government employees are being trained and development programmes are being implemented in order to improve the living conditions of the local population.

#### ANALYSIS AND DISCUSSION OF PROBLEMS

One weakness in research cooperation is to be able to establish structures, organisations and capacity for research from the bottom. At the same time demands for immediate and useful results steer the limited resources that are available for research. The few researchers available are often involved in consulting assignments and studies and have little time to develop their own research and to formulate their research problems. Sida has contributed funds for research in order to make independent research possible at faculty level. Support via regional organisations is another way of strengthening the opportunities for critical research. However, these organisations are dependent on external funds, which often means external management and control. In most cases Sida therefore contributes basic support for a planned research agenda.

The countries' capacity to organise their research is weak and they lack knowledge of systems for research organisation. Sida has therefore initiated support for a new forum at UNESCO which will collect research into systems for research, higher education and knowledge. This contribution can also strengthen UNESCO's normative role in this field.

Swedish researchers are mainly involved in bilateral programmes of research cooperation and provide valuable contributions for human resource development. However, conflicts of interest can arise between universities in developing countries and the requirements and rules of the Swedish universities. Another problem that Sida tried to tackle during the year is the fact that there are few Swedish researchers in international research programmes.

At the beginning of the year a conference was held in Lund to ventilate conditions for research into

developing countries in Sweden. Two shortcomings were identified from Sida's perspective. It is difficult for the faculties to engage newly qualified researchers with a developing country focus. And there is nothing that encourages syntheses, communications and "translations" of research results to interested parties outside the research community. Prior to the announcements of Sida's research council, it was therefore decided to reduce support to doctoral students and to give instead more support to young people with doctor's degrees, and to announce funds for national research networks.

#### METHODS, POLICY CHANGES AND HUMAN RESOURCE PROGRAMMES

The changeover from projects to programmes has placed greater demands on research administration at the institutions responsible. As a basis for further methods work, a number of audits have been made.

Sida has started work on finding simplified meth-

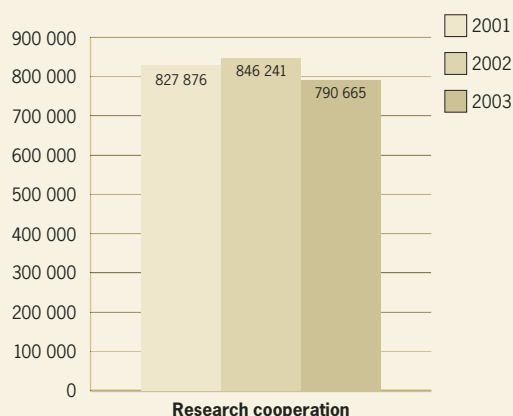
#### Examples

Ethiopia and Eritrea have obtained their first comprehensive flora. This is the result of a programme of cooperation between Addis Ababa University and Uppsala University that Sida has financed since 1980. The flora include approximately 7 000 species in eight volumes and describe several hundred species that are unique to the region. This makes it an important link in the systematisation of all the plants in the world. The knowledge can have practical and economic significance for plant breeding and medicinal use. In parallel with the work on flora, a national herbarium and a library were established. In addition, a programme of cooperation has been started in closely related areas such as ecology and plant physiology.

In connection with the project, ten Ethiopian students have taken their doctor's degrees. One of these has been the project's leader during recent years.

In the programme European Malaria Vaccine Initiative, two possible malaria vaccines have been produced from laboratory experiments and manufacturing tests. This has had the effect that it is possible to make clinical tests of safety, tolerance and immunogenicity. The vaccine created antibodies capable of eliminating cultivated malaria parasites and the immunoreaction proved to be stronger in trials on human beings than they were in the clinical investigations. These positive results have the effect that the vaccine can now be tested on children in endemic areas in Africa. This is being done under the supervision of the African Malaria Trust Network (AMANET).

Diagram 6. **Research cooperation:**  
**Financial outcome, expenditure in SEK '000**



ods to improve follow-up. One result of this is that methods work has been started in support of the countries' research administrations.

#### ANALYSIS OF OUTCOME

The total outcome for the operational area decreased by more than SEK 56 million in 2003 compared to 2002. The reason for this is mainly that contributions in respect of organisations in partner countries have been delayed. The basic reason is weak routines for planning, budgeting and follow-up in partner country organisations. During the year Sida made a number of system-based audits in order to improve the administration of research in the partner countries. For the same reason the outcome via the channel Organisations in partner countries also decreased.

Most of the support goes to Africa. The internal ranking order can vary over the years. The largest increase in support was in respect of Rwanda and the largest decrease in respect of Mozambique.

The number of new contributions continued to decrease during the year and the number of major contributions has increased, which indicates a further increase in concentration. *Table 8.*

Table 8.

#### **Research cooperation, expenditure in SEK '000**

<b>The five largest partner countries</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Tanzania	29 543	42 625	50 006
Uganda	25 959	44 628	15 656
Nicaragua	21 500	21 279	23 009
Ethiopia	20 752	22 921	15 838
Rwanda	17 380	9 939	0
<b>Sub-total</b>	<b>115 133</b>	<b>141 392</b>	<b>104 508</b>
Other countries/regions	675 532	704 849	723 367
<b>Total</b>	<b>790 665</b>	<b>846 241</b>	<b>827 876</b>
Administrative expenses	64 667	68 811	58 568
<b>Total expenditure</b>	<b>855 333</b>	<b>915 052</b>	<b>886 443</b>
<b>Form of support</b>			
Project support	–	–	–
Sector programme support	–	–	–
Tech. assist. incl. contract-financed. tech. coop.	–	–	–
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	790 665	846 241	827 876
Support to NGOs	–	–	–
<b>Total</b>	<b>790 665</b>	<b>846 241</b>	<b>827 876</b>
<b>Channels</b>			
Multilateral organisations	80 849	80 760	60 811
Swedish organisations	296 484	316 660	285 774
Organisations in partner countries	129 680	169 182	198 357
Organisations in other countries	109 824	94 000	88 888
International NGOs	173 828	185 639	194 046
<b>Total</b>	<b>790 665</b>	<b>846 241</b>	<b>827 876</b>
<b>Total number of contributions</b>	<b>333</b>	<b>358</b>	<b>372</b>
<i>Of which: Agreements &gt;SEK 15 million</i>	<i>57</i>	<i>49</i>	<i>42</i>
<i>Number of new contributions</i>	<i>78</i>	<i>97</i>	<i>116</i>

# Humanitarian assistance and conflict prevention

This operational area includes humanitarian assistance, conflict prevention and peace-building. The goal of the operational area is to meet urgent needs and to relieve the consequences of armed conflicts, systematic violations of fundamental human rights, and natural disasters and severe epidemics, including HIV/Aids, whose character is similar to disasters.

## GENERAL

Common problems in humanitarian crises are a lack of coordination, uneven distribution of resources between crises, and the inability to finance anything else than food aid. Sida has therefore participated in relevant international forums, for example in the so-called Montreux process, where donors and the UN and other humanitarian organisations meet each year. Among other things, analyses and better coordination have been proposed in order to reach the most vulnerable groups in a quicker and more effective manner. During the year Sida financed a study that attracted a great deal of attention, *The Quality of Money*, which pointed out shortcomings and possible ways of improving humanitarian financing. The study was a contribution to another donor initiative, the conference on Good Humanitarian Donorship, which was held in Stockholm with broad participation including representatives of the largest donors, the UN system and other humanitarian organisations. In the final declaration, support was expressed for better coordination, more specific needs-based humanitarian programmes and the determination to guarantee financing on the basis of strict humanitarian needs, free of national self-interest.

Today there is a greater degree of awareness of the fact that armed conflicts are one of the greatest obstacles to development and poverty reduction around the world, which is reflected in the Government's bill *Shared responsibility: Sweden's Policy for Global Development*. Of Sida's 22 largest partner countries, 77 per cent are either involved in ongoing armed conflicts or are in a post-conflict situation. This increases requirements for raising awareness of the ways in which development

cooperation affects, and is affected by, armed conflicts. At the same time there is a greater understanding of the possibilities to make better use of the full potential of development cooperation, where it is a question of contributing to positive development that prevents and solves armed conflicts and builds permanent peace.

## PERFORMANCE ANALYSES, EVALUATIONS AND SECTOR PROGRAMME SUPPORT

During the year Sida made two evaluations in Angola: of Praktisk Solidaritet (Practical Solidarity, PS) and the activities of Africa Groups of Sweden. The activities of PS in Angola have mainly consisted of providing consignments of clothing. The evaluation states that the consignments only have a useful purpose in acute humanitarian crises. Support to PS will now be phased out. The activities of the Africa Groups of Sweden in Angola are characterised by continuity, capacity development at local organisations, effective networks and a high degree of relevance.

Sida has examined the activities of PMU Interlife in North Korea and drawn the conclusion that the degree of relevance is high and goal fulfilment good. The evaluation report proposes that Sida's support is extended for three years.

The organisation Doctors without Borders has been studied, primarily to examine the organisation's capacity to include a long-term perspective and capacity development in its humanitarian projects. The conclusion is drawn that Doctors without Borders does not regard institutional capacity development as a primary task. Sida and Doctors without

[Picture removed]

**Eritrea. Medical centre for mine clearance workers.**

Borders should base their dialogue on mutual understanding of each other's different objectives and roles.

#### **ANALYSIS AND DISCUSSION OF PROBLEMS**

Sida has aspired to intensify its cooperation with its partners and to increase ownership through a dialogue that has the aim of creating greater flexibility and extending responsibilities.

During the year, Sida signed just one agreement with UNICEF which regulates humanitarian activities globally instead of one agreement per country. This would have meant 16 agreements in 2003. The agreement also has a longer activity period (18 months) than before. UNICEF in the country concerned decides how it should use Sida's funds. In addition to achieving the above aim, Sida made a considerable administrative rationalisation. Sida also has the ambition to have longer cooperation agreements with other partners in cooperation, greater possibilities of adapting activities to changed circumstances, and an intensified dialogue on goals and effects. Examples of organisations with which Sida has concluded agree-

ments that extend over several years are Doctors without Borders, Swedish Save the Children and Search for Common Ground.

When for example the humanitarian situation deteriorated rapidly and drastically in Liberia in the summer, due to the escalation of the civil war, all Sida's partners in cooperation could work for the benefit of the many needy people, despite exceedingly difficult conditions and without international personnel on the spot. Sida foresaw the situation and made a number of decisions at an early stage that made it possible to implement activities that were as flexible and effective as the serious situation permitted.

#### **METHODS, POLICY CHANGES AND HUMAN RESOURCE PROGRAMMES**

During the year an agency-wide project was implemented: Guidelines for rehabilitation and reconstruction after natural disasters and conflicts. The aim was to define criteria and principles for the provision of support in situations of transition. The project group presented a final report on ways in which Sida can be

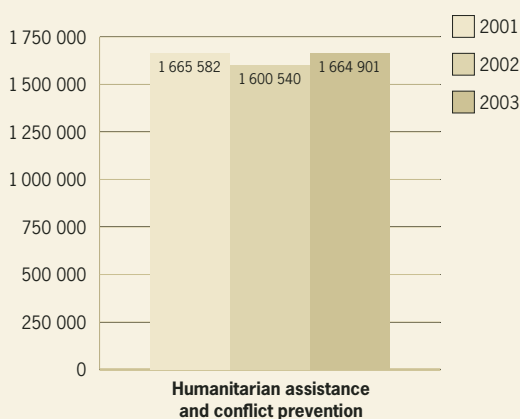
more effective in the phase between the acute disaster and the focus on development.

In 2003 work continued on permeating Sida's work with a conflict perspective through policy and methods development, dissemination of information and training programmes. Sida has developed methods to support its conflict analyses. The conflict analyses have been useful in the planning of country and regional strategies. The methods support can also be of assistance in the assessment of individual contributions. Sida has published a report on reconciliation processes and an information pamphlet *Reflections on Development Cooperation and Violent Conflict*.

### Example

Among the countries that Sida supports where the peace process has made positive but fragile progress, mention can be made of Sudan. In addition to Sida's response of SEK 30 million to the UN's Consolidated Appeal (CAP) for Sudan, which has been distributed among the UN's Food and Agriculture Organisation (FAO), Unicef and the Office for the Coordination of Humanitarian Affairs (OCHA), support has also been channelled via a number of NGOs, both Swedish and international. One interesting initiative that Sida is co-financing is the so-called Quick Start programme that is a result of cooperation between the UN, different stakeholders in Sudan, civil society and the donors. The Quick Start programme is working to put Sudan quickly back on its feet after an extremely taxing and long civil war. The programme, when fully in place, will revitalise all sectors in society from security to social sectors such as water and education. The overall goal of the Quick Start programme is to assist the peace process so that a peace agreement can be signed as soon as possible.

Diagram 7. Humanitarian assistance and conflict prevention: Financial outcome, expenditure in SEK '000



## ANALYSIS OF OUTCOME

The operational area covers the acute phase of a disaster or conflict as well as early reconstruction and contributions to consolidate the beginning of a peace process. Activities of this type characterised the contributions in several of the largest recipient countries in 2003. The humanitarian crisis in Afghanistan eased off, but Sweden contributed to major projects for recovery, including projects for the promotion of employment which is a prerequisite for the demobilisation of combatants. This made the country the largest recipient of support for humanitarian projects and conflict management.

Humanitarian support for Iraq increased considerably in 2003, in particular in the form of contributions to improve levels of humanitarian preparedness prior to the expected armed conflict and immediately after it broke out.

Contributions through Swedish organisations, a category that also includes Swedish companies, has been gradually reduced between 2001 and 2003. This is due to the fact that the extensive reconstruction work after the Mitch disaster in Central America, which was performed by Swedish companies, was phased out and finalised in 2003. The increase in support via multilateral channels during the same period is mainly a result of the fact that the increased reconstruction contributions in Afghanistan were made via the UN and the World Bank. *Table 11.*

## REPORT REQUIREMENTS

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

There is a Government decision, corresponding to guidelines or special framework decisions for all countries with over SEK 50 million in humanitarian assistance. See table 9.

2. *Sida shall submit a report on the scope and focus of its assistance for humanitarian mine management.*

After having had a downward trend for several years, support in this field increased considerably. The reason for this is that support to ongoing programmes continued at unchanged levels while others started, for example in Sri Lanka. The situation in Iraq required rapid and extensive support. In addition to clearing mines, the immediate problem was to secure ammunition stores in schools, hospitals and public places. A large quantity of unexploded ammunition was another problem. The countries with mine problems that receive most support from Sweden are, in addition to Iraq, Cambodia, Afghanistan and Angola.

Table 9. **Report required 1: Humanitarian assistance > SEK 50 million**, expenditure in SEK '000

	2003
Afghanistan	222 513
West Bank and Gaza	106 472
Iraq	95 320
Sudan	84 188
Angola	83 312
Democratic Republic Congo	74 112
Ethiopia	65 311

Table 10. **Report required 2: Humanitarian mine management – support to the ten largest countries**, expenditure in SEK '000

	2003	2002	2001
Iraq	25 980	11 759	6 668
Cambodia	16 048	14 993	25 524
Afghanistan	14 050	2 826	9 000
Mozambique	8 000	9 000	12 000
Angola	7 990	8 000	11 000
Nicaragua	6 800	3 200	6 600
Ethiopia	4 351	0	0
Sri Lanka	4 000	500	0
Bosnia & Herzegovina	1 729	4 000	4 000
Guinea-Bissau	1 500	0	750
<b>Total</b>	<b>90 448</b>	<b>54 278</b>	<b>75 542</b>
Other countries	4 673	11 576	19 942
<b>Total expenditure</b>	<b>95 121</b>	<b>65 854</b>	<b>95 484</b>

Other countries that receive support are, for example, Bosnia, Sri Lanka, Somalia, Mozambique, Eritrea and Nicaragua. In addition to mine clearance, the focus of Swedish support has been on capacity development, and activities to raise awareness of the dangers of mines and of methods of protection. *Table 10.*

3. *Sida shall submit a report on the scope and focus of its conflict management contributions.*

An inventory of Sida's conflict management contributions in 2003 shows that there were 169 contributions which amounted in total to SEK 511 million. Where categories are concerned, statistics show that contributions to promote a dialogue are in the majority (40 per cent). The contributions that aspire to process the basic causes of an armed conflict and structural instability amount to 25 per cent, while contributions for the promotion of security represent 10 per cent of the total. Contributions that consist of a combination of at least two of these types of contributions amount to 18 per cent of the total. A situation-specific inventory shows that almost a third of all contributions are

Table 11.

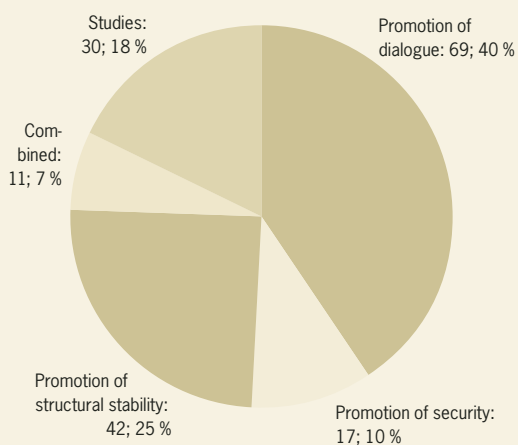
## Humanitarian assistance and conflict prevention, expenditure in SEK '000

The five largest partner countries	2003	2002	2001
Afghanistan	222 513	214 657	182 454
West Bank and Gaza	106 472	100 157	22 407
Iraq	95 320	39 794	30 529
Sudan	84 188	75 595	65 067
Angola	83 312	92 489	102 162
<b>Sub-total</b>	<b>591 806</b>	<b>522 691</b>	<b>402 619</b>
Other countries/regions	1 073 095	1 077 849	1 262 963
<b>Total</b>	<b>1 664 901</b>	<b>1 600 540</b>	<b>1 665 582</b>
Administrative expenses	38 350	36 233	14 948
<b>Total expenditure</b>	<b>1 703 251</b>	<b>1 636 773</b>	<b>1 680 530</b>
<b>Form of support</b>			
Project support	41 148	38 981	36 609
Sector programme support	10 200	3 200	–
Tech. assist. incl. contract-financed. tech. coop.	1 388	5 288	16 795
International training programmes	–	305	4 204
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	1 611 807	1 548 622	1 586 216
Research	–	298	–
Support to NGOs	358	3 847	21 758
<b>Total</b>	<b>1 664 901</b>	<b>1 600 540</b>	<b>1 665 582</b>
<b>Channels</b>			
Multilateral organisations	668 937	535 388	483 874
Swedish organisations	467 607	575 574	686 046
Organisations in partner countries	60 477	65 793	116 885
Organisations in other countries	38 960	55 608	51 624
International NGOs	428 920	368 178	327 153
<b>Total</b>	<b>1 664 901</b>	<b>1 600 540</b>	<b>1 665 582</b>
<b>Total number of contributions</b>	<b>562</b>	<b>560</b>	<b>596</b>
Of which: Agreements >SEK 15 million	65	55	46
Number of new contributions	214	234	220

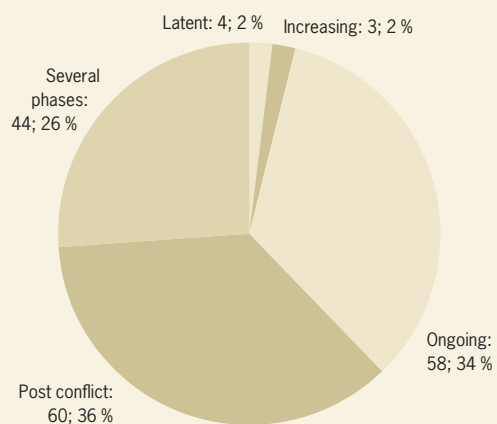
implemented under ongoing violent armed conflicts and about a third in post conflict situations. As in 2002, only a small number of contributions are implemented in regions where, due to latent or increasing tension, there is a risk of armed violence (four per cent). During the year Sida drew attention to this conflict prevention activity as a vital factor for conflict management work: an area which should be strengthened. In a comparison over time, statistics show that the total number of approved contributions has increased since the end of the 1990s, with certain variations from year to year.

See diagrams 8 and 9.

**Diagram 8. Report required 3.**  
**Type of contribution, focus of conflict prevention contributions, number and in per cent**



**Diagram 9. Report required 3:**  
**Breakdown between different phases of conflicts, number and in per cent**



4. Sida shall submit a report on the total use of funds in the operational area broken down by geographical area and purpose.

The total use of funds in the operational area broken down by geographical area and purpose can be seen in diagrams 10 and 11.

5. Sida shall submit a report to the consultative group for humanitarian assistance, at least once every three months, on its use of appropriations and its forecast for the remainder of the budget year in respect of item 8 Humanitarian Assistance and Conflict Prevention.

The report has been submitted in accordance with requirements.

Diagram 10. Report required 4: Total use of funds by region, expenditure in SEK '000

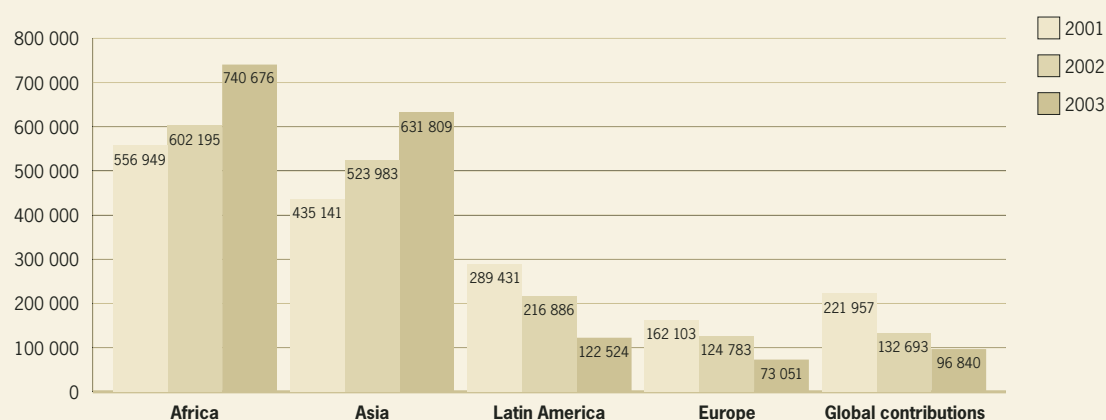
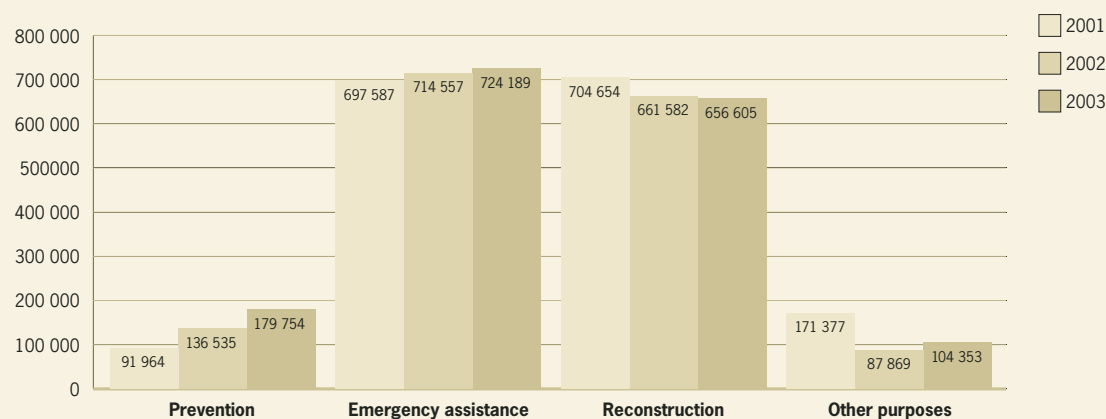


Diagram 11. Report required 4: Total use of funds by purpose, expenditure in SEK '000



# Non-governmental organisations

This operational area refers to grants to Swedish non-governmental organisations financed by appropriation item 8.1.2: Non-governmental organisations. The goal of the operational area is to promote the development of a vibrant and democratic civil society and to strengthen local partner organisations in developing countries.

## GENERAL

The Swedish non-governmental organisations (NGOs) play a central role in that part of Swedish development cooperation that has the aim of promoting the development of a vibrant and democratic civil society. In this operational area Sida has therefore entered into long-term cooperation agreements with twelve Swedish NGOs, the so-called frame organisations. Five of these organisations act as channels for grants to their member organisations and other small Swedish organisations. A basic principle for this form of support is that the organisations themselves govern their cooperation with partner organisations in the developing countries. Accordingly they are not governed by Sida within the framework of country strategies etc.

With *Perspectives on Poverty* as one of the points of departure, Sida has formulated an approach to civil society and cooperation with the organisations in civil society. This approach has been created in a dialogue with the organisations. In 2003, in connection with the annual general meetings of the organisations and in its assessments of the organisations' annual reports and budget requests, Sida emphasised the requirement that the organisations should systematically present their activities from a poverty perspective, with links to civil society.

Other new subjects for Sida's assessment are the organisations' approach to HIV and Aids and the conflict perspective.

In 2003 Sida approved grants to Swedish NGOs for their information programmes in Sweden. During the year, cooperation between Sida and the organisations in respect of goal fulfilment was characterised by a close dialogue. Sida arranged several meetings with NGOs within the framework of the Forum for organisations in receipt of information grants from Sida. The aim of the Forum is to discuss communications.

The most important discussion in the Forum was on human resource development in respect of effects and goal fulfilment.

In the year's applications for funds for information purposes, there was a fall in the amount of funds sought for traditional target groups such as young people, and an increase for evaluative target groups such as journalists, moulders of public opinion and decision-makers. Several organisations focused on creating opinion in order to increase knowledge and interest and to stimulate debate. Sida's interpretation of this new situation is that a shift has taken place and that now it is not merely a question of increasing knowledge, the information grants are also used to stimulate debate and to shape opinion. Organisations working with *Information as development cooperation* instead of information on development cooperation were more prominent among those applying for grants. The focus on debt relief and trade issues also increased, as did issues relating to health and conflicts.

## Evaluations

A survey of personnel components in Sida's support to NGOs was made during the year.

The study showed among other things that some 500 people had been seconded to work in the field by Swedish NGOs, who were completely or partly financed by Sida. Their formal educational levels can be described as high: 76 per cent were university graduates, and the average experience of working in developing countries was also high, more than five years. The majority of the seconded personnel were women: among the volunteers 62 per cent were women, and in the group as a whole 58 per cent were women. The average age was 45 years.

As a step in a series of system-based audits that are

[Picture removed]

**Nicaragua 2003. A group of young people in a village development project in Matalga supported by Swedish Save the Children through the local organisation CECESMA. In the project the young people are responsible for helping families to improve their living standards. This is achieved by providing assistance for cattle breeding and by distributing seeds for market gardens.**

intended to scrutinise the frame organisations' systems for management and control, Sida examined the Africa Groups of Sweden. The audit was finalised in the autumn of 2003. It draws attention to a number of shortcomings in the control systems of the organisation. Sida intends to make a thorough examination of the action plan that will be drawn up on the basis of the audit's recommendations. It should be noted that the organisation has already started developmental work on some of the issues that the audit shed light on.

#### **ANALYSIS AND DISCUSSION OF PROBLEMS**

Through the programmes of cooperation with Swedish NGOs, support to civil society is very broad

and multi-dimensional. It covers everything from small isolated projects to extensive national or regional programmes. However, both Sida and the NGOs have problems in reporting and measuring the performance of the organisations at the overall level. It is also difficult for Sida to draw conclusions on the ways the activities of the organisations reduce poverty.

#### **METHODS, POLICY CHANGES AND HUMAN RESOURCE PROGRAMMES**

In order to meet demands for improvements in their performance reports, the organisations have increasingly tried to improve their planning, follow-up and reports. In support of this work, Sida introduced during the year a special fund for methods development

on a trial basis, which can also be used for certain specific theme methods. The funds are used for projects in which several organisations cooperate, or where the method can be used by other organisations. In 2003, 31 applications were approved. Two of the applications were for cooperation projects in which several frame organisations were involved.

One strategic issue for future cooperation is the work done by the organisations on HIV and Aids. Therefore, in October Sida arranged a seminar on HIV and Aids in which Sida presented a model specification for more HIV and Aids projects.

At Sida Civil Society Centre, which develops ideas and methods in cooperation with NGOs, considerable efforts were made during the year to develop activities

and an increasing demand for the Centre's services can be noted. The Centre has held a number of courses for the organisations' personnel working internationally, courses in organisation assessment, and seminars on measuring performance and results. Moreover, the Centre held an international conference in the spring on the role of civil society in conflict management and peace promotion. With the aid of the conference, Sida wanted to give prominence to useful methods and knowledge for Swedish organisations that are active in development cooperation, in light of the fact that programmes of development cooperation and humanitarian assistance are being increasingly implemented in areas of direct armed conflict or post conflict.

### Examples of cooperation

The NGOs' development cooperation programmes cover a wide range of different operational areas and countries. Over the years South Africa has received most support via NGOs, with a main emphasis on human rights and democracy. As examples of the organisations' activities, the following projects can be mentioned.

- People in rural areas have been given access to land and water and to knowledge of effective farming, as a result of the support provided by the *Africa Groups of Sweden* to agricultural reform projects.
- *Diakonia's* cooperation with partner organisations has led to the establishment of Civil Society Forums, organisations that make demands in respect of accountability vis-à-vis local authorities, which help local communities in rural areas to increase their influence and cooperation with local authorities. This has had the effect that women and children have now been incorporated into decision-making processes at the local level.
- Through *Forum Syd*, the UN Association in Gävle has implemented an exchange of students and teachers with a school in Durban. The exchange has focused on issues relating to democracy, human rights, gender equality and the environment.
- The *Swedish Cooperative Centre* has produced a model for housing cooperatives that is intended to provide housing for poor groups. This model, which has been approved by the government, is the first of its type in South Africa.
- Through its cooperation with the South African trade union movement, the *LO/TCO Council for Trade Union Cooperation* has contributed to the creation of better socioeconomic conditions for South African workers. One result of cooperation is legislation in important fields (for example the Employment Equity Act, the Basic Conditions Act, and the Skills Development Act).
- *Olof Palme International Center's* partners in cooperation cooperate with both civil society and local authorities, with

a focus on capacity development. Among other things, strategies to handle and prevent HIV and Aids have been given a prominent position. The organisation has succeeded in collecting local authorities and civil society from over a hundred municipalities to discuss the HIV/Aids issue.

- *PMU Interlife* in South Africa works to increase integration, gender equality and democracy. In its work, for example on issues that concern hostility towards foreigners and racism, the organisation has the objective of developing and using methods that increase participation in social life, above all through adult education.
- *Swedish Save the Children* works primarily to help its partner organisations to exert an influence on the government in respect of the socioeconomic rights of children. Among other things Save the Children has supported research into the ways in which government budgets reflect these rights.
- The *Swedish Organisation of Handicapped International Aid Foundation (SHIA)* has supported a country-wide project with self-help groups for the disabled which is intended to give the disabled basic training in democracy so that they can exert political pressure on the provincial governments, and to give them education and training to enable them to provide for themselves.
- The *Church of Sweden* has selected, as one of its partners in cooperation, a human rights organisation that provides legal aid to vulnerable groups and makes them aware of their civic rights and obligations, and that also tries to exert an influence on legislation and improve the government administration. This has had the effect that the organisation's target group has been given an increasingly larger share of the government's social budget.
- The *Swedish Mission Council's* support for organisation development has had the effect that its partner in cooperation has contributed to improving the quality of teaching of children in rural areas. This should give them better future prospects.

Diagram 12. **Non-governmental Organisations:**  
Financial outcome, expenditure in SEK '000



#### ANALYSIS OF OUTCOME

Among the five largest recipient countries, an increase in expenditure can be noted in respect of South Africa which was by far the largest partner country in 2003, as in 2002. The increase mainly is due to the fact that one organisation, the Church of Sweden, has extended its activities in the country. An increasing amount of support is being channelled to Vietnam, which is now among the five largest countries for the very first time. *Table 12.*

#### REPORTS REQUIRED

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

Shown in tables 13 and 15, and in appendix 1:1.

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

The total amount disbursed was SEK 97 009 000, which was distributed among 32 organisations. This included grants to, for example: Forum Syd SEK 15 800 000; LO/TCO SEK 8 900 000; Children's World SEK 8 600 000; Swedish Cooperative Centre SEK 5 000 000; Diakonia SEK 4 800 000; Africa Groups of Sweden SEK 4 600 000; Vuxenskolan SEK 4 600 000. The amount of SEK 97 009 000 also includes cooperation grants (grants shared by several organisations).

Table 12.

### Non-governmental organisations, expenditure in SEK '000

The five largest partner countries	2003	2002	2001
South Africa	43 833	32 354	38 187
Tanzania	29 364	31 748	33 893
India	21 674	25 501	23 482
Nicaragua	20 547	17 403	17 339
Vietnam	19 856	16 328	13 468
<b>Sub-total</b>	<b>135 274</b>	<b>123 334</b>	<b>126 369</b>
Other countries/regions	766 231	772 243	749 598
<b>Total</b>	<b>901 506</b>	<b>895 577</b>	<b>875 967</b>
Administrative expenses	10 776	11 893	28 617
<b>Total expenditure</b>	<b>912 282</b>	<b>907 470</b>	<b>904 584</b>
<b>Form of support</b>			
Project support	2 412	425	33 221
Sector programme support	–	–	–
Tech. assist. incl. contract-financed. tech. coop.	10 570	7 195	–
International training programmes	24	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	888 500	887 957	842 746
<b>Total</b>	<b>901 506</b>	<b>895 577</b>	<b>875 967</b>
<b>Channels</b>			
Multilateral organisations	–	–	–
Swedish organisations	898 402	894 606	848 510
Organisations in partner countries	–	–1 404	25 500
Organisations in other countries	–	2 025	1 575
International NGOs	3 103	350	382
<b>Total</b>	<b>901 506</b>	<b>895 577</b>	<b>875 967</b>
<b>Total number of contributions</b>	<b>137</b>	<b>109</b>	<b>121</b>
Of which: Agreements >SEK 15 million	4	5	3
Number of new contributions	74	39	61

Table 13. Report required 1: Support through NGOs, disbursements

Approved grants	Approved grants to NGOs, SEK '000			No. of foreign partners			No. of Swedish NGOs included in the frame organisation's activities		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Swedish NGO Centre for Development Cooperation (Forum Syd)	132 094	128 151	122 000	298	347	214	238	193	173
Swedish Mission Council	105 114	120 411	115 000	163	140	201	122	155	35
Swedish Save the Children Federation	108 430	105 000	105 000	290	215	250	0	0	0
PMU Interlife	110 000	98 786	96 500	63	63	66	84	89	94
Church of Sweden	68 313	71 542	70 886	78	64	13	0	0	0
Diakonia	66 000	66 000	65 000	274	270	278	0	0	0
Swedish Cooperative Centre	65 000	62 500	60 000	73	91	83	0	0	0
LO/TCO Council of International Trade Union Cooperation	66 228	62 000	62 000	335	225	238	171	160	32
Olof Palme International Center	37 000	35 000	32 500	8	13	70	67	73	67
Africa Groups of Sweden	28 500	26 500	25 500	55	53	58	0	0	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	29 000	26 310	26 200	100	95	72	25	25	23
Training for Development Assistance (UBV)	15 000	14 294	13 357	62	65	71	41	35	24
<b>Total</b>	<b>830 679</b>	<b>816 494</b>	<b>793 943</b>	<b>1 799</b>	<b>1 641</b>	<b>1 614</b>	<b>748</b>	<b>730</b>	<b>448</b>
<b>Non-requisitioned funds</b>	<b>-27 285</b>	<b>-10 907</b>	<b>-3 300</b>						
<b>Repayment of previous years' grants</b>	<b>-28 531</b>	<b>-21 553</b>	<b>-23 784</b>						
<b>Other programmes</b>									
Information programmes	97 009	89 582	87 792						
Support to International organisations, seminars, studies etc.	20 236	10 674	10 791						
Support to youth organisations	8 300	7 983	8 100						
Other programmes, audits etc.	1 251	3 312	2 911						
<b>Total</b>	<b>901 659</b>	<b>895 585</b>	<b>876 453</b>						

Table 14. Report required 1: Organisation development, percentage allocation to organisation development

Proportion of the grants approved for the frame organisations that was allocated to organisation development	2003	2002	2001
Organisation development, principal objective	27 %	22 %	21 %
Organisation development, significant objective	24 %	28 %	23 %

Table 15. Report required 1: Sector breakdown NGOs, expenditure in SEK '000

Breakdown by sector	2003	2002	2001
Human rights and democratic governance	282 117	170 864	161 227
Social sectors	298 866	208 651	223 122
Infrastructure, private sector development and urban development	48 889	32 927	31 110
Natural resources	108 130	96 111	69 524
Information programmes in Sweden	97 142	89 837	87 723
Other sectors	66 362	297 186	303 260
<b>Total</b>	<b>901 506</b>	<b>895 577</b>	<b>875 967</b>

# Other operational areas

Other operational areas include information activities, multilateral and bilateral recruitment, and human resource development. The objective of information activities is to increase interest in and knowledge of development cooperation and to promote discussions on development issues. The objective of recruitment and human resource development is to work actively to increase the numbers of qualified Swedish personnel in the international organisations given priority, and to extend, train and increase the use of the Swedish resource base in programmes of bilateral and multilateral development cooperation.

## INFORMATION

### General, performance analysis and evaluations

In order to improve the general public's understanding of and interest in development cooperation, Sida implemented a number of programmes during the year. Information activities focused on poverty reduction and were based on the Millennium Development Goals. The overall message was that "it is possible to halve poverty by 2015". The message is linked each year to different themes from the Millennium Development Goals and the Millennium Declaration. During the spring the theme was health. With the annual conference on World Poverty Day, October 17, the theme was changed to the role of economic growth for development and poverty reduction.

The media's coverage of World Poverty Day focused on the press breakfast on the theme of economic growth in relation to the Millennium Development Goals, the conference and the guests who had been invited. Sida also chose to present the results of Sifo's opinion survey on the attitude of Swedes to the Millennium Development Goals on World Poverty Day. The results reached approximately 1.2 potential media consumers through TT's reports and a number of targeted articles distributed to regional newspapers and the specialist press. All in all the press activities reached 4.6 million readers and listeners.

Information to the general public was directed towards persons with a somewhat above average interest in development questions. The message "Economic growth makes the world richer" was spread via TV, a supplement and advertisements in the daily newspapers, and on Sida's website and in printed material.

Follow-up measurements indicate that the programme reached a wide audience. Of the respond-

ents, 67 per cent stated that they had noticed the information (47 per cent in 2002), which corresponds to more than 5.7 million Swedes. With the aid of the information Sida also wanted to convey the feeling that it is possible to create a better world with less poverty. The measurements showed that 28 per cent of the people who had noticed the information felt that the information conveyed this feeling.

The long-term work of improving understanding of development questions in schools continued with further education days for teachers and study visits for principals and teachers.

The programme for young people between the ages of 15 and 25 years, Zenith, worked during the year on increasing understanding of development issues and on engaging young people in the work of fulfilling the Millennium Development Goals. During the year more than 11 000 young people visited Zenith's interactive game, and slightly less than 8 000 participated in Zenith's courses, events and debates. It is possible for young people to write on international issues and to read more about development in the world on Zenith's section of Sida's website. During the year it had approximately 375 000 hits of which 21 400 were unique visitors.

Sida's website, [www.sida.se](http://www.sida.se), is an increasingly important channel for information to the general public and to partners in cooperation. During the year almost 11 million hits were registered, of which 408 000 were unique visitors. Partner Point, that part of Sida's website that is directed towards parties working in development cooperation, was opened in May 2003. It registered more than 173 000 hits of which 22 500 were unique visitors. Sida's publications database is also on Sida's website. It contains more than 1 600 publications which are available globally.

[Picture removed]

#### **Methods, policy changes and human resource development programmes**

During the year Sida worked on achieving the intentions expressed in for the various levels of the Communication Policy. In close cooperation with the Methods Development Unit, Information Department has developed methods for Sida's future work on communication in development cooperation. In 2003 this work resulted in new guidelines – Guidelines for planned communications – for the work with strategic communication in Sida's contributions. They have been included in the overall directive for Sida's work, Sida at Work. In order to consolidate and intensify cooperation between headquarters and the embassies, Sida's information and communication staff have formed a network. During the year work on communications planning was strengthened, particularly for Central America, Africa and the countries in the Balkans. Within the framework of this work communications have also been planned for a number of pilot projects in close cooperation with Sida's partners in cooperation.

The ongoing human resource development programme for persons working with information and communications in the development cooperation sector was finalised in 2003 and 20 students have completed an advanced course (20 points, equivalent to one term's full-time studies) at Stockholm University. During the year the Global Academy continued to take up topical themes in lectures and discussions with various stakeholders in the sector

#### **Reports required**

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

Sida's annual surveys on Swedish attitudes to development questions show that there still is considerable interest in the matter. Some 83 per cent of the population feel that it is important that Sweden contributes to development in poor countries (80 per cent in 2002). During the year three Swedes in four expressed an individual interest, for example by providing a donation or through voluntary work.

The readiness to provide support, measured as the attitude to the size of the development cooperation appropriation, has declined somewhat: 56 per cent feel that the appropriation is about the right size or should be increased (62 per cent in 2002). In this respect there is a clear relationship with the increasingly pessimistic views on the economy in Sweden. Compared to 2002 a shift can be noted from "about the right size" towards "should be reduced". Sixteen per cent want to increase the appropriation, which is the highest figure since 1988. Six per cent want to abolish development cooperation entirely.

**The information campaign "Economic growth makes the world richer" was spread via TV, advertisements and supplements in the daily press and on Sida's website.**

Sida's Information Centre is a meeting place for people interested in development. During the year it had almost 12 000 visitors and received more than 19 000 inquiries from the general public via e-mail, telephone calls, letters and faxes.

During the year Sida's magazine, *Om Världen*, strengthened its editorial work by, among other things, contracting a number of specialist journalists. Together with the new layout that the magazine was given during the year, this has led to an improvement in quality which, in turn, has had the effect that the magazine has been quoted more often in other mass media. During the year there was a small increase in the number of subscribers. The production of theme issues was also a success. Orders for theme issues are mainly placed by schools and universities. Several of the theme issues are no longer in stock but are currently being reprinted.

The Swedes' exaggeratedly dark picture of living conditions in poor countries has now become even more pessimistic. Only one Swede in five is aware of the improvements in living standards that have been made in poor countries during recent decades. Far more than 50 per cent of people in Sweden believe that literacy rates in poor countries are below 30 per cent. The point of departure of the question put to respondents is that now things are actually better. Child mortality has been halved, and literacy rates and the average life length have increased. The UN's statistics show for example that literacy is over 70 per cent. The same applies to access to health services and safe water.

According to the Swedes, Africa should receive most assistance: three Swedes in four will direct assistance to Africa. Where Asia, Latin America and Eastern Europe are concerned, the corresponding figure is three in ten. Where opinions on what the Swedish support should focus on, Swedes feel as before that education and health are the most important sectors: 85 per cent and 79 per cent are in favour of these alternatives. Thereafter comes support in cases of disasters, wars and conflicts (53 per cent), and support for democratic development (50 per cent) and infrastructure (50 per cent). One difference compared to previous years is the increase in support for infrastructure and for trade and financial activities.

A large majority, 92 per cent, continue to think that it is important, or very important, that Sweden is actively engaged in the achievement of the international goals for poverty reduction, the Millennium Development Goals.

Even if there is a great interest, optimism is still small, only 16 per cent (14 per cent in 2002) believe that it is possible to halve poverty by 2015. Among young people, 15–29 years, 23 per cent believe that it is possible to achieve the goals. Four Swedes in ten state that they have heard of the goals.

One new aspect of the measurements in 2003 was the inclusion of questions that should give a picture of the Swedish people's understanding of the importance of having a coordinated development policy, i.e. that support to different policy areas such as trade and agriculture interacts to achieve a reduction in poverty. More than 80 per cent agree that the rich countries can influence development in poor countries in other ways than through development cooperation.

The fields that Swedes feel are most important are fair trading conditions and the work for peace and security. Thereafter comes debt relief and development cooperation. The lowest priority is given to a reduction of agricultural subsidies in the rich countries and environmental initiatives.

*2. Sida shall submit a report on information programmes, broken down by target group and channel.*  
Shown in table 16.

## MULTILATERAL AND BILATERAL RECRUITMENT AND HUMAN RESOURCE DEVELOPMENT

### General

In order to increase the numbers of Swedes working in international organisations at the intermediate level, the World Bank and the International Finance Corporation (IFC) visited Sweden to recruit staff in 2003. At present 28 candidates are being considered by these organisations.

In total 69 attempts were made to recruit staff at this level. Of these 28 referred to former Junior Professional Officers (JPO). At the end of the year the outcome of all these efforts can be summarised as follows:

The agencies that were the subject of most of the efforts were the World Bank and IFC (31), UNHCR (6) and UNICEF (6).

Sida contributed eight recruitments to the World Bank and the UN. Of these persons, five were employed by the organisations in 2003.

The demand for the major resource base programmes, JPO and BBE (bilateral associate expert) remains considerable.

In the JPO programme 28 persons were recruited during the year. The recruitment process for the JPO programme has now been given a new strategy which better reflects Sida's sector interests, UN agencies, choice of regions and the overall poverty goal of development cooperation.

**Table 16. Report required 2:**  
**Information programmes, broken down by target group and channel, disbursements, SEK '000**

<b>Target groups</b>	
General public	36 059
Schools and young people	16 157
Development organisations	6 005
Journalists	1 913
Trade and industry	1 017
Others	281
Universities	187
<b>Total</b>	<b>61 619</b>
<b>Channels</b>	
Contact activities	25 345
Newspaper supplements and adverts (incl. production)	11 454
Periodical (OmVärlden)	4 576
Printed materials	3 516
Sida's website (excl. OmVärlden and Globala Affärer)	5 675
Information Centre	5 027
Seminars	1 383
Mass media	1 407
Events	2 031
Public opinion surveys	1 170
NGOs	35
<b>Total</b>	<b>61 619</b>

**Table 17. Report required 3: Number of multilateral recruitments in the recruitments and resource base development programme**

International recruitments	2003	2002	2001
Intermediate level	22	17	10
JPO programme	28	55	11
EU-JPOs	0	6	0
National experts	2	3	6
<b>Total</b>	<b>52</b>	<b>81</b>	<b>27</b>

**Table 18. Report required 3: Trends in the JPO programme, broken down by organisation**

	2003	2002	2001
WHO	0	1	2
WFP	6	6	8
UNOPS	0	2	2
UNICEF	16	14	11
UNHCR	8	11	9
UNESCO	4	2	3
UNDP	27	20	21
UNDCP	1	4	6
UNAIDS	4	4	3
ILO	7	9	9
UN Secretariat	4	8	7
FAO	5	2	7
EU	6	6	5
Other organisations	33	32	34
<b>Total</b>	<b>121</b>	<b>121</b>	<b>127</b>

Two national experts were recruited for Brussels. At present there are nine persons in service, eight in Brussels and one in the field.

National experts work in the following sectors: budget support, evaluation, food security, gender equality issues, the environment, nuclear safety, development policy, formulation of country strategies and enterprise development.

There has been a considerable demand for the scholarship programme, Minor Field Studies (MFS), and the exchange programme, Linnaeus-Palme. The number of MFS scholarships has been maintained at roughly the same level as in previous years, while volumes in the Linnaeus-Palme programme have increased considerably, principally due to the fact that the programme has entered a new phase, with more student exchanges.

The responsibility for MFS preparatory training has been handed over to the International Programme Office. Three universities (Gothenburg, Uppsala and Umeå) hold preparatory courses and are responsible for administration.

Guidelines for MFS have been revised, mainly in order to provide a clear definition of the divisions of roles in the programme.

A review of working processes and methods in the field of recruitment was started during the year. The aim is to streamline the organisation and to make better use of resources.

#### Analysis and discussion of problems

The possibility of achieving results with the different organisations varies a great deal, which makes it difficult to follow up attempts made to recruit staff and recruitment visits. The results of activities must therefore be seen in the long term – attempts to recruit staff made in one year often provide results in the following year. In addition to the work in connection with the recruitment visit of the World Bank and IFC, Sida has followed up more than 80 attempts to recruit staff made in 2002.

Many of the attempts to recruit staff are made with the aid of the organisations' internal registers. It is therefore difficult for Sida to focus its work on the field or headquarters when the organisations themselves make the placements of the Swedish candidates. Sida's work with the UN strategies also constitutes an important instrument for the JPO programme. Sida has the intention of focusing future recruitment visits as far as possible on concrete posts rather than the organisations' internal registers.

#### Reports required

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

Of the seconded JPOs, 25 per cent work at head offices and 75 per cent at field offices. For more information see tables 17 and 18.

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

Shown in tables 19, 20 and 21.

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

Shown in table 22.

**Table 19. Report required 4: Trainee programme**  
"Young consultants", expenditure in SEK '000

Country	2003	2002
Botswana	228	53
Costa Rica	141	0
El Salvador	276	345
Estonia/Latvia	91	0
Russia	901	290
Laos	919	456
Latvia	95	0
Lithuania	117	132
Mozambique	960	0
Mongolia	277	0
South Africa	305	0
Uganda	434	0
Zambia	205	0
<b>Total</b>	<b>4 951</b>	<b>1 276</b>

**Table 20. Report required 4:**  
**Bilateral Associate Experts**, expenditure in SEK '000

	2003	2002
Embassies	14 343	12 846
Contract employees	6 943	4 334
Consultants	9 542	4 893
Other expenditure	0	1
<b>Total</b>	<b>30 828</b>	<b>22 074</b>

## ANALYSIS OF OUTCOME

The outcome for recruitment in 2003 was approximately SEK 180 million, of which 80 per cent refers to the resource base, scholarship and exchange programmes (JPO, BBE, Young Consultants, and MFS and Linnaeus-Palme). These programmes are proceeding according to plan as in previous years.

In 2003 the annual grants to the UN agencies were disbursed once again by the Ministry for Foreign Affairs.

**Table 21. Report required 4: Scholarships broken down by**  
**continent, gender and subject area**

Continent	Linnaeus-Palme exchange programme*		Minor field studies (MFS)		Practical training at international organisations	
	No. of assignments		No. of scholarships		No. of scholarships	
	2003	2002	2003	2002	2003	2002
Africa	76	62	242	252	17	20
Asia	53	51	160	177	11	13
Latin America	42	31	139	118	9	5
Eastern Europe	1	2	3	0	63	74
North America	0	0	0	0	35	31
<b>Total</b>	<b>172</b>	<b>146</b>	<b>544</b>	<b>547</b>	<b>135</b>	<b>143</b>
<b>Number of women:</b>			<b>397</b>	<b>389</b>	<b>98</b>	<b>37</b>
<b>Number of men:</b>			<b>147</b>	<b>158</b>	<b>37</b>	<b>106</b>
<b>Subject area</b>						
Agricultural sciences	1	1	64	69		
Art, design	5	7	6	7		
Accounting, management	8	9	19	30		
Education, teacher training	16	15	23	30		
Engineering sciences, technology	14	10	48	61		
Geography, geology	8	6	25	28		
Humanities	9	7	11	11		
Languages	3	3	0	0		
Law	4	3	21	24		
Mathematics, informatics	3	4	0	2		
Medicine, health care	54	39	32	25		
Natural sciences	11	9	16	8		
Social sciences	32	30	182	173		
Communication and information science	2	3	4	2		
Övrigt	2	0	93	77		
<b>Summa</b>	<b>172</b>	<b>146</b>	<b>544</b>	<b>547</b>		

\*In each project there are a varying number of exchanges. In 2003 there were a total of 220 teacher exchanges (127 men and 93 women) and 185 student exchanges (75 men and 110 women).

**Table 22. Reporting requirement 5:**  
**Other Expenditure**, expenditure in SEK '000

Other expenditure	2003	2002	2001
Natural sciences and technical research	1 943	1 980	2 298
Social science research	4 116	1 281	475
General – environment	10 277	15 563	9 606
Untied budget support	11 434	41 680	27 427
Coordination of humanitarian program.	6 524	8 991	6 524
Other expenditure*	147 217	134 903	140 158
<b>Total</b>	<b>181 511</b>	<b>204 398</b>	<b>186 487</b>

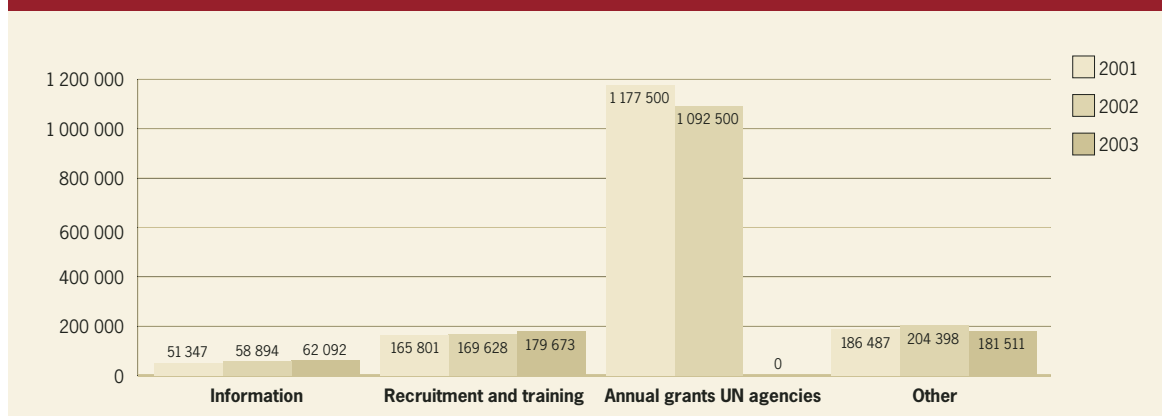
\* studies, seminars, evaluations, consultancy studies and some posts financed by the development cooperation appropriation.

Table 23.

**Other operational areas,** expenditure in SEK '000

Sub-sectors	2003	2002	2001
Information	62 902	58 894	51 347
Recruitment	179 673	169 628	165 801
Annual grants – UN agencies	0	1 092 500	1 177 500
Other	181 511	204 398	186 487
<b>Total</b>	<b>424 085</b>	<b>1 525 420</b>	<b>1 581 136</b>
Administrative expenses	92 638	99 035	119 230
<b>Total expenditure</b>	<b>516 724</b>	<b>1 624 455</b>	<b>1 700 366</b>
<b>Form of support</b>			
Project support	189 969	1 380 204	1 435 979
Sector programme support	38 148	22 858	9 586
Tech. assist. incl. contract-financed. tech. coop.	173 825	109 559	128 713
International training programmes	6 947	2 537	3 014
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	15 196	10 262	3 844
<b>Total</b>	<b>424 085</b>	<b>1 525 420</b>	<b>1 581 136</b>
<b>Channels</b>			
Multilateral organisations	149 575	1 214 042	1 369 938
Swedish organisations	240 496	282 169	154 139
Organisations in partner countries	14 972	14 710	28 787
Organisations in other countries	15 417	11 397	25 870
International NGOs	3 626	3 103	2 402
<b>Total</b>	<b>424 085</b>	<b>1 525 420</b>	<b>1 581 136</b>
<b>Total number of contributions</b>	<b>490</b>	<b>499</b>	<b>438</b>
Of which: Agreements >SEK 15 million	16	26	24
Number of new contributions	183	216	160

Diagram 13. Other operational areas: Financial outcome, expenditure SEK '000



# Overview of cooperation with regions

Cooperation with regions and countries increased in 2003 compared to previous years. This was the case for all regions except Latin America and global cooperation, where expenditure decreased. *Table 24.*

The total outcome for the 20 largest countries increased. This is due among other things to an increase in outcome for some of the largest partner countries, such as Afghanistan and Bangladesh. It is possible to see a fall in outcome, for example in Tanzania and Nicaragua. *Table 25.*

The following section describes cooperation in *policy area 8*. The text sections contain descriptions and analyses of cooperation and important political, economic and social events and trends in the four regions: Africa, Asia, Latin America and Europe.

During the year Asia was affected by conflicts and natural disasters which affected the focus of Sida's activities. In Africa the conflicts have changed but have not materially affected Sida's operations. HIV and Aids and corruption are still serious problems in all regions. Democratisation and peace processes have been successful in Africa, which has opened up opportunities for changes in cooperation. In Europe, EU integration has increased in importance for several countries and thereby also for Sida.

Donor coordination and work on the national poverty strategies (PRS) are still central instruments in programmes of cooperation. A greater focus on sector programme support, support for financial management and budget support are common features in several regions.

Table 24. **Overview of the regions**, expenditure in SEK million, per cent of outcome and number of contributions

International development cooperation	2003			2002			2001			2003	2002	2001
	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	Out- come	Outcome excl. adm. costs	%	No. of contri- butions	No. of contri- butions	No. of contri- butions
Sub-Saharan Africa	4 229	4 020	39	4 089	3 906	40	3 683	3 515	34	1 944	2 007	2 085
Asia incl. North Africa	2 519	2 402	23	2 162	2 064	21	2 523	2 416	24	962	1 013	977
Latin America	1 195	1 132	11	1 291	1 233	13	1 466	1 407	14	575	649	710
Europe	974	934	9	915	884	9	938	908	9	630	567	500
Global*	1 807	1 741	17	1 839	1 748	18	1 954	1 855	20	1 204	1 267	1 309
<b>Total</b>	<b>10 724</b>	<b>10 228</b>	<b>100</b>	<b>10 297</b>	<b>9 835</b>	<b>100</b>	<b>10 565</b>	<b>10 100</b>	<b>100</b>	<b>5 315</b>	<b>5 503</b>	<b>5 581</b>
Annual grants to UN agencies**	–	–	–	1 093	1 093	–	1 338	1 338	–	0	6	5
<b>Total incl. annual grants to UN agencies</b>	<b>10 724</b>	<b>10 228</b>	<b>100</b>	<b>11 390</b>	<b>10 927</b>	<b>100</b>	<b>11 903</b>	<b>11 437</b>	<b>100</b>	<b>5 315</b>	<b>5 509</b>	<b>5 585</b>
Total number of contributions***										5 188	5 397	5 476

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

\*\* Annual grants to UN agencies are no longer made by Sida.

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

Table 25. **The 20 largest partner countries**, expenditure in SEK million and number of contributions

Country	Outcome excl. administration expenses			Number of contributions		
	2003	2002	2001	2003	2002	2001
Tanzania	535	604	482	166	197	245
Mozambique	457	441	434	171	168	218
Afghanistan	337	266	211	50	47	22
Nicaragua	290	376	230	105	123	138
West Bank and Gaza	284	272	224	114	117	121
Bangladesh	283	146	292	66	67	67
Uganda	266	228	303	117	95	108
Bosnia & Herzegovina	265	262	296	147	142	130
Ethiopia	231	202	202	113	150	130
Serbia and Montenegro*	230	274	347	210	213	176
Kenya	206	140	140	102	79	111
South Africa	192	213	267	268	270	263
Bolivia	190	163	207	87	86	84
Laos	183	149	122	46	55	61
Vietnam	170	239	354	207	227	178
Zambia	162	188	176	113	118	108
Cambodia	151	141	175	48	69	70
India	149	76	116	87	119	118
Angola	113	137	138	68	61	63
Malawi	112	74	23	13	9	14
<b>Total</b>	<b>4 806</b>	<b>4 590</b>	<b>4 739</b>	<b>2 298</b>	<b>2 412</b>	<b>2 425</b>
* of which Kosovo	112	144	177	76	86	78

[Picture removed]

**Sida's cooperation with Africa focuses on reducing poverty through partnership and African ownership of the programmes.**

# Africa

## OVERALL REPORT

According to the UNDP's Human Development Report 2003, progress is being made towards achieving the Millennium Development Goals. The cause of concern is that the speed at which progress is being made and the efforts being made are tending to decline and progress is uneven, among continents and countries, and between the eight goals.

The UN has proposed that 31 countries should be given highest priority in the work of achieving the Millennium Development Goals. No fewer than 25 of these countries are in sub-Saharan Africa. One common factor for all these countries is that the people are very poor, even according to the broader definition of poverty. Another common factor is that devel-

opment is making very slow progress, in some cases it is even in reverse. This applies in particular to war-torn countries such as Democratic Republic Congo and Burundi.

The work on country strategies for Zambia, South Africa, Namibia, Kenya, West Africa including Mali and Burkina Faso, and the Lake Victoria region was finalised during the year. During the year Sida started working on strategies for the Great Lakes region, including Rwanda, Burundi and Democratic Republic Congo.

Sida focuses its cooperation with Africa on reducing poverty. Its points of departure are partnership and African ownership of the programmes.

Where economic, social and political development

in Africa is concerned, there are encouraging signs. Several of the countries with which Sweden cooperates in Africa, for example Mozambique, Uganda and Tanzania, show positive rates of economic growth of 5–7 per cent.

On the other hand, in Zimbabwe the economy is in a state of free fall. The regime's contempt for the democratic system has the effect that the people in Zimbabwe live in an increasingly lawless state and are sinking increasingly deeply into poverty. In recent years development cooperation has been reduced and has been reoriented towards civil society. This continued in 2003. In Kenya instead, as a result of the change in government, it is now possible to develop country to country cooperation, and new contributions of this type have been produced.

Regional political and economic cooperation between countries also shows many signs of progress. The Southern African Development Community (SADC) has made a reorganisation and the New Partnership for Africa's Development (NEPAD) has made a great deal of progress in its definitions of regional investments. The African Union (AU) has consolidated its work on issues relating to conflict prevention and peacekeeping.

The financial systems and the public administration are still weak in most of the partner countries. Sida has worked for a long time to strengthen financial management in many countries. In Tanzania for example, the tax authorities have been given support to increase state income and thereby improve the possibility of introducing a redistribution policy.

In several of the West African countries social development is positive. One example is the fall in rates of infant mortality. However, the figures are nonetheless still extremely high and regional conflicts threaten the small amount of progress that has been made. During the year Sida consolidated its cooperation with Mali and Burkina Faso, mainly in the social sectors.

A peace agreement has been signed by the interim government in Kinshasa and the rebel movements in the Democratic Republic Congo. After pressure had been exerted, Uganda troops withdrew from the country. However, the disturbances continued in the north-eastern part of the country, on the borders with Uganda and Rwanda. Sida therefore focused its support on this area in particular during the year.

The conflicts in the Ivory Coast, Liberia and Sierra Leone have affected the entire region. Sida contributed humanitarian assistance in Liberia. Sida's other programmes in West Africa have not been seriously affected. A coup in Guinea Bissau has made contacts with the country difficult, but work is continuing on the one remaining cooperation project in the country.

The border conflict between Eritrea and Ethiopia

has not been solved and can flare up again. Bilateral development cooperation with Eritrea has been ended.

The HIV/Aids situation is still very serious, particularly in southern Africa where the proportion of people infected with HIV now amounts to 45 per cent in Botswana and 26 per cent in South Africa. Sida's regional HIV/Aids group in Lusaka has intensified its cooperation with regional organisations working with HIV and Aids from different perspectives. The knowledge possessed by embassies about the pandemic has increased through the information services provided by the regional group. Thus better prospects have been created for cooperation relating to HIV/Aids at different levels.

In 2003 pharmaceutical issues were important in the work on HIV/Aids. Anti-retroviral medicines are now cheaper and more people are being given treatment in more countries. Sida is supporting the work of producing a vaccine through research programmes. The largest HIV/Aids contributions still refer to preventive measures, treatment and care.

Further steps towards better donor coordination have been taken in Zambia in the successful Harmonisation in Practice (HIP) initiative. Together with the Nordic countries and three other donors, Zambia has entered into an agreement and approved a work plan to improve coordination. Sida has played an active role in this work.

## ANALYSIS OF OUTCOME

The total outcome for Africa increased by approximately three per cent. Tanzania and Mozambique continue to be the largest recipients of Swedish support in Africa. The decline in the outcome for Tanzania between 2002 and 2003 can be explained by the fact that several major contributions came to an end in 2002, and some of the continuations and replacements that were assessed in 2003 have not yet generated disbursements. Cooperation with Uganda was extended in 2003 as a consequence of more initiatives for human rights and democracy and initiatives in the health sector. Development cooperation with Kenya increased considerably with the effect that South Africa left the "top five" countries. The increase in Kenya is a consequence of the positive political developments that have made extended cooperation possible with the Kenyan government. The reduction in grant aid to South Africa is an effect of the ongoing reorganisation of support into broader forms of cooperation.

Humanitarian assistance is the form of support that increased most proportionally. This is mainly a consequence of the conflicts in the Democratic Republic Congo and the Manu river region. Project support still predominates despite increasing efforts to

use programme support. However, the high demands made by this form of support involve time-consuming preparations. A number of programme support contributions are currently being assessed for the countries in which new strategies have already entered into force or will do so in the near future.

Most of the support is channelled through the partner countries' own organisations and authorities. Support via multilateral agencies and through other countries' organisations has increased somewhat as a result of the increase in donor coordination.

The number of contributions continues to fall and the contributions are increasing in size. However, due to the large number of country strategy processes during the year, the much sought after change towards fewer but larger contributions has been small. *Table 26.*

#### SIDA'S ANALYSIS AND DISCUSSION OF PROBLEMS

Developments in the partner countries in Africa are both positive and alarming.

The economic and political progress made has not yet led to a specific reduction in poverty. On the other hand, some cornerstones have been laid in fields such as democracy and human rights, economic growth and social services. The major issue and challenge concerns what will be built on these cornerstones and whether they will prove to be stable enough to bear the strains that will occur in the creation of democratic welfare states.

The ways in which positive economic growth in some countries has an effect on poverty is still unclear. In this respect, hopes are based on the countries' Poverty Reduction Strategies, on the hopefully genuine determination of the democratically elected political leaders, and on the capacity of the public administrations to implement redistributive policies. For example the explicit strategies adopted by South Africa and Namibia to attack poverty, mainly with the resources generated by economic growth, appear inadequate and risky. However, no permanent results can be achieved without growth.

The political developments in the countries clearly show the extent to which countries in the same region are dependent on each other. Armed conflicts such as those in the Ivory Coast, Liberia and the Great Lakes region lead to large flows of refugees and to a considerably intensification of poverty. The requisite long-term conditions for growth, for example natural resources and infrastructure, are being overexploited and destroyed. The degree of human suffering is almost inconceivable. The markets for domestic and regional production are shrinking and becoming less efficient.

The HIV/Aids situation in all parts of Africa, but particularly in southern Africa, has an extremely neg-

Table 26.

### Africa south of Sahara, expenditure in SEK '000

The ten largest countries	2003	2002	2001
Tanzania	535 305	603 951	481 573
Mozambique	457 204	440 804	434 239
Uganda	266 200	228 071	302 920
Ethiopia	231 044	201 501	201 742
Kenya	206 018	139 821	140 025
South Africa	191 881	213 299	267 360
Zambia	161 763	188 428	175 951
Angola	112 670	137 256	137 983
Malawi	111 675	74 329	23 428
Rwanda	106 131	151 395	87 105
<b>Sub-total</b>	<b>2 379 891</b>	<b>2 378 857</b>	<b>2 252 328</b>
Other countries/regions	1 639 782	1 526 769	1 262 717
<b>Total</b>	<b>4 019 673</b>	<b>3 905 625</b>	<b>3 515 045</b>
Administrative expenses	208 893	182 952	168 350
<b>Total expenditure</b>	<b>4 228 566</b>	<b>4 088 578</b>	<b>3 683 395</b>
<b>Operational areas</b>			
Democratic governance and human rights	586 978	639 526	444 557
Social sectors	721 464	684 829	570 219
Infrastructure, private sector development, urban development and financial systems	550 220	467 943	582 836
Natural resources	372 261	373 932	335 201
Economic reforms	415 783	425 360	355 000
Research cooperation	264 138	331 078	278 048
Humanitarian assist. and conflict prevention	740 676	602 195	556 949
Non-Governmental Organisations	282 786	301 772	301 884
Other operational areas	85 367	78 990	90 349
<b>Total</b>	<b>4 019 673</b>	<b>3 905 625</b>	<b>3 515 045</b>
<b>Form of support</b>			
Project support	1 732 182	1 543 256	1 430 954
Sector programme support	387 996	471 740	377 189
Tech. assist. incl. contract-financed. tech. coop.	45 783	75 720	32 465
International training programmes	20 712	22 067	21 186
Credits	22 999	19 787	97 093
Guarantees	54	190	412
Economic reforms	415 783	425 360	355 000
Humanitarian assistance	728 944	590 745	550 101
Research	264 138	331 078	278 048
Support to NGOs	401 082	425 682	372 597
<b>Total</b>	<b>4 019 673</b>	<b>3 905 625</b>	<b>3 515 045</b>
<b>Channels</b>			
Multilateral organisations	503 327	445 206	454 593
Swedish organisations	1 073 620	1 165 289	1 009 625
Organisations in partner countries	1 625 721	1 651 856	1 564 613
Organisations in other countries	517 623	395 599	286 559
International NGOs	299 381	247 677	199 654
<b>Total</b>	<b>4 019 673</b>	<b>3 905 625</b>	<b>3 515 045</b>
<b>Total number of contributions</b>	<b>1944</b>	<b>2007</b>	<b>2085</b>
Of which: Agreements >SEK 15 million	227	223	201
Number of new contributions	554	594	607

ative effect on all functions of society. At the same time as the consequences are increasingly obvious, the governments in many countries appear to be at a loss when faced with the drama that is taking place. In this connection, the Swedish initiatives for increasing awareness of possible measures that can be taken and of the effects of the pandemic are meaningful. This work must be integrated in all cooperation and in all phases, from the dialogue to the implementation of projects.

Developments during the year show that development cooperation with Africa works with significant matters. Broad national ownership of policies in the partner countries is essential. The challenge to partnership between donors and recipients is in strengthening cooperation and making it efficient, and reducing transaction costs. Sida has participated in hopeful attempts to extend cooperation between countries and groups of donors. This work must be further consolidated and developed. Likewise, the work on the

national poverty reduction strategies must be improved and continue to form the basis of the contracts in the partnership.

Many important issues, not least the issue of peace and conflict resolution, cannot be dealt with effectively without efficient regional institutions and highly developed regional cooperation. One conclusion is that efforts must increase to support the programmes of cooperation that have good prospects of picking up more speed and intensifying. Support to the African Union's peace and conflict unit has been initiated as well as co-Nordic support to the AU's development programme, NEPAD. Sida is preparing intensified cooperation with regional organisations such as the Economic Community of West African States (ECOWAS) and extended cooperation with the East African Community. Efforts to strengthen the regional institutions must continue in fields such as conflict resolution, economic cooperation and trade, as well as shared infrastructure and natural resources.

[Picture removed]

There was a further deterioration in the political situation in Burma during the year. Sweden is supporting the UN's HIV/Aids programme in Burma.

# Asia

## OVERALL REPORT

Growth in Asia, with the exception of Japan, is estimated to have exceeded five per cent in 2003. However, the differences between different areas were great. In Southeast Asia, where China is the foremost motor for growth, rates of growth were between six and eight per cent, while in South Asia they were approximately four per cent. The importance of trade in Asia increased. The countries in the Association of South East Asian Nations supply raw materials to China where they are further processed, mainly for the American market.

Sida's cooperation with the countries in the region

was governed in general terms by the Swedish Government's overall Asian strategy of 1999 (follow-up in 2002), and at country level by Sida's country strategies for each country. During 2003 there were strategies for Laos, Afghanistan, Bangladesh, Sri Lanka, Cambodia, Vietnam, China, Mongolia, Thailand, Indonesia, the Philippines and East Timor. A main task for Sida in 2003 was to produce new strategies for Laos, Vietnam and India.

The deep and long-term cooperation with the Indo-Chinese countries dominated Sida's work in Southeast Asia. In general the contributions progressed according to plan even if the preparations

for several projects in Vietnam were delayed, which had the effect that the rate of disbursements of development cooperation funds decreased.

The parliamentary elections in Cambodia were praised by international observers but, due to the constitution, it took several months before a new government consisting of the three large parties, could be sworn in. Continued disputes over the ways in which forest concessions should be handled had the effect that the balance of payments support that the World Bank is co-financing was delayed.

Cooperation with the Philippines, Indonesia and Thailand focused on the environment and on reforms that will lead to better governance. The support to East Timor was mainly channelled through multilateral organisations. Balance of payments support was disbursed to the new state for the first time in 2003.

The political situation in Burma deteriorated on account of the arrest in May of the leader of the opposition, Aung San Suu Kyi. Stricter international sanctions did not affect events to any great extent. Sida started to support the UN's HIV/Aids programme during the year.

The SARS epidemic, which struck Asia in the spring of 2003, had the effect that cooperation with China was delayed and that the preparation of new contributions came to a standstill. Cooperation with Mongolia, which is dominated by contract-financed technical cooperation, proceeded according to plan. During the year a concessionary credit was granted for the first time.

The security situation in Afghanistan remained unstable. In the north the fighting between different warlords continued and in the southern and eastern parts of the country the reorganised 'Taliban forces' attacks against representatives of the government and international aid organisations were intensified. The so-called Bonn process, which is working to establish a democratic Afghanistan, continued but was delayed. A new constitution was adopted at the end of the year which paves the way for presidential elections in 2004. Sida's support was implemented according to plan. It included primary education, road rehabilitation and support for a fund that the donors have established to finance the government's current expenditure.

India's new development cooperation policy, which involves a restrictive position towards small bilateral donors, was presented in March. In principle cooperation between states has been stopped and donors have been encouraged to channel their support via NGOs or to coordinate their cooperation with other donors. Several donors started to withdraw from India while others discussed alternative forms of cooperation.

The peace process in Sri Lanka came to a standstill when the Liberation Tigers of Tamil Elam (LTTE)

withdrew from negotiations during the spring, despite the international community's promises of considerable support if there is peace. The cease-fire was not broken but the Nordic observers worked under very difficult conditions and were subjected to severe verbal attacks from the Sinhalese side. The government crisis had the effect that the peace process was made more difficult. This led to the withdrawal of the Nordic mediators and, at the end of the year, the future was completely unpredictable.

Degradation of the environment and the impending Aids epidemic are constant threats to development in Asia. During the year Sida strengthened its involvement in combating HIV and Aids by stationing a regional adviser in India, investigating possible regional contributions and participating as a co-financier in the Burma programme as mentioned above. Since the latter part of the 1990s, cooperation with countries in Asia has increasingly focused on improving the environment, both in the worst affected countries (China, Indonesia, Thailand and the Philippines) and regionally.

Cooperation with the Asian Development Bank in the bilateral programmes was intensified in several countries and Sida concluded an agreement on support to a regional fund for the environment and poverty, and discussions on the introduction of a HIV/Aids fund were started.

Repercussions of September 11, 2001 continued to cast their shadow over the Middle East and North Africa. The occupation of Iraq by the USA alliance, followed by political instability and escalating violence, dominated the course of events. At the same time the conflict between Israel and Palestine was intensified. Israel started to build a wall in an attempt to prevent suicide bombers from entering Israel. This had the result that many Palestinian villages have been cut off from their fields and water resources. A number of diplomatic efforts were made in order to break the deadlock, among other things the USA, EU, UN and Russia reached agreement on a so-called road map for peace which will make it possible to establish a Palestinian state in 2005. During the period the economic and social crisis on the West Bank and in Gaza grew worse. The assistance provided by the international community almost doubled between 2002 and 2003 (from slightly more than one billion to two billion US dollars).

Sweden has provided a great deal of humanitarian assistance to Iraq since the beginning of the 1990s and this support was increased further during the year. In December Sida presented a simplified country strategy for cooperation between 2004 and 2006. Cooperation is to focus on humanitarian contributions but there is also the possibility of implementing some development projects in the fields of democracy and human rights and infrastructure.

Other support to the Middle East and North Africa is based on the country strategy for the West Bank and Gaza and the Position Paper for Sida's development cooperation with the region, which was adopted in 2002. In accordance with this document, Sida drew up regional projects and programmes in the fields of democracy, human rights, culture and media during the year. To enable these programmes to make headway, a regional post was established in Cairo. A large part of Sida's cooperation with the countries in the region consists of contract-financed technical cooperation. These programmes are also governed by the goals laid down in the Position Paper for development cooperation.

#### ANALYSIS OF OUTCOME

The outcome for Sida's largest recipient countries in the region increased in comparison with 2002 – with the exception of Vietnam where delays in the preparation and implementation of contributions led to a reduction in expenditure and Sri Lanka where the cancellation of the peace negotiations had a negative effect on the peace process and planned contributions were postponed. In Afghanistan the increase is mainly due to new contributions for primary education. Due to the continuing crisis on the West Bank and in Gaza, humanitarian assistance continued to be extensive. In Bangladesh, two concessionary credits explain the considerable increase in 2003 compared to 2002. The increase in India is due to a large disbursement to the World Bank for an urban water and sanitation programme. The humanitarian contributions in Iraq increased considerably in connection with the war. The large increase in Mongolia is due to the fact that the Government has approved a tied concessionary credit to the country for the rehabilitation of the central transmission network.

The increase in the operational area Democratic governance and human rights is mainly due to an increase in contributions for the decentralisation process in Cambodia. The fall in credits was reversed, largely a consequence of new credits for Bangladesh, which has led to a certain increase in this form of support. The continued increase in humanitarian assistance in the region is due above all to the considerable increase of humanitarian contributions in Iraq.

#### ANALYSIS AND DISCUSSION OF PROBLEMS

In Vietnam, Laos and Cambodia work on poverty strategies has taken place during the year and has resulted in a National Poverty Eradication Programme (NPEP) in Laos, a Comprehensive Poverty Reduction and Growth programme (CRGs) in Vietnam, and further discussions on a National Poverty

Table 27.

**Asia** including North Africa, expenditure in SEK '000

The ten largest countries	2003	2002	2001
Afghanistan	337 292	265 708	211 190
West Bank and Gaza	284 028	272 349	223 853
Bangladesh	282 983	145 547	292 350
Laos	183 048	149 455	122 144
Vietnam	169 971	238 517	354 435
Cambodia	151 122	141 161	174 633
India	148 848	75 548	111 368
Sri Lanka	108 826	140 640	187 688
Iraq	97 882	41 018	36 580
Mongolia	85 603	22 277	25 865
<b>Sub-total</b>	<b>1 849 604</b>	<b>1 492 219</b>	<b>1 740 106</b>
Other countries/regions	552 070	572 029	675 629
<b>Total</b>	<b>2 401 674</b>	<b>2 064 248</b>	<b>2 415 735</b>
Administrative expenses	117 826	97 976	107 726
<b>Total expenditure</b>	<b>2 519 500</b>	<b>2 162 224</b>	<b>2 523 461</b>
<b>Operational areas</b>			
Democratic governance and human rights	370 155	269 486	284 029
Social sectors	356 109	282 428	323 595
Infrastructure, private sector development, urban development and financial systems	595 696	461 805	811 948
Natural resources	120 320	176 599	229 611
Economic reforms	26 000	20 000	24 000
Research cooperation	84 414	85 728	91 165
Humanitarian assist. and conflict prevention	631 809	523 983	435 141
Non-Governmental Organisations	194 002	202 723	192 524
Other operational areas	23 169	41 496	23 721
<b>Total</b>	<b>2 401 674</b>	<b>2 064 248</b>	<b>2 415 735</b>
<b>Form of support</b>			
Project support	902 952	819 472	887 493
Sector programme support	109 365	98 447	84 317
Tech. assist. incl. contract-financed. tech. coop.	91 895	92 283	92 509
International training programmes	27 609	22 715	15 252
Credits	296 177	165 789	584 419
Guarantees	–	–	–
Economic reforms	26 000	20 000	24 000
Humanitarian assistance	613 540	507 571	395 860
Research	84 414	85 728	91 165
Support to NGOs	249 722	252 243	240 720
<b>Total</b>	<b>2 401 674</b>	<b>2 064 248</b>	<b>2 415 735</b>
<b>Channels</b>			
Multilateral organisations	730 231	627 519	496 246
Swedish organisations	976 018	902 041	1 220 744
Organisations in partner countries	475 012	349 896	480 285
Organisations in other countries	96 040	68 178	99 733
International NGOs	124 372	116 614	118 726
<b>Total</b>	<b>2 401 674</b>	<b>2 064 248</b>	<b>2 415 735</b>
<b>Total number of contributions</b>	<b>962</b>	<b>1013</b>	<b>977</b>
Of which: Agreements >SEK 15 million	146	145	131
Number of new contributions	302	306	262

Reduction Strategy (NPRS) in Cambodia. The reforms continue, but are making slow progress, particularly in the political arena. In Thailand, the Philippines and Indonesia, as well as in the Middle East and North Africa (the MENA region), contract-financed technical cooperation has been made difficult. This is partly due to new EU-related procurement rules, but also to the recipients' difficulties in financing local expenses. In order to build up the project portfolio, a regional programme officer was appointed at the beginning of the year and stationed in Djakarta. In China, the recipients' difficulties in identifying and approving proposals for new contributions – contract financed technical cooperation and concessionary credits – contributed to cooperation not being as large as planned.

The fighting in Afghanistan had the result that international support did not have the effect that had previously been foreseen. Most of the support ended

up in Kabul and the provinces closest to Kabul.

The new Indian development cooperation policy had the effect that Sida's new country strategy, which was almost complete, had to be drawn up once again. During the year, cooperation focused on identifying new partners in civil society. The fighting in northern and eastern Sri Lanka delayed Swedish support for reconstruction.

The crisis on the West Bank and in Gaza had the effect that Sida used a large proportion of its support for humanitarian projects and several long-term development contributions had to be postponed or modified. For example, support for the creation of short-term incomes for unemployed Palestinians increased at the expense of institution development. A strategic review of the composition of Swedish support to the West Bank and Gaza was made at the beginning of the year.

[Picture removed]

**In Bolivia Sida has a long-term programme of cooperation to facilitate the implementation of the country's poverty strategy.**

## Latin America

### OVERALL REPORT

Development cooperation with Latin America is governed by two regional strategies: one for Central America and one for South America. Countries given special priority are Guatemala, Honduras, Nicaragua, Bolivia and Colombia, but programmes of support to regional organisations and regional initiatives are also important components in Swedish cooperation.

In Bolivia, Sida's work has the long-term perspective of facilitating the implementation of the country's poverty strategy. During the year military forces attacked several large demonstrations. In October the situation became untenable and the president and government were forced to resign after 70 people had died in the disturbances. The new president appoint-

ed a caretaker government and promised to take measures to tackle the roots of the conflicts. Where development cooperation is concerned, the situation has meant that a number of projects and programmes linked to sector reforms have been delayed. Sida has changed its cooperation in the light of the new situation and now focuses on conflict management, civil society and work at decentralised levels.

The focus of Sida's work is to contribute to a peaceful solution of the conflict in Colombia with the aid of conflict management, human rights and international humanitarian law, according to the new country strategy of 2003. Peace negotiations between the government and the revolutionary Colombian guerrillas (FARC) have not been resumed since they

broke down in 2002. Sida is nonetheless implementing the Swedish programme in order to contribute to a future peace process. One example of this is the support given to the women's movement in Colombia for their work on an agenda for peace. The Swedish Federation of Civil Servants has been the Swedish counterpart.

Work in the fields of human rights and IHR has resulted in a programme of support to UNHCR. The High Commissioner's 27 recommendations for improving human rights and humanitarian law in Colombia has been disseminated among both human rights organisations and donors and is being increasingly used as a point of departure in the dialogue with the country. During the year preparations were also started for a new form of pioneering collaboration between Sida and UNDP on a peace fund for strategic contributions in the fields of dialogue, alternatives to coca cultivation and regional efforts to bring about peace.

In Nicaragua the government has succeeded in concluding an agreement with the International Monetary Fund (IMF) that gives the country good prospects of having its debts remitted in the near future. Within the framework of the agreement with the IMF, a number of structural reforms have been implemented and the state finances are now well on the way to improvement. In the light of this, Sweden decided to provide further budget support amounting to SEK 60 million in 2003. Donor coordination has improved, with Swedish participation. Sweden is coordinating donors in the health sector and is a driving force in the dialogue on donor-coordinated budget support. A slightly delayed road construction project was finalised during the year. Sweden undertook to finance this road after the hurricane Mitch.

Despite an extremely unstable political situation, the presidential election was held in Guatemala in the autumn of 2003 in relatively good order and with an unexpected high voter turnout. Sida's support for the election process in the country amounted to SEK 27 million. This was provided in the form of projects targeted at the country's election council, international and national election observers, and the training of voters. It can be assumed that the international support contributed to enabling the election to be held in a satisfactory manner.

In Honduras, the resumption of the country programme continued, after the years of contributions resulting from the hurricane Mitch. Extensive sector support to primary education has just been started. The country poverty strategy is the focal point of cooperation but no agreement has yet been reached on debt relief since no arrangements have been made with the IMF. This had the effect that Sida did not disburse the budget support for 2003 that had been agreed with Sweden. It is hoped that this situation will be remedied in the beginning of 2004.

## ANALYSIS OF OUTCOME

The outcome for Latin America amounted to slightly more than SEK 1.1 billion. The fall in support to Nicaragua can be explained by the fact that the reconstruction of a road that was destroyed by Mitch has been completed. The increase in support to Bolivia is due to a disbursement of budget support from 2002.

Democratic governance and human rights continues to be the dominant operational area. Support to social sectors has increased, mainly as a result of the support to the education sector in Honduras. The ambition to increase the proportion of sector programme support is now beginning to be reflected in the outcome. The total number of contributions has decreased and the number of contributions larger than SEK 15 million has increased somewhat. *Table 28.*

## ANALYSIS AND DISCUSSION OF PROBLEMS

Latin America has undergone a period of economic stagnation and only a modest recovery has been seen in the most severely affected countries. As was the case in earlier strong fluctuations in the economy, it is the poor who have suffered most. This has resulted in expressions of social discontent and political stability and, among the Swedish partner countries, Bolivia was the clearest example of this in 2003. Conflict management has thus become an increasingly important aspect of the assessments made in development cooperation.

Three of Sweden's most important partner countries on the continent (Honduras, Bolivia and Nicaragua), which are also among the poorest, have drawn up national poverty strategies within the framework of the international debt relief initiative, HIPC. The poverty strategies are important platforms for development cooperation and it is important for Sida and other donors that they are monitored in an expert way. Sweden gave an expert group the assignment of checking the implementation of the poverty strategies in these three countries. The strategies have led to poverty being given attention, and a broader dialogue on issues relating to poverty has been started, both in civil society in the countries concerned and with donors. Another positive effect is that donor coordination has improved. On the other hand, the recipient countries' political ownership of the strategies is sometimes poor, the capacity to implement them is often weak, and the strategies are considered to lack a focus and have far too vague links to the budget to have a desirable impact. The report will form the basis of the further dialogue with the countries on these issues.

Table 28.

**Latin America**, expenditure in SEK '000

<b>The ten largest countries</b>	2003	2002	2001
Nicaragua	290 110	375 673	230 135
Bolivia	190 261	162 944	206 578
Honduras	108 914	106 931	306 990
Guatemala	94 960	109 018	126 706
Colombia	69 689	66 471	64 055
El Salvador	44 379	51 431	85 401
Peru	28 029	38 297	27 629
Cuba	20 471	17 914	8 484
Brazil	16 719	19 186	20 860
Costa Rica	11 346	10 540	3 270
<b>Sub-total</b>	<b>874 878</b>	<b>958 405</b>	<b>1 080 108</b>
Other countries/regions	257 054	274 468	326 604
<b>Total</b>	<b>1 131 932</b>	<b>1 232 873</b>	<b>1 406 711</b>
Administrative expenses	62 739	58 313	59 664
<b>Total expenditure</b>	<b>1 194 672</b>	<b>1 291 187</b>	<b>1 466 375</b>
<b>Operational areas</b>			
Democratic governance and human rights	293 208	331 117	345 368
Social sectors	183 484	136 644	165 327
Infrastructure, private sector development, urban development and financial systems	83 309	125 922	152 961
Natural resources	68 949	73 616	52 370
Economic reforms	95 000	60 000	120 000
Research cooperation	63 732	66 685	74 205
Humanitarian assist. and conflict prevention	122 524	216 886	289 431
Non-Governmental Organisations	191 793	202 648	178 024
Other operational areas	29 934	19 355	29 025
<b>Total</b>	<b>1 131 932</b>	<b>1 232 873</b>	<b>1 406 711</b>
<b>Form of support</b>			
Project support	444 370	504 663	567 394
Sector programme support	76 778	20 224	26 017
Tech. assist. incl. contract-financed. tech. coop.	85 187	75 159	45 338
International training programmes	1 729	2 615	2 495
Credits	12 900	13 646	43 532
Guarantees	–	–	–
Economic reforms	95 000	60 000	120 000
Humanitarian assistance	100 590	193 361	261 680
Research	63 732	66 983	74 205
Support to NGOs	251 645	296 222	266 050
<b>Total</b>	<b>1 131 932</b>	<b>1 232 873</b>	<b>1 406 711</b>
<b>Channels</b>			
Multilateral organisations	199 764	247 844	449 446
Swedish organisations	435 437	584 452	571 862
Organisations in partner countries	390 753	294 071	273 969
Organisations in other countries	36 199	56 940	59 577
International NGOs	69 779	49 565	51 858
<b>Total</b>	<b>1 131 932</b>	<b>1 232 873</b>	<b>1 406 711</b>
<b>Total number of contributions</b>	<b>575</b>	<b>649</b>	<b>710</b>
<i>Of which: Agreements &gt;SEK 15 million</i>	78	71	71
<i>Number of new contributions</i>	145	206	199

[Picture removed]

**A clothing company in Sarajevo. To promote small businesses in Bosnia, Sida has provided support for private sector development. Among other things, a meeting was arranged with representatives of trade and industry to discuss the export sector.**

## Europe

### OVERALL REPORT

Sida's cooperation in the Western Balkans, which includes Albania, Bosnia & Herzegovina, Croatia Macedonia, Serbia and Montenegro and Kosovo, has been characterised by further support to institution development, economic reforms in the private sector, development of finance markets, infrastructure, the environment, agriculture, social contributions, the return of refugees, human rights and democracy. For the countries in the Western Balkans, the stability and association processes in respect of future EU membership are of central importance when they make priorities amongst their needs. During the year guidelines were produced for Sida's cooperation in the legal and

environmental fields in the Western Balkans. The aim of these guidelines is to increase and govern the Swedish involvement of contributing to these countries developing into states governed by the rule of law.

In order to facilitate Swedish participation in the EU financed twinning programmes between government agencies, Sida appointed a National Contact Point. Sida arranges regular information meetings on twinning in which ministries, government agencies and the EU Commission participate. One of the year's meetings took up the Balkans since the method is new to the region.

Sida has continued to support the work being done

by the countries to produce and implement national poverty strategies. In Bosnia and Herzegovina, for example, the private sector has been invited to participate in the work with the country's poverty strategy through discussions and seminars, with the aid of Sida financing. At the beginning of the year, for example, a meeting was arranged with around one hundred representatives of the private sector to discuss roles and needs in the export sector in order to contribute to reducing poverty.

The new strategies for Bosnia and Herzegovina, Kosovo and Macedonia entered into force during the year. In Macedonia the strategy has led to a closer dialogue with the government on the focus of the Swedish bilateral support. A great focus has also been placed on issues concerning minorities. Sida therefore analysed the needs in 2003 in order to produce special guidelines for support for the further integration of Rome minorities in Macedonia. In Kosovo, efforts have been made to improve gender equality and environmental aspects in the Sida-financed programmes.

As a component in the work of developing Sida's programmes in Albania, and in accordance with Sida's Perspectives on Poverty, a poverty analysis has been made in the northern region, Kukes. The analysis established that Kukes is the poorest region in Albania and that there are few job opportunities apart from the farming work that is done on the very small plots of land owned by the people. Approximately half of the population in the region live on social welfare and many migrate to the capital in order to find jobs.

In 2003 Sida submitted a proposal for a new strategy to the Government for cooperation with Albania, Croatia and Serbia and Montenegro for the period 2004 to 2006.

Development cooperation with Moldova is still characterised by the fact that it is the poorest country in Europe. Economic recovery is being blocked by the country's enormous debt burden and by the unsolved conflict with the secessionist republic of Transnistria. One consequence of the widespread poverty is that a very large proportion of the population have emigrated from Moldova. Cooperation mainly focuses on support for economic development, the prevention of social exclusion and making the public administration efficient. During the year Sida submitted a proposal for a country strategy for Moldova for the period 2004 to 2006.

In 2003 the Government approved a new strategy for cooperation with Central Asia and the southern Caucasus for the period 2003 to 2005. These are the first strategies for these regions.

According to the strategy, cooperation with Central Asia will mainly focus on Tajikistan. Since humanitarian assistance to Tajikistan has come to an end and development cooperation with a long-term

perspective is now possible, Sida plans to establish an office in Dushanbe. This is a step on the way to gradually building up a programme of cooperation that focuses on contributions that benefit poor people in rural areas. Contributions of this type include the development of agriculture, development of veterinary activities, checks of seed stocks etc. Sida is also preparing contributions in support of a land reform. Discussions have been held on a conflict prevention contribution through UNDP in both Tajikistan and Kyrgyzstan.

Cooperation with other countries, principally Kyrgyzstan, continued at approximately the same levels as before. A contribution is taking place in cooperation with the World Bank to establish a complete property register. Support for a conflict prevention project has been started in cooperation with UNDP. Sida has also taken over the financing of a contribution from EU's development cooperation in respect of seeds in which a revision of priorities in the EU led to the premature phasing out of support. An extensive procurement of expertise in the gender equality field was made in order to continue contributions that enhance equality. Doctors without borders received further support for their projects to combat tuberculosis in the region around the Aral Sea in Uzbekistan and Turkmenistan.

In the southern Caucasus Sida's cooperation focuses mainly on Georgia, to a small extent on Armenia, and to an even smaller extent on Azerbaijan. Regional contributions that include all three countries will be given priority.

According to the new strategy, more contributions will be made in southern Caucasus. A large number of new contributions were started during the year. In Georgia they include support for the ombudsman institution and training programmes in human rights, contributions for the promotion of democracy through the Tbilisi School of Political Studies, Kvinna till Kvinna (Woman to Woman), teachers for internally displaced persons, a women's centre in the Samtskhe-Javakheti region (a region of potential conflict), and the labour market sector. In Armenia, Sida started to support a project to combat drugs and, in Azerbaijan, Sida is supporting training in human rights. A new regional project refers to environmental support for the Kura-Aras river system. In order to better coordinate the larger volume of development cooperation in southern Caucasus, Sida has opened a coordination office in Tbilisi in Georgia.

#### ANALYSIS OF OUTCOME

The outcome for Europe increased compared to 2002. In Serbia and Montenegro, the support decreased further during the year due to the phasing out of the integrated area programmes in Kosovo.

There were also difficulties in implementing projects in the electricity sector in Kosovo, which also contributed to the lower outcome. In Macedonia, it was not possible to develop the environment and natural resources programmes at the desired speed and this also contributed to a temporary fall in outcome.

It has been possible to increase programmes for democratic governance and human rights at a faster rate than planned since it has now been possible to start contributions that have been planned for several years. This is also the case in the social sectors where a new programme concerning HIV and Aids in the Balkans has been started. However, infrastructure, private sector development, urban development and financial systems have not reached the planned level of disbursements and are affected by the turbulence that arose in the infrastructure sector in Kosovo during the year.

Project support is still the predominant form of support in Europe and has increased considerably, partly on account of the fact that the integrated area programmes are now included under this heading, as opposed to previous years when they were reported under grants to NGOs. The humanitarian situation improved radically in Europe during the year and made possible a considerable reduction in humanitarian assistance.

The increase in the outcome for southern Caucasus is a consequence of Sweden's strategy for development cooperation with the region for 2003–2005. According to this strategy, development cooperation is to increase and consequently expenditure increased. Priority has been given to Georgia and to regional contributions that include all three countries in the southern Caucasus. *Table 29.*

#### ANALYSIS AND DISCUSSION OF PROBLEMS

The focus of Swedish support has been to contribute to improving the possibilities available to the Balkan countries to continue the process towards EU integration. It has been important to work both locally and centrally in the Balkans in order to obtain broad support for the reforms that must be made to enable the countries to apply for EU membership in the future. In many cases Sida has worked with central reforms (for example improvements to legislation and regulations) that have then been introduced on a trial basis at local level in the various countries. This has been important in order to increase communications and understanding between urban and rural areas and between central and local levels.

EU negotiations have made varying degrees of progress in the countries and this has had an effect on the methods used by Sida and the sectors Sida has focused on. In January, Albania officially started its negotiations with the EU on a future stabilisation and

association agreement. The country is still among the very poorest in Europe and has adopted a national poverty strategy. The EU perspective for Albania is clear but levels of development are low and differences in the country are great. It is important to strengthen the country's central administration, regions and civil structures to enable Albania to build up sustainable democracy. Sida worked with this during the year, for example by providing support for decentralisation processes, for developing markets and building up civil structures.

Croatia has made most progress in EU negotiations among the countries in the Balkans. The country already has a stabilisation and association agreement and during the year it also applied for candidate country status. Croatia's strength lies in its political and economic stability and high levels of education. The problems mostly concern the integration of minorities into society and key ministries without a specific reform programme. Sida has therefore focused its support on returning minorities and on institutional support at central level in sectors where the needs are considerable.

The situation in Serbia and Montenegro is characterised by political instability and a lack of dialogue between the two republics. In combination with the uncertainty about Kosovo's future status, this can have a negative effect on negotiations for a stability and association agreement and future EU membership. However, the determination to reform is in place and the levels of knowledge are high and much of the Swedish support has focused on institution development and economic reforms. Civil society has also received a great deal of support to enhance democratisation in the country.

Macedonia has a stability and association agreement but the pace of reform in the country is slow. In Bosnia the international community has encountered a lack of determination to implement reforms and continued difficulties in developing national authorities. The stability and association process is making slow progress and the EU has not yet decided on a date when the country can start negotiations on a stability and association agreement. Sida has increased its contributions at local level to work with issues that can strengthen the nation and reduce thinking in terms of separate entities.

Trade-related issues in the region show that the countries are highly dependent on each other. It is hoped to increase stability in the region through liberalisation and trade agreements between neighbouring countries. During the year Sida started to give more support for the development of trade agreements and for quality issues. Sida focuses a great deal of its support on economic reforms and on restructuring production in the countries.

The foundation of success for the EU's political

process, the stability and association pacts, is that the Balkan states are stable democracies. Sweden's support for civil society, independent media and combating trafficking continued to be given priority during the year, as did support for the rights of refugees to return to their home districts. Stable social institutions are necessary for the stability and association pacts. Sweden also provides support for the national statistical offices in the countries. The reforms being implemented by land survey authorities are being given support in Croatia, Serbia and Montenegro and Kosovo. In Serbia SWEDAC is providing support in the form of training for the country's accreditation authority and in Macedonia the Swedish University of Agricultural Sciences is implementing human resource development programmes in agricultural economics at the country's agricultural university.

In 2003 Sida analysed the results of its cooperation with Moldova. In general the support was considered relevant and effective. For example, the entire country has benefited from the project to restructure the country's debt burden. The same applies to the development of property registers. Contributions to improve the social care of children, the elderly and disabled have improved the situation of those directly affected but, on the other hand, the lack of interest shown by the central authorities has had the result that the improvements in social care have not been spread to other places.

The instability in Afghanistan affects the security situation in Central Asia. It is difficult to assess the scope of terrorist threats and criminality but their existence is used to limit freedom of expression in the entire region and has made democratic development difficult. The complicated border situation in the region affects people's mobility and is a latent source of local conflicts. Conditions for cooperation with Uzbekistan and Turkmenistan did not improve during the year.

In Tajikistan, the country that is given highest priority in the regional strategy, the programmes of cooperation that started to develop during the year focused on change for the poorest people in the short and medium term. Support was approved for rural development, veterinary services, children in institutions, and vocational training for the unemployed. Channels for the support are organisations that are already active in the country and which have therefore established contacts and expertise. At the same time preparations have been made for two major, long-term programmes in the important agricultural sector, particularly in respect of land reform and seeds. The public administration in Tajikistan is very weak at all levels and cannot run this work. All projects include human resource and institution development.

Sida has focused on taking advantage of the possi-

Table 29.

## Europe, expenditure in SEK '000

The ten largest countries	2003	2002	2001
Bosnia & Herzegovina	264 556	262 234	296 271
Serbia and Montenegro *	229 817	273 858	346 920
Croatia	56 398	52 885	59 243
Albania	43 318	38 258	38 959
Macedonia	40 688	57 348	59 976
Moldova	36 435	43 615	21 791
Georgia	18 497	13 000	11 892
Tajikistan	14 397	19 150	10 050
Armenia	12 938	9 494	8 067
Turkey	12 094	8 376	5 616
<b>Sub-total</b>	<b>729 136</b>	<b>778 217</b>	<b>858 785</b>
Other countries/regions	204 702	105 734	49 002
<b>Total</b>	<b>933 838</b>	<b>883 951</b>	<b>907 787</b>
Administrative expenses	40 231	31 461	30 446
<b>Total expenditure</b>	<b>974 069</b>	<b>915 411</b>	<b>938 233</b>
* of which Kosovo	111 832	144 313	178 619
<b>Operational areas</b>			
Democratic governance and human rights	336 035	288 026	288 278
Social sectors	85 955	56 768	52 227
Infrastructure, private sector development, urban development and financial systems	272 507	312 187	338 776
Natural resources	109 974	65 264	42 868
Economic reforms	2 049	–	–
Research cooperation	–	–	–
Humanitarian assist. and conflict prevention	73 052	124 783	162 103
Non-Governmental Organisations	29 516	17 626	7 468
Other operational areas	24 750	19 297	16 068
<b>Total</b>	<b>933 838</b>	<b>883 951</b>	<b>907 787</b>
<b>Form of support</b>			
Project support	619 662	250 966	250 799
Sector programme support	193	180	–
Tech. assist. incl. contract-financed. tech. coop.	99 659	105 117	82 956
International training programmes	14 580	8 051	5 421
Credits	13 973	8 851	28 066
Guarantees	–	–	–
Economic reforms	2 049	–	–
Humanitarian assistance	72 052	124 783	162 103
Research	–	–	–
Support to NGOs	111 670	386 002	378 443
<b>Total</b>	<b>933 838</b>	<b>883 951</b>	<b>907 787</b>
<b>Channels</b>			
Multilateral organisations	134 100	111 422	170 860
Swedish organisations	500 589	498 736	472 727
Organisations in partner countries	26 418	28 550	36 407
Organisations in other countries	89 483	61 831	61 649
International NGOs	183 248	183 411	166 145
<b>Total</b>	<b>933 838</b>	<b>883 951</b>	<b>907 787</b>
<b>Total number of contributions</b>	<b>630</b>	<b>568</b>	<b>500</b>
Of which: Agreements >SEK 15 million	59	40	38
Number of new contributions	237	239	234

bilities of recruiting Junior Professional Officers to UNDP's office, and new recruitments have been made to Almaty in Kazakhstan and Dushanbe in Tajikistan. More Swedes in the region should lead to more knowledge about the region and should make it easier to recruit experts for the region in future programmes of development cooperation.

In Kyrgyzstan, projects were started in 2003 in the fields of gender equality and media. Sida signed a contract for the financing of seeds and plant breeding. Sida is conducting a continuous dialogue with the UNDP in order to support the democratic process. The conflict prevention work in the Fergana valley, where three Central Asian countries meet, is part of a process of this type in which both villagers and local and central authorities are involved. Attempts to include Uzbekistan in the programme of cooperation failed at all political levels.

All the states in Central Asia have been regularly invited to international training programmes, but

representatives of Turkmenistan have encountered difficulties in obtaining exit visas.

One of the challenges in the complicated development cooperation work in southern Caucasus is to improve the deficient coordination of support. Sida is therefore cooperating with international organisations and other international donors. The office that Sida is about to open in Tbilisi should also be seen as a step towards better coordination of Swedish development cooperation.

The points of departure of development cooperation are the governments' national strategies for development and poverty reduction, the Poverty Reduction Strategy Papers. During the year, the governments of both Armenia and Azerbaijan adopted national strategies and Georgia is working on producing a strategy. The Armenian strategy gives emphasis, among other things, to the social sector, which also receives priority in Swedish development cooperation.

# Policy area Cooperation with Central and Eastern Europe

2003

# Cooperation with Central and Eastern Europe

## ACTIVITIES IN GENERAL

The heading Central and Eastern Europe covers the countries for which development cooperation with Sweden is financed by the appropriation for cooperation with Central and Eastern Europe and which are not classified as developing countries. Seven of the countries lie close to Sweden: Russia, Ukraine and Belarus and the future members of the EU: Estonia, Latvia, Lithuania and Poland. There is also a small amount of development cooperation with Rumania and Bulgaria.

The increased resources of the Russian state has made reforms possible in a number of areas, for example the central public administration, the social sector, local self-government, the environment and energy. The prospects for development cooperation have improved now that the Russian partners in cooperation are working more on their own reforms. However, inefficiency and corruption in the public administration and an inability to deal with poverty and social exclusion still often exists.

The Ukrainian economy is also growing. The macro-economic indicators for 2003 are positive and the country's economy grew for the fifth year in succession. The upswing in the Ukrainian economy is a result of the reforms made earlier and of the upswing in Russia. There is a need for new reforms in a number of areas, but progress is very uneven. Power struggles and attempts to establish positions prior to the election in 2004 have had the effect that reforms in the economic field have come to a standstill. However, certain progress is being made in the social sector. One positive example is the powerful measures taken by the Ukrainian authorities against trafficking in humans.

Belarus is a country with fundamental structural problems. Economic reforms are spoken about but very little has happened. Almost all large companies have remained in state ownership. A number of small and medium-size companies are privately owned but

the proportion of private companies is not increasing. The political leadership appears to have a great need to exercise controls, which is difficult to combine with a decentralised market economy and democratic conditions such as balance of power, openness and local self-government. A number of NGOs and independent newspapers have been closed. This can partly be associated with the impending parliamentary elections in the autumn of 2004.

However, it is important to emphasise the possibilities that nevertheless exist in development cooperation with Belarus. For example, a number of highly committed NGOs are active in many different sectors; there is still a functioning independent press, and a number of authorities are showing willingness to change in some fields. Reforms are being made in some sectors, for example the social sector, and in the establishment of a property register. The authorities are also showing great willingness to combat trafficking in human beings. In these areas it has been possible to implement programmes of development cooperation which contribute to reducing the country's isolation.

The country strategies for the three Baltic States for the period 2002–2004 focused on phasing out bilateral support prior to the imminent EU membership of the countries. The phasing-out process has made considerable progress. In Lithuania and Latvia, funds have been established for supplementary and final contributions in the public administration. The funds are being administered by each Baltic counterpart and thus expertise is being created in the administration of support. Sida has also started a project to establish tripartite cooperation with Moldova, Ukraine, Belarus and the countries in the Balkans in sectors where cooperation has been successful.

Sida is the national focal point (NCP) for EU Phare and Tacis Twinning and for the Technical Assistance Information Exchange Office (TAIEX) vis-à-vis the European Commission. Sweden is participating

actively in the EU Commission's partnership cooperation, EU Phare twinning, which offers support to the public administration in acceding countries. The aim is to transfer knowledge on EU's rules through the participation of the member states' authorities in project implementation. The programme is now also in question for Bulgaria, Rumania and Turkey. Sida's task is to support, in various ways, the preparatory work prior to EU twinning projects. During the year Sida was asked to extend its support.

Sida regards twinning as a suitable instrument for phasing out bilateral development cooperation since it provides the possibility to finance cooperation multilaterally. The Transition Facility mainly focuses on building up institutions and therefore the support is primarily directed towards the public administration in each country.

In 2003 Swedish government agencies presented 25 proposals for cooperation with their counterparts in different candidate countries. In five cases the authority in the candidate country has selected the Swedish government agency as its counterpart.

During the year a second round of Tacis Twinning was implemented in respect of Russia, Ukraine and Kazakhstan. However, no great interest has been shown by Swedish government agencies. During the year Sida decided to finance a labour market contribution in Rumania.

#### ANALYSIS OF OUTCOME

The outcome for Central and Eastern Europe decreased from SEK 662 million to SEK 556 million. The outcome for the Baltic States, Poland and regional projects fell by SEK 74 million. Also the outcome for Russia, Ukraine and Belarus decreased by SEK 26 million in 2003. However, this decrease is temporary. Table 30.

#### EVALUATIONS, CAPACITY STUDIES AND SYSTEM-BASED AUDITS

During the year Sida decided to implement twelve audits. Of these, three system-based audits were finalised. Five evaluations were made in 2003, the same number as in 2002, which is low in comparison with 2001 when ten evaluations were made. The evaluations, capacity studies and system-based audits made during the year are presented under the operational area concerned.

#### REPORTS REQUIRED

*Sida's assignments within the framework of the Baltic Sea Programme 2 (appropriation for the development of trade and industry in the Baltic sea region, expenditure area 24) and Baltic Sea Programme 1 (previously appropriation for Cooperation and development in the Baltic Sea Region, expenditure area 1) shall be reported on in accordance with the directives issued by the Ministry for Foreign Affairs. A special report shall be made in relation to appropriation item 9:1.1.*

Within the framework of the Baltic Sea Programme 2, a number of projects have been financed to stimulate private sector development in the Baltic Sea region from a Swedish perspective. In 2003, 18 new projects were approved in the Demo-East programme, amounting in total to more than SEK 37 million. An international training programme in solid waste management and management projects in the "Nordpraktik" programme were also implemented. In addition to this, contributions with Swedish consultants were implemented under the consultancy funds in the Nordic Investment Bank and the International Finance Corporation.

*Sida shall submit a report in tabular form on commitments per country and operational area for the years*

Table 30. Overview of cooperation with Central and Eastern Europe, expenditure in SEK million, per cent of outcome and number of contributions

Cooperation with Central and Eastern Europe	2003		2002		2001		2003	2002	2001
	Outcome	%	Outcome	%	Outcome	%	No. of contr.	No. of contr.	No. of contr.
Support for the promotion of security	13	2	27	4	28	4	28	43	64
Deepening the culture of democracy	147	26	154	23	106	16	276	230	198
Economic transition	114	20	121	18	334*	51*	233	272	569*
Social security	110	20	130	20			111	109	
Environment	172	31	230	35	181	28	154	175	202
<b>Total</b>	<b>556</b>	<b>100</b>	<b>662</b>	<b>100</b>	<b>648</b>	<b>100</b>	<b>802</b>	<b>829</b>	<b>1 033</b>
Total number of contributions**							778	812	1 021

\*Previously, Economic Transition and Social Security were one operational area: Socially Sustainable Economic Transition.

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

*2001, 2002 and 2003. The report shall be made by country in respect of Estonia, Latvia, Lithuania, Poland, Russia, Ukraine and Belarus. One report shall be submitted for all other countries. Contributions for*

*Russia for 2003 shall be broken down by federation level. Contributions in the Barents region shall be reported on separately.*

Reported on in Appendix 2.

[Picture removed]

**Eighteen years have passed since the disaster at the nuclear power station in Chernobyl. Sida has financed contributions for controls of nuclear substances and export controls.**

## Common security

The goal of the operational area is to promote common security in the region in both military and civil sectors.

### GENERAL

Sida's support to the Baltic States has almost been entirely phased out where civil components for the promotion of security are concerned. Development cooperation with Sweden is now in the form of normal neighbourly cooperation, in which the countries are on an equal basis. During the year only two regional projects were approved for the rescue services in the Baltic Sea region, of which one was for oil protection.

Border-related issues, for example customs, migration and asylum, are of current interest for the EU candidate countries in connection with the eastward shift of EU's external border. Sida has decided to finance a programme of transboundary migration cooperation with the candidate countries, Russia, Ukraine, Belarus and Moldova.

The authorities in Russia, Ukraine and Belarus responsible for asylum and migration matters were strengthened during the year and were given more

specific responsibilities. This has had the effect that Sida was able to approve a long-term programme of cooperation with the countries in this field.

Where sea rescue services are concerned, Sida implemented the fourth phase of a regional project. In this phase Kaliningrad was also included in order to strengthen cooperation with the entire Baltic Sea region in this field. In the CIS countries Sida provided support for non-proliferation, migration and asylum, and preparedness for accidents.

Where non-proliferation is concerned, Ukraine was the main recipient of new contributions from Sida during the year. These referred to controls of nuclear substances and export controls.

With the phasing-out of support to the Baltic States, the focus has shifted eastwards to Russia, Ukraine and Belarus.

#### **ANALYSIS AND DISCUSSION OF PROBLEMS**

In most fields the phasing-out of support has not encountered any major problems. Instead the countries and authorities concerned see a natural process of transition to cooperation on more natural terms. More frequent applications have been made for EU funds for some major regional programmes in which both candidate countries and adjacent countries are participating. In these cases Sida can act as a co-financier.

The CIS countries' great needs of support for non-proliferation and Sida's limited funds have led to the Swedish Nuclear Power Inspectorate to assume the role of project leader for the control of nuclear substances in cases where other countries only wish to make financial contributions. As a result of discussions with Sida the Swedish Nuclear Power Inspectorate will work with a long-term perspective with programme support.

#### **EVALUATIONS, CAPACITY STUDIES AND SYSTEM-BASED AUDITS**

During the year a system-based audit was made of the Swedish Nuclear Power Inspectorate. The audit showed among other things that the Swedish Nuclear Power Inspectorate should draw up strategies and plans of operation for its future programmes of development cooperation. Improvements to financial follow-up systems were also recommended. Many of the recommendations made by the audit have the aim of structuring activities prior to the Swedish Nuclear Power Inspectorate's transition from project-based to programme-based activities.

#### **EU LINKS**

EU adjustment is a strong driving force in the reform

work being done in the Baltic States. This is reflected in the support for the promotion of security, if to a varying extent. During the year the Swedish Migration Board received groups, for example from Estonia, to go through the asylum process in accordance with the EU directives. It is important that the authorities in this field function properly. Sida has therefore decided to finance three contributions, in Russia, Ukraine and Belarus, to strengthen the capacity of these authorities.

#### **GENDER EQUALITY**

No special gender equality contributions were made during the year where the promotion of common security is concerned. One way for Sida to integrate aspects of gender equality into programmes of cooperation is to encourage the participation of women in the projects, both on the Swedish side and in the partner countries. However, it is difficult to exert an influence on participation in courses since it is the partners in cooperation that nominate participants. During the year a two-day training programme was held for Swedish government agencies in fields such as legal cooperation and promotion of security. Several of the agencies working with the promotion of security participated.

#### **ANALYSIS OF OUTCOME**

In 2003 there was a decline in the outcome for development cooperation with the Baltic States, which is a consequence of the phasing-out process.

The decline in Russia is due to a great extent to the system-based audit that was made during the year of the Swedish Nuclear Power Inspectorate and which was followed by a number of changes to planning processes at the agency. In 2002 a number of investments were made in the non-proliferation field in Russia, while development cooperation in 2003

#### **Example**

During the year Sida financed the fourth phase of a regional sea rescue training programme arranged by the Swedish Maritime Administration. The course included practical training in simulated accidents at sea. Twelve representatives from sea rescue centres in Russia, Estonia, Latvia and Lithuania participated in "Search and Rescue" exercises. They have acquired sufficient skills to be able to perform different duties in varying types of accidents in the Baltic Sea, conforming to international practice. For the first time personnel from the sea rescue centre in Kaliningrad participated in the training.

largely consisted of seminars and the transfer of knowledge. *Table 31.*

The increase in Ukraine is due to the fact that contributions in the nuclear safety field started during the year. In Belarus the outcome increased due to the start of a programme for cooperation in the field of migration and asylum.

#### REPORTS REQUIRED

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

Reported on separately.

Table 31. Cooperation with Central and Eastern Europe  
**Common security,** expenditure in SEK '000

	2003	2002	2001
<b>The six largest partner countries</b>			
Russia*	4 480	10 089	6 441
Ukraine	2 908	1 524	1 700
Latvia	1 173	2 333	5 594
Belarus	567	52	12
Estonia	284	2 255	1 416
Romania	198	175	0
<b>Sub-total</b>	<b>9 610</b>	<b>16 428</b>	<b>15 163</b>
Other countries/regions	3 862	10 076	12 710
<b>Total</b>	<b>13 472</b>	<b>26 504</b>	<b>27 873</b>
* of which Barents region	2 279	5 276	127
<b>Forms of support</b>			
Project support	257	–	–
Sector programme support	–	–	–
Tech. assist. incl. contract-financed. tech. coop.	13 215	26 504	27 873
International training programmes	–	–	–
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	–	–	–
<b>Total</b>	<b>13 472</b>	<b>26 504</b>	<b>27 873</b>
<b>Channels</b>			
Multilateral organisations	–	–	–
Swedish organisations	13 472	23 978	21 875
Organisations in partner countries	–	2 526	5 999
Organisations in other countries	–	–	–
International NGOs	–	–	–
<b>Total</b>	<b>13 472</b>	<b>26 504</b>	<b>27 873</b>
<b>Total number of contributions</b>	<b>28</b>	<b>43</b>	<b>64</b>
Of which: Agreements >SEK 15 million	0	0	0
Number of new contributions	5	21	20

[Picture removed]

Russian soldiers reading a newspaper. In 2003, for the first time, Sida financed a training programme for journalists on the subject of civil society.

## Deepening the culture of democracy

The goals of this operational area are to strengthen democratic structures, and to promote a democratic culture and active civil participation.

### GENERAL

During the year Sida's support for democracy focused on deepening democracy by strengthening democratic institutions and structures and by promoting active civil participation and a democratic culture with respect for human rights. This was done by providing support for the development of communities governed by the rule of law, institutions for local and regional self-government, and strong civil societies.

Support in the field of democracy in Russia contin-

ues in the media where, in 2003, the first training programme for journalists was held at university level.

The aim is to develop the existing education programmes in journalism. In the Volga area 1 500 public servants were training in local self-government. During the year 22 persons from the courts system participated in a preparatory training programme in order to plan Swedish-Russian cooperation in detail.

During the year Sida financed for the first time in Russia a training programme for journalists in the

complex subject of civil society and journalism. The concept of civil society was new to many of the Russian journalists. Discussions on relations between the media and NGOs that use lobbying as a means of exerting an influence were also taken up. This is of considerable topical interest in Russia.

Belarus has considerable shortcomings in democracy but in some sectors there are people who want to work for reform. They work to modernise and develop the country, sometimes under difficult conditions. In Belarus, support for democracy has focused on strengthening the independent Belarusian journalists' association. In 2003, the association drew up alternative legislation for the media based on European standards and democratic norms. The further education of Belarusian journalists in Sweden and Belarus continued. Seminars for the training of local politicians were held in all regions in Belarus. In a difficult situation for media and journalists the journalists' association functions as an advocate of freedom of speech and provides support in legal matters.

The Sida-financed project in support of local self-government in the Ukrainian town of Irpen has shed light on the difficulties that normally arise in decentralisation processes. The project has support in Ukrainian legislation but issues relating to the delegation of the right to collect taxes remain to be solved. Support for democracy at the local level also needs to be strengthened.

The situation and working conditions of independent media in Ukraine have gradually deteriorated, and further support is thus essential. Sida's programme for this purpose was broadened in 2003 and now includes bilateral university cooperation and support via the Media Viability Fund, which provides credits on favourable terms for the development of independent media companies. Furthermore, Sida has initiated a programme of cooperation to assist in the development of a Ukrainian journalists' association.

Current anti-trafficking programmes in Ukraine are being implemented in cooperation with the International Organization for Migration (IOM). These programmes include support for the victims of trafficking and to the Ukrainian authorities in their work of making trafficking a criminal offence. Important parts of the programme have been training programmes for the police and the public prosecution authorities.

In the Baltic States the long and extensive programmes of cooperation in the legal sector are now being phased out. Sida made final contributions during the year to improve the courts administration and to provide training for judges.

In the Baltic States Sida made special contributions during the year in the fields of gender equality and trafficking in human beings. Trafficking is also a

problem in Russia where Sida financed a five-month information campaign on trafficking in Murmansk in the autumn of 2003. A contribution via UNDP for the Romes in Romania was approved during the year.

#### **ANALYSIS AND DISCUSSION OF PROBLEMS**

During the year cooperation in the legal field largely shifted eastwards from the Baltic States to Russia and Ukraine. In Russia the public prosecutors have been regarded as those who are least interested in reforms. However, during the year a newly aroused interest in cooperation with Sweden has been seen among both judges and prosecutors.

There is also an increase in the demand for Swedish experience in the field of local self-government. Activities referring to municipal cooperation and associations of local authorities increased during the year. At the same time it should be understood that this is a complicated field. In Belarus the scope for reform is not very great under the existing regime. The project in Ukraine encountered certain problems during the year due to difficulties in gaining acceptance and support for the programme at the local level. It is making mostly good progress in Russia where Parliament has approved new legislation for local self-government. Representatives of the Russian association of local authorities, and members of Parliament and government officials, visited Sweden in September 2003 in order to plan increased cooperation with the Swedish Association of Local Authorities.

Trafficking is being given greater attention in northwest Russia, but it is still a sensitive subject that does not yet have a natural position on the political agenda. The lack of political support makes things difficult for the Sida-financed information campaign on trafficking, which is being run in Murmansk.

#### **ANALYSIS OF OUTCOME**

In total, expenditure in the operational area has decreased. An increase in contributions for democracy in Russia and Ukraine had the result that there was an increase in the outcome for these countries compared to 2002. The decline in outcome for Belarus is temporary. The decline in the outcome for the Baltic States is a natural consequence of the phasing-out process. *Table 34.*

#### **EVALUATIONS, CAPACITY STUDIES AND SYSTEM-BASED AUDITS**

In connection with the phasing-out of cooperation with the Baltic States, Sida has made several evaluations, principally in the legal sector. Two evaluations refer to the cooperation programmes with the Baltic

States of the Swedish Prison and Probation Administration and the Swedish National Police Board. The aim of the evaluations was to assess the degree of efficiency of the methods used, the relevance of the measures taken, and the results that have been achieved hitherto. They showed, among other things, that the Estonian police have become more efficient and that respect for human rights has increased in the correctional treatment of offenders.

In 2003 Sida made a system-based audit of the work of the Swedish Courts Administration in the Baltic States in order to learn from the work prior to future programmes of cooperation with other countries, principally in the former Soviet Union. The audit showed that the Swedish Courts Administration should formulate measurable goals for its activities and make specific reports on gender equality aspects in order to comply with stipulated requirements.

During the year Sida also presented its experience on legal cooperation with the Baltic States in a report.

#### EU LINKS

The ongoing bilateral contributions in the Baltic States supplement EU support and reinforce the process of adjustment to the EU, principally the administrative and legal capacity.

In the municipal and regional twinning programmes, tripartite cooperation is encouraged with the countries that are applying for membership

#### Example

Russian demand for Swedish experience in the field of local self-government is considerable and the Sida-financed project in the Vologda region in Russia shows several positive results. During 2003 the region started working on establishing three associations of local authorities, inspired by the Swedish model. During the year 1 500 public servants were trained in local democracy and a pilot project on local self-government is being implemented. The project in Vologda has had a direct effect on the legislation and is taking place at the same time as there are Russian reform ambitions in this field, which is probably a contributory explanation of the good results.

of the EU, mainly the Baltic States, and Russia. In the Archangelsk region a project was started in 2003 to strengthen local democracy and rural development. One important goal in this cooperation is to extend the contacts of the region with the EU. In Karelia a Sida-financed project for local democracy has been coordinated with a programme of support from the EU in the same sector.

#### GENDER EQUALITY

In 2003 Sida held a gender equality course particularly for the Swedish government agencies working in

Table 32. **Support via NGOs**, disbursements in SEK '000

Approved grants	Approved grants to NGOs SEK '000	Number of foreign partners	Number of Swedish organisations included in the frame organisation's activities
Swedish NGO Centre for Development Cooperation (Forum Syd)	13 750	41	41
LQ/TCO Council of International Trade Union Cooperation	10 500	43	35
Olof Palme International Center	17 500	4	41
PMU Interlife	1 050	8	8
Swedish Save the Children Federation	2 150	6	0
Church of Sweden	432	0	0
Swedish Organisation of Handicapped International Aid Foundation (SHIA)	2 700	18	17
Swedish Mission Council	2 154	12	10
Swedish Cooperative Centre	6 400	10	0
Swedish Society for the Conservation of Nature	4 000	40	0
<b>Total</b>	<b>60 636</b>		
<b>Non-requisitioned funds</b>	<b>0</b>		
<b>Repayments of previous years' grants</b>	<b>-5 656</b>		
<b>Other contributions</b>			
Information contributions	4 196		
Youth organisations	500		
Other support, audits etc	425		
<b>Total</b>	<b>60 101</b>		

Table 33. **Non-governmental organisations,**  
expenditure in SEK '000

Broken down by sector	2003
Human rights and democratic governance	51 141
Social sectors	9 689
Infrastructure, private sector development and urban development	2 192
Natural resources	13 750
Other sectors	3 478
<b>Total</b>	<b>80 249</b>

the legal sector. The course was intended to give inspiration for the further integration of gender equality in programmes of legal cooperation.

In Ukraine Sida's support has had the result that gender equality advisers have been established at all ministries in the new government ordinance. The gender equality issue has been given particular emphasis in all parts of the development of democracy at the local level in Karelia. In this respect it can also be mentioned that, in 2003, Sida procured the services of four consultants who have a special focus on the role of men, women in politics and violence in the home.

#### REPORTS REQUIRED

1. Where NGOs are concerned, Sida shall submit a report on the breakdown of grants by frame organisations, sectors and countries and the number of foreign partners in cooperation per frame organisation. Where applicable, the number of Swedish organisations included in the frame organisations' activities shall be reported. Reported in tables 32 and 33.

2. Where NGOs with information activities in Sweden are concerned, Sida shall submit a report on the number of information grants disbursed per organisation.

The total amount disbursed was SEK 4 196 000. This amount was divided among 19 organisations, of which grants were made to, among others: World Wildlife Fund SEK 950 000, Swedish UN Association SEK 500 000; Forum Syd SEK 412 000; Olof Palme International Centre SEK 400 000; Ecpat Sweden SEK 388 000. The total amount also includes cooperation grants (which are grants divided among several organisations).

Table 34. Cooperation with Central and Eastern Europe

### Deepening the culture of Democracy,

expenditure in SEK '000

The seven largest partner countries	2003	2002	2001
Russia*	35 393	24 047	30 730
Ukraine	23 129	20 526	11 840
Lithuania	11 055	14 481	6 471
Latvia	7 553	10 002	4 004
Estonia	4 882	6 317	5 319
Belarus	4 167	15 243	6 696
Poland	3 363	1 417	-230
<b>Sub-total</b>	<b>89 542</b>	<b>92 033</b>	<b>64 830</b>
Other countries/regions	57 452	61 927	40 773
<b>Total</b>	<b>146 994</b>	<b>153 960</b>	<b>105 603</b>
* of which Barents region	7 311	4 970	4 195
<b>Forms of support</b>			
Project support	25 480	36 039	4 726
Sector programme support	1 687	1 655	-
Tech. assist. incl. contract-financed. tech. coop.	63 579	89 198	84 715
International training programmes	1 630	2 975	1 193
Credits	-	-	-
Guarantees	-	328	-1 614
Economic reforms	-	-	-
Humanitarian assistance	-	-	-
Research	-	-	-
Support to NGOs	54 619	23 765	16 584
<b>Total</b>	<b>146 994</b>	<b>153 960</b>	<b>105 603</b>
<b>Channels</b>			
Multilateral organisations	8 225	4 650	6 365
Swedish organisations	128 697	142 118	87 290
Organisations in partner countries	3 977	7 192	4 903
Organisations in other countries	2 433	-	45
International NGOs	3 662	-	7 000
<b>Total</b>	<b>146 994</b>	<b>153 960</b>	<b>105 603</b>
<b>Total number of contributions</b>	<b>276</b>	<b>230</b>	<b>198</b>
Of which: Agreements >SEK 15 million	3	4	5
Number of new contributions	117	85	89

# Economic transition

The goal of this operational area is to strengthen the reform process and to create efficient market economies.

## GENERAL

Apart from the goal stated above, support for economic transition also has the aim of harmonising the recipient countries' legislation and exercise of public authority with European and international rules and norms.

Support for the private sector is still extensive. A final phase was started in respect of the development of Business Schools in Russia. During the year the Kaliningrad Business Institute, one of the schools participating in the programme, held its 24th "Develop Your Business" programme for which the participants paid the full cost of the programme. This means that this school is now self-supporting. Land survey cooperation, which is of great importance for private ownership rights and the property market, started its final three-year period. In 2003, Sida started a programme of support for the Russian public administration reform by providing advisory services to the Ministry for Economic Reforms.

Sida has started new projects to support the development of the private sector in Ukraine. The projects include management training in Ukrainian companies in the programme New Managers for Ukraine, and support for the development of Ukrainian chambers of commerce. Sida has also prepared a contribution to support Ukraine in the ongoing process of adjustment to the World Trade Organisation.

In the Start-East programme, Swedish companies are showing a growing interest in Russia and Ukraine. The number of approved projects in these countries increased in 2003.

Support for Belarus focused on strengthening independent business associations in all regions in the country in 2003. The programme is being implemented together with the International Finance Corporation's office in Minsk. The aim is partly to increase the role of the business associations as advocates of free enterprise and partly to promote the development of private companies. Sida is also providing support for land survey.

The support to the process of economic transition in the Baltic States is in its final phase. During the year funds were established in Latvia and Lithuania for final contributions in the field of public administration.

## ANALYSIS AND DISCUSSION OF PROBLEMS

In 2003 Sida had the opportunity to participate in the extensive and rapid reform of the public administration in Russia. The willingness to become involved in international development cooperation is increasing in both Russia and Ukraine.

The rapid development of agricultural legislation in Russia is partly a result of Sida's support to the extensive Russian land survey project. The Russian Parliament has approved legislation for sales of agricultural land, which is expected to play a significant role in the modernisation of agriculture in Russia.

In the programme of support for the process of economic transition in Ukraine, there are contributions that focus on reforms of the public administration. The projects that have been implemented show that the need of political continuity and stable partners in cooperation are of crucial importance for the success of the projects. One lesson learned is that concrete contributions in clearly defined areas have good prospects of achieving stipulated goals, which is shown in the Public Procurement project.

As before, the Start-East project contributed to promote the presence of Swedish companies in the partner countries, particularly Russia.

## ANALYSIS OF OUTCOME

The outcome for the operational area declined somewhat in respect of Russia, but increased for Ukraine and Belarus. The changes are within normal annual variations. *Table 35.*

[Picture removed]

**The goal of Sida's support for economic transition is to contribute to strengthening the economic reform process and creating efficient market economies.**

#### **EVALUATIONS, CAPACITY STUDIES AND SYSTEM-BASED AUDITS**

During the year Sida made two evaluations of development cooperation with Poland, one on cooperation in the field of tax administration and one on cooperation for the reform of the Polish pension system. The evaluation of cooperation in the tax field showed that the goals of cooperation had been achieved. Two of them were that the Polish tax administration should find tools to avoid double taxation and methods to combat economic crimes. The evaluation also mentions how cost-efficient cooperation has been. In the evaluation of the reform of the pension system, it was found that the Swedish support had been useful both for the reform of the Polish pension system and for the Swedish pension reform. The support has also contributed to the development of a socially and eco-

nomically sustainable and reliable pension system.

In 2003, Sida did not make any evaluations, capacity studies or system-based audits of its programmes of development cooperation with Russia, Ukraine or Belarus. The reason for this is that performance reports were produced in 2002 for both Russia and Ukraine.

#### **EU LINKS**

During the year Sida financed a study made by the East West Institute on Kaliningrad as an experimental area for cooperation between Russia and the EU. The final report was received by Sida and was presented during the year to political representatives of both Russia and the EU. The reception of the report was very positive on the Russian side. The study

Table 35. Cooperation with Central and Eastern Europe

**Economic transition,** expenditure in SEK '000

<b>The seven largest partner countries</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Russia*	56 534	61 103	89 278
Ukraine	18 234	12 824	23 518
Belarus	7 103	3 205	633
Estonia	3 330	1 172	3 927
Lithuania	3 272	5 417	12 148
Latvia	2 554	2 895	4 206
Poland	2 476	4 539	3 604
<b>Sub-total</b>	<b>93 503</b>	<b>91 155</b>	<b>137 314</b>
Other countries/regions	20 260	30 313	16 610
<b>Total</b>	<b>113 763</b>	<b>121 468</b>	<b>153 924</b>
* of which Barents region	5 081	13 090	9 630
<b>Forms of support</b>			
Project support	26 282	9 405	7 175
Sector programme support	–	–	–
Tech. assist. incl. contract-financed. tech. coop.	63 053	89 157	137 115
International training programmes	1 186	2 981	5 566
Credits	7 277	15 080	5 635
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	799	222
Research	–	–	–
Support to NGOs	15 965	4 045	–1 790
<b>Total</b>	<b>113 763</b>	<b>121 468</b>	<b>153 924</b>
<b>Channels</b>			
Multilateral organisations	11 752	4 182	14 175
Swedish organisations	100 250	116 045	133 164
Organisations in partner countries	617	317	1 315
Organisations in other countries	1 143	703	3 144
International NGOs	–	221	2 126
<b>Total</b>	<b>113 763</b>	<b>121 468</b>	<b>153 924</b>
<b>Total number of contributions</b>	<b>233</b>	<b>272</b>	<b>360</b>
Of which: Agreements >SEK 15 million	5	2	3
Number of new contributions	49	58	81

emphasises, among other things, the possibilities offered by Kaliningrad's geographical position, a Russian enclave in the middle of the EU close to the European market. Today 72 per cent of all trade in Kaliningrad is with EU member countries or candidate countries. There is already a good foundation for establishing a development strategy for Kaliningrad as a result of the integration between Russia and the EU within the framework of Common European Economic Space.

**GENDER EQUALITY**

During the year no special gender equality contributions were made in this operational area. Sida is trying to integrate the gender equality perspective into projects by increasing the number of women project leaders and project participants, but it can be very difficult to achieve success in this respect. In the Ukrainian agricultural project in the county of Kher-son, attempts have been made to increase the number of women participants in the courses, but the results have not been very successful.

During the year two gender equality seminars were held for Swedish government agencies that are active in development cooperation with Central and Eastern Europe. The result has been that the agencies have acquired greater knowledge and a deeper involvement in the issue. Sida also procured the services of consultants who are experts in the subject of women in the public administration.

**Example**

In the spring of 2003 twenty students and three teachers from Kaliningrad Business School participated in a study visit to Sweden. This visit resulted in greater knowledge of Swedish conditions in the private sector and a number of business contacts were established.

[Picture removed]

**In the operational area of social security one important part of Sida's support is to prevent the institutionalisation of children.**

## Social security

The goal of this operational area is to create social security by developing sustainable social service and social insurance systems, improving public health, and by reforming the health and medical systems and the social service sector

### GENERAL

Sida's main focus in its programmes of cooperation for social security is to contribute to reforming and building up sustainable, efficient and equitable social service systems at regional and local levels. Vulnerable children have been given special attention. Preventing the institutionalisation of children is an important part of Sida's support in the operational

area of social security in most countries in the region. In the spring of 2003, Sida financed an international conference entitled Children and Residential Care at the Department for Social Work at Stockholm University. In Russia the conference created a platform for giving prominence to the issue at federal level, which resulted in a study visit to Sweden with representatives of the ministries of education and social

affairs as well as those responsible for social issues in the regions. In connection with the celebration of St Petersburg's 300th anniversary, a children's week was arranged with support from the Swedish Institute and Sida.

Sida continues to attach great importance to the development of social services and to training social workers. In Ukraine Sida is supporting the development of social services within the framework of the World Bank's Social Investment Fund. In Russia, including Kaliningrad, the training programmes for social workers also include cooperation with judges with the aims of reducing the need of sentencing children to prison and of providing an opportunity for education and social protection in society.

Contributions for combating infectious diseases were given priority during the year. Russia, Estonia and Ukraine are among the countries in which the HIV/Aids epidemic is spreading most rapidly in the world. Sexually transmitted diseases mainly affect young people. The Swedish National Association for Sexual Education has implemented projects in Estonia, Latvia, Lithuania, Russia and Ukraine for the promotion of sex education in schools. In Kaliningrad and St Petersburg, Sida is working together with the East Europe Committee of the Swedish Health Care Community to promote the development of guidance centres for young people. Tuberculosis is spreading rapidly throughout the region and in Russia there is a programme of cooperation between Sida and the World Health Organisation to reduce the spread of tuberculosis and HIV in Kaliningrad. The correctional treatment system is included as an important component in Sida's support, particularly since the diseases are spread to a great extent in prisons. Prison warders are being trained and rehabilitation programmes for prisoners who have served their sentences are being drawn up in cooperation with the East Europe Committee of the Swedish Health Care Community.

Sida has given priority to support for the rehabilitation of the disabled to enable them to obtain employment. Sida is cooperating with the Swedish Labour Market Board to make rehabilitation and the creation of networks possible, as well as the specification of roles and responsibilities between the authorities. Seminars have been held in three regions in Russia.

#### **ANALYSIS AND DISCUSSION OF PROBLEMS**

One aim of the Swedish contributions is to promote greater cooperation between authorities in order to make social work more effective. In addition, Swedish cooperation is intended to lead to the development of methods based on the needs of individuals, in accordance with the Convention on the Rights of the

Child. In Moscow, the Department of Social Work at Stockholm University and Sida have introduced networking. Several interested parties in schools, health services and social services cooperate in the network to give children who live in hostels better future prospects. In the long term it is expected that the number of children in institutions will decrease.

One central component in the Swedish work is changing attitudes towards vulnerable people. In the social services field, Swedish support has provided several examples of methods in social work. In Belarus Sida is supporting the open care service for children and young people, which is a positive alternative to children's homes and boarding schools. The Ukrainian ministry for social affairs is giving priority to the reform of the social insurance system and social services. The Ukrainian authorities want to implement reforms in this field. This is a good point of departure for cooperation projects and creates positive tendencies throughout the social sector.

Activities in the social sector involve a large number of Swedish partners. For example, several Swedish county councils, through the East Europe Committee of the Swedish Health Care Community, are active in a number of areas including reforms of primary care. Several of the Sida-financed contributions also led to twinning cooperation between municipalities.

#### **ANALYSIS OF OUTCOME**

Expenditure decreased in 2003. The reduction in the outcome for Russia, Ukraine and Belarus is judged to be temporary, while the reduction in the outcome for the Baltic States follows the phasing-out trend. *Table 36.*

#### **EU LINKS**

Adjustment to the EU has not had such a prominent role in bilateral development cooperation in the social sector as in other sectors. This is due to the fact that the activities are not governed to such a greater extent by the EU acquis.

#### **GENDER EQUALITY**

Sida has continued to work for the integration of gender equality in its contributions in the social sector. Violence in the home is increasing and more children are ending up in institutions. These are some of the reasons for promoting gender equality with a focus on the role of men in society. In St Petersburg, Sida has held seminars on children and gender equality which sheds light on the role of fathers in a society dominated by men. The seminars contribute to creating positive male models for young boys and to changing tra-

### Example

In Vologda in Russia the Swedish programme of cooperation between Zenit International and the social authorities has now been running for four years. Now people view the social work profession in a different way. The social authorities work more with individuals and look at the situation of individuals instead of looking at the entire group. The new working methods save money, which makes them popular. The Russian counterpart has assumed considerable responsibility for spreading information about the methods and holding conferences in seven regions. As a result of the project, 1 600 people are working with the new methods.

ditional male values. Social workers have been trained in the roles of men and women in social work.

Sida has given special attention to women substance abusers and prostitutes. Contribution to reduce the spread of HIV with a focus on women is of importance since women infected with HIV are a particularly vulnerable group. In Murmansk, Sida has trained social workers on six occasions in ways of reducing substance abuse among women. This has been done in cooperation with the Swedish municipality of Luleå. Sida has also contributed to increasing measures to prevent prostitution. The activity is being run in six regions in Russia and is aimed directly at persons who purchase sex services, prostitutes, hotel employees and the mass media, police and politicians. Sida has also tried to influence the federal levels in order to promote legislation in which prostitution is defined and the situation of the prostitutes is included in policy work.

Table 36. Cooperation with Central and Eastern Europe

### Social security, expenditure in SEK '000

The seven largest partner countries	2003	2002	2001
Russia*	33 800	44 826	45 283
Lithuania	5 189	6 265	26 440
Ukraine	3 902	7 157	1 559
Estonia	2 263	4 283	1 613
Belarus	1 994	4 974	3 151
Latvia	1 867	2 551	9 915
Rumania	1 423	250	341
<b>Sub-total</b>	<b>50 438</b>	<b>70 306</b>	<b>88 302</b>
Other countries/regions	59 456	60 081	60 284
<b>Total</b>	<b>109 894</b>	<b>130 387</b>	<b>148 586</b>
* of which Barents region	7 814	6 990	5 161
<b>Forms of support</b>			
Project support	59 694	55 036	1 990
Sector programme support	–	137	17 537
Tech. assist. incl. contract-financed. tech. coop.	40 512	56 318	72 445
International training programmes	–	–	1 537
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	–	–
Research	–	–	–
Support to NGOs	9 689	18 896	55 077
<b>Total</b>	<b>109 894</b>	<b>130 387</b>	<b>148 586</b>
<b>Channels</b>			
Multilateral organisations	2 586	13 883	28 728
Swedish organisations	96 101	113 038	113 779
Organisations in partner countries	6 727	3 434	2 536
Organisations in other countries	2 566	32	–
International NGOs	1 913	–	3 544
<b>Total</b>	<b>109 894</b>	<b>130 387</b>	<b>148 586</b>
<b>Total number of contributions</b>	<b>111</b>	<b>109</b>	<b>117</b>
Of which: Agreements >SEK 15 million	7	6	6
Number of new contributions	35	40	42

# Environment

The goal of this operational area is to conserve, protect and improve the environment, particularly in and around the Baltic Sea, and to support sustainable development.

## GENERAL

Sida gives priority to contributions within the framework of the action plan for the Baltic Sea (HELCOM), Agenda 21 for the Baltic Sea region (Baltic 21), and the EU's environmental programme for Central and Eastern Europe. Cooperation focuses on sectors in which Sweden has expertise and concentrates on reform-oriented investment projects, institutional development, training programmes, support for legislation, and legislation and EU adjustment in environmental conservation in the candidate countries. Sida cooperates closely with international financing institutions such as the Nordic Investment Bank (NIB), the World Bank, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and the Nordic Environment Finance Corporation (NEFCO). Work in the Nordic Dimension Environmental Partnership (NDEP) is making progress and Sida is closely following ongoing discussions and future initiatives.

In 2003 Sida concluded five grant aid agreements for projects in the Baltic States within the framework of Baltic Sea cooperation. These agreements provide support for investments and institutional reforms to improve water and wastewater services in the cities, and the funds are to be used for equipment of new treatment plants or reconstruction of existing plants, technical consultancy support and support for institutional reforms. Sida has also provided support for the development of a national strategy for handling hazardous waste in Lithuania, procurements of Swedish equipment for the renovation of the treatment plant in Sestroretsk outside St Petersburg, procurement of Swedish equipment for the extraction of gas from a waste tip in Lēpāja, and equipment for handling sludge in Narva. Projects that have been finalised are Riga's water and wastewater project and the Baltic Agricultural Run Off Programme (BAAP). Both projects will primarily contribute to reducing the amount of nutritive salts flowing into the Baltic Sea. In the field of district heating, Sida has decided to finance a

pre-investment study in Murmansk. In Kaliningrad a study of this type financed by Sida has just been completed. Both projects are included in the programme of international cooperation for environmental initiatives in northwest Russia within the framework of the Northern Dimension Environmental Partnership.

In 2003 the fifth and sixth rounds of the financing programme Demo-East were implemented. Hitherto the government has allocated SEK 95 million of the Baltic Sea Programme 2 to the Demo-East programme. Up to December 2003, support had been approved for 16 projects.

The amount of cooperation between government agencies in Sweden and the Baltic States and Russia was much the same in 2003 as before. At the end of 2002, SEK 36 million was allocated for the Swedish Environment Protection Agency's cooperation programme with the Baltic States up to and including the spring of 2005. The Swedish Radiation Protection Institute is continuing its programme of cooperation with the radiation protection authorities in the Baltic States and has also started investigating the possibility of cooperation with northwest Russia, Ukraine and Belarus. Furthermore, Sida has decided on a programme of cooperation in respect of the agricultural environment with the Baltic States and northwest Russia.

A brochure that reflects Sida-financed environmental cooperation in the Baltic Sea region has been produced, as planned, in an English and Russian version.

### Example

An example of cooperation in the environmental sector is that between Stockholm Water and Vodokanal in St Petersburg. The project was finalised in December 2003 and the objective has been to develop a strategy for the investments in water and wastewater management that should be given priority from the holistic perspective of conservation of resources and the environment.

[Picture removed]

**To improve water and wastewater services in cities in the Baltic States, Sida has provided grant aid for five projects within the framework of its cooperation with Central and Eastern Europe. This picture was taken in Lithuania.**

#### **ANALYSIS AND DISCUSSION OF PROBLEMS**

In many respects the environment in the Baltic Sea is still bad and eutrophication is the most difficult problem to solve. Sida's work in the Baltic States has contributed to the effect that discharges from the urban areas have been considerably reduced. Sida's support for agriculture has been for the development of extension services and demonstration projects for environment-friendly agriculture. This has had the consequence that the leakage of nutritive salts has decreased. Further support in the environmental sector in the Baltic States will be within the framework of EU's activities when the countries become members of the EU in 2004. Much remains to be done in the environmental sector in Russia and Ukraine and cooperation proceeds slowly. However, progress has been made in a few major wastewater projects, the construction of the South West treatment plant has been

started in St Petersburg and procurements are being prepared for equipment to water and wastewater projects in Kaliningrad. Sida has signed agreements on extending cooperation with Russian authorities in order to create greater awareness of the fact that agriculture is polluting the Baltic Sea and that measures are necessary to reduce the leakage of nutritive salts. The environmental authorities at the federal and central level have a wait-and-see policy towards cooperation, which makes it difficult to achieve decisive results, for example in the field of legislation. This also contributes to inhibiting cooperation at lower levels. There is still a gap between the international undertakings made by the countries and their national priorities. This is illustrated by the agreements made at the meeting of the environmental ministers in the Baltic Sea region in August and at the Pan-European meeting of environmental ministers in Kiev in May.

Table 37. Cooperation with Central and Eastern Europe

**Environment**, expenditure in SEK '000

The six largest partner countries	2003	2002	2001
Russia*	67 370	83 249	64 832
Latvia	27 130	19 207	19 883
Lithuania	19 647	54 122	8 010
Poland	19 423	21 684	19 415
Ukraine	7 631	4 263	14 890
Estonia	6 976	2 839	19 071
<b>Sub-total</b>	<b>148 178</b>	<b>185 364</b>	<b>146 101</b>
Other countries/regions	23 840	44 145	34 624
<b>Total</b>	<b>172 018</b>	<b>229 509</b>	<b>180 725</b>
* of which Barents region	1 720	37 886	11 703
<b>Forms of support</b>			
Project support	54 857	97 978	72 281
Sector programme support	–	–	–
Tech. assist. incl. contract-financed. tech. coop.	114 067	120 112	105 513
International training programmes	3 117	1 470	2 695
Credits	–	–	–
Guarantees	–	–	–
Economic reforms	–	–	–
Humanitarian assistance	–	5 517	210
Research	–	–	–
Support to NGOs	–23	4 432	26
<b>Total</b>	<b>172 018</b>	<b>229 509</b>	<b>180 725</b>
<b>Channels</b>			
Multilateral organisations	–	40 734	9 644
Swedish organisations	168 010	184 758	153 595
Organisations in partner countries	3 377	1 744	10 563
Organisations in other countries	631	2 273	6 923
International NGOs	–	–	–
<b>Total</b>	<b>172 018</b>	<b>229 509</b>	<b>180 725</b>
<b>Total number of contributions</b>	<b>154</b>	<b>175</b>	<b>202</b>
Of which: Agreements >SEK 15 million	16	18	18
Number of new contributions	41	57	75

**ANALYSIS OF OUTCOME**

The outcome for individual countries can vary considerably from year to year depending on when disbursements are made for major projects with long preparation and implementation times. The outcome has remained relatively constant in recent years with the exception of 2002 when a relatively large amount was disbursed to projects with special financing from the Baltic Sea Programmes. The total number of projects has decreased from 202 in 2001 to 154 in 2003 as

a consequence of Sida's ambition to make administration more efficient by increasing the average size of projects. *Table 37.*

**EVALUATIONS, CAPACITY STUDIES AND SYSTEM-BASED AUDITS**

Sida has evaluated the agricultural project Baltic Sea Agricultural Run Off Action Programme (BAAP), which was finalised in 2002. The evaluators considered that the BAAP programme lacked an overall programme strategy – a conclusion that was not shared by Sida. On the other hand, the evaluators considered that the results of the various projects within the framework of the programme had been good.

Sida's contribution in Novgorod to improve the credit-worthiness of the city's water and heating company was evaluated at the halfway stage of the project. The project is considered to be working well and will continue for one more year. The programmes of the Swedish Environment Protection Agency and the Swedish Radiation Protection Institute in development cooperation in the Baltic Sea region have been audited with the aid of system-based audits. Both reports show that both agencies manage their programmes of development cooperation cost-efficiently and well.

**GENDER EQUALITY**

During the year an analysis was started of gender equality in programmes of cooperation in the environment and energy sectors in Russia. The study is focusing on aspects of gender equality in the municipal services sector. The aim is to increase knowledge of the municipal services needed by women and men, the ways in which they use these services and the ways in which they are affected by them.

Sida arranged a gender equality seminar for the district heating company in Kaliningrad and a gender equality contribution was finalised in Novgorod. The contribution focused on integrating aspects of gender equality into the strategic planning of municipal companies and exposing places where discrimination exists.

**EU LINKS**

Environmental cooperation with the candidate countries is affected by their membership of the EU in May 2004. Sida's work has focused on fulfilling and concluding the contributions that had been previously prepared or agreed. Many investment projects have been fully prepared after several years' preparations.

Policy area Foreign policy  
and security policy

2003

# Peace promotion activities

The goal of this operating area is to recruit, train and equip the personnel the Government has decided to make available for international peace-promotion activities. Furthermore Sida shall administer Swedish participation in peace missions.

## GENERAL

Sida's recruitment of personnel for peace promotion activities has been more active and aggressive than in previous years. Sida announced more posts and nominated more candidates than in 2001 and 2002. The Organisation for Security and Cooperation in Europe (OSCE) has developed its recruitment system and this has led to greater and more specific competition for the posts between the member states.

This has had the effect that more applications from Swedes have been rejected. Recruitments have been made to OSCE's office and activities in Belarus, one person has been recruited to work in OSCE's head office in Vienna and one at OSCE's institutes in Kazakhstan, Georgia, Albania and Kosovo. One person has been recruited to OSCE's Office for Democratic Institutions and Human Rights in Warsaw. In Kosovo three persons have been nominated and approved for high level positions. A small number of persons completed their assignments during the year. Sida has concluded an agreement with OSCE that has made it possible for Sida to contribute Swedish personnel to OSCE's head office and institutions. As before, recruitments to OSCE must be made at short notice, OSCE's recruitment times are short.

## ANALYSIS AND DISCUSSION OF PROBLEMS

It was also difficult to recruit Swedes to OSCE in 2003. Competition between the member states has increased and requirements in respect of those applying for posts have increased. OSCE, which previously requested generalists, are now looking more often for people with high levels of qualifications and experience in special fields. Sida has difficulties in meeting these needs since there are few qualified applicants. For assignments in OSCE's activities and offices in Central Asia and the Caucasus, fluency in Russian is required which often reduces the number of persons

available for recruitment. Sida's training programmes for those who are recruited are governed and tailor-made on the basis of needs and previous experience. The period of time between approval and departure is generally short, which has had the effect that the training programmes are not as extensive as is sometimes needed. However, on the other hand training is always provided at the duty station by the organisation, which has the effect that no major problems need arise for new recruits.

## REPORTS REQUIRED

*A quarterly report shall be submitted on cost trends for activities that are financed by this appropriation sub-item as well as any changes in activities. Every contribution shall be reported on individually.*

Reported on separately.

About Sida

2003

# About Sida

This section presents work on methods, policy changes, programmes of human resource development, and audits that are not described elsewhere in the annual report. A report is also provided on changes made to Sida's organisation during the year and on personnel statistics.

## METHODS WORK AND POLICY CHANGES

Strengthening Sida's field orientation is still one of Sida's strategic priorities. In 2003, three more embassies were given extended decision-making powers in respect of new development cooperation contributions, i.e. so-called full delegation. There are now eight embassies with full delegation.

The number of locally employed programme officers at the embassies continues to increase and is now as large as the number of Sida home staff seconded to the field. In order to provide embassies with guidance for recruitment and training of programme officers, Sida produced special guidelines during the year. The guidelines also specify the duties the embassies can give to locally employed programme officers.

The delegation of duties to the field necessitates changing, and in some cases strengthening, instruments at head office in Stockholm for the management and monitoring of activities in the field. In April, representatives of the field met at a seminar to discuss the new instruments for management and control. The meeting had the result that Sida's plans for the management and control of its programmes of support to countries in Africa, Asia and Latin America, the country plans, were revised and they now contain long-term considerations of up to three years. At the same time the format of Sida's half-yearly reports was changed into special country reports that are now performance reports in the country planning process. This change will be fully implemented in 2004.

As an effect of the increase in field orientation, project administration and quality assurance in the field are being strengthened. All embassies with full delegation have established their own project committees. Quality Assurance (QA) is a function at Sida's regional departments. It is used in respect of embassies that have, or will have, full delegation. In 2003 seven embassies were visited by the QA function.

During the year Sida developed a proposal for a

new IT strategy for the forthcoming three to five years. It is permeated by Sida's field vision, which makes higher demands on IT support, network stability and communications.

Sida is giving priority to harmonisation and coordination, both internationally and in Swedish development cooperation. During the year, in Zambia Sida initiated, together with six other like-minded donors (the Nordic donors, the Netherlands, Great Britain and Ireland), a greater degree of harmonisation in close cooperation with the Zambian government. The initiative has attracted international attention. At a meeting on harmonisation in Rome, Sida and the Norwegian development cooperation agency, Norad, were responsible for a joint contribution on ways in which transaction costs for the partner countries can be reduced if donors cooperate closely with each other.

During the year Sida approved an action plan for its further work on increasing harmonisation and coordination of support with other donors in the partner countries. This is being done for example through further work in the Organisation for Economic Cooperation and Development together with the Ministry for Foreign Affairs. Furthermore Sida and like-minded donors have agreed on a joint action plan to strengthen harmonisation.

In 2003 Sida published a new version of its methods handbook: *Sida at Work*.

A system for making regular assessments of results and risks in respect of projects, Sida Rating System, was introduced in full scale in 2004. This supplements the routines for project monitoring and follow-up that we have had earlier. The system is used for contributions that have a duration of more than two years and which amount to at least SEK 3 million.

During the year efforts to gain support for the programme support concept continued at Sida. The increasing amount of programme support will affect

Sida's templates, methods for measuring results, and support to countries' systems for budgeting, accounting and audit. This work started in 2003 and will continue in 2004.

Sida is also trying in various ways to strengthen the capacity of its partners in cooperation to receive programme support. This has resulted in distance education material on programme support and capacity development, as well as analytical instruments and handbooks.

Methods and development work have normative elements but also consist of analysis, contributions to learning and exchanges of experience between all parts of Sida. It is particularly important to include the embassies in this work. The methods issues mentioned above also have an international dimension, which will become increasingly obvious as international harmonisation grows. Sida is participating in this work at the Organisation for Economic Cooperation and Development (OECD).

During the year Sida started to work on coordinating procurements and producing framework agreements that can be used by Sida Stockholm and embassies. There is information on Sida-financed procurements on Sida's website.

During the year Sida made a review of its development cooperation templates and agreement handbook. A new rule for development cooperation agreements, and new agreement templates for procedural, cooperation and project agreements have been approved. It is estimated that the handbook will be finalised early in 2004.

A project for document management and retrieval at Sida and for creating an electronic archive is taking place. During the year the project group continued its work on the production of the system. In parallel with this, Sida has produced a proposal for a new administrative organisation and directives for a new archives organisation. At the proposal of the project group, a project to take care of the existing paper archives has been started.

Sida has cooperated with the Ministry for Foreign Affairs and the Government Offices in order to make it possible to have access to development cooperation documents in the field. Sida has also consulted the Swedish National Archives and the Swedish Agency for Administrative Development in this matter.

Within the framework of the project on IT-based learning, Sida has purchased a learning management system. Some members of staff have been trained in the use of the system. Sida is working on introducing the system and plans to distribute the first courses in 2004.

During the year Sida made a procurement of travel agency services. BIT Nordic submitted the most advantageous tender and a new two-year contract with this company enters into force in January 2004.

## ORGANISATIONAL CHANGES

In 2003 Sida-East made a comprehensive review of its activities. The result was a reorganisation of the department and a change in its name from Sida-East to the Department for Europe. The background to the review was the department's ambition to be a specific regional department instead of a combined sector and region department. It is now hoped that there will be a greater degree of integration with other parts of Sida and an increase in exchanges of experience between divisions in the department.

After its reorganisation, the Department for Europe consists of three divisions: Division for Eastern Europe and Central Asia (EECA), which focuses on countries in the former Soviet Union; the Division for South-East Europe (SEE), which works with the Balkans; and the Division for Operational Development and Administration (EVA), which has the responsibility for administration and organisation issues.

The Division for Policy and Social Analysis (POLICY) was transferred to the Department for Africa on September 1. POLICY is part of the regional departments and previously had its administration in the Department for Asia.

## PERSONNEL STATISTICS

In December 2003, the total number of employees was 873 persons, of whom 104 were on leave of absence. This is an increase of 17 persons compared to 2002. The number of persons with permanent posts amounted to 646, an increase of 15 persons compared to 2002.

Of the members of staff in 2003, 60 per cent were women and 40 per cent were men. This means that Sida complies with the generally accepted definition of an even gender breakdown.

The average age of the employees was 47 years, 45 years for women and 49 years for men.

All in all, 80 per cent of Sida's personnel had an educational background higher than upper secondary school level. Of all employees in 2003, 7 per cent had a postgraduate qualification, 73 per cent had a university degree or a corresponding post upper secondary school education, and 20 per cent had an upper secondary school education or lower.

In 2003, 33 persons were recruited externally. Of these, 25 were women and 8 were men. The average age of externally recruited persons was 38 years. The average age of externally recruited women was lower than that of men.

Where recruitments to Swedish missions abroad are concerned, 46 posts were filled. More women than men were recruited in 2003 compared to 2002: 27 women and 19 men. *Table 38.*

## INTERNAL AUDITS

The internal audit finalised five audits during the year: Sida's annual report for 2002; Sida's contract-financed technical cooperation; the Section for Development Cooperation in la Paz; Conditions for management and control at Sida – a feasibility study; and Sida's administration of contributions in corrupt environments, and a pre-study on security in Sida's administrative and financial systems.

During the year Sida's board adopted a standpoint and a plan of action as a result of the internal audit

reports on contract-financed technical cooperation, the Section for Development Cooperation in La Paz, and the audit of the embassy in Vientiane that the internal audit reported on in 2002. Sida's board also adopted a standpoint to the audit of Sida's annual report and to future audits of conditions for management and control at Sida.

During the year the internal audit also drew up a Sida-based model for risk analysis and presented it to Sida's board. The model is an instrument that can be used to identify important audit areas.

Table 38. **Personnel statistics**

Form of employment	2003			2002			2001		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<b>Permanent staff</b>	<b>646</b>	<b>373</b>	<b>273</b>	<b>631</b>	<b>370</b>	<b>261</b>	<b>615</b>	<b>348</b>	<b>267</b>
stationed in Stockholm	504	299	205	499	303	196	503	293	210
stationed in Härnösand	12	6	6	10	4	6	0	0	0
stationed at embassies	125	65	60	114	57	57	97	46	51
other duty stations (EU, Sandö)	5	3	2	8	6	2	15	9	6
<b>Temporary staff</b>	<b>123</b>	<b>78</b>	<b>45</b>	<b>124</b>	<b>71</b>	<b>53</b>	<b>157</b>	<b>104</b>	<b>53</b>
stationed in Stockholm	85	61	24	83	53	30	110	86	24
stationed in Härnösand	0	0	0	0	0	0	0	0	0
stationed at embassies	34	15	19	39	17	22	45	17	28
other duty stations	4	2	2	2	1	1	2	1	1
<b>Staff on leave of absence</b>	<b>104</b>	<b>77</b>	<b>27</b>	<b>101</b>	<b>67</b>	<b>34</b>	<b>107</b>	<b>71</b>	<b>36</b>
in other development coop. organisations	26	14	12	22	12	10	27	12	15
for studies	12	11	1	12	10	2	11	10	1
for other reasons	66	52	14	67	45	22	69	49	20
<b>Total number of employees</b>	<b>873</b>	<b>528</b>	<b>345</b>	<b>856</b>	<b>508</b>	<b>348</b>	<b>879</b>	<b>523</b>	<b>356</b>
<b>Posts (excl. staff on leave of absence)</b>									
Management posts	87	33	54	89	33	56	91	32	59
Programme officers	547	309	238	536	302	234	537	302	235
Administrative assistants	135	108	27	130	105	25	144	118	26
<b>Total</b>	<b>769</b>	<b>450</b>	<b>319</b>	<b>755</b>	<b>440</b>	<b>315</b>	<b>772</b>	<b>452</b>	<b>320</b>
<b>Educational levels</b>									
Postgraduate education	67	26	41	65	24	41	62	22	40
Higher educat., post sec. educat. > 2 years	592	341	251	544	297	247	572	321	251
Post-secondary education < 2 years	42	30	12	76	58	18	45	32	13
Upper secondary education	150	117	33	149	116	33	165	128	37
Nine-year compulsory school	22	13	9	22	13	9	26	16	10
<b>External recruitments</b>									
Management staff	0	0	0	4	3	1	5	3	2
Programme officers	40	25	15	40	21	19	54	37	17
Administrative assistants	8	8	0	5	3	2	9	8	1
<b>Recruitments to embassies</b>									
Management staff	12	8	4	13	6	7	11	6	5
Programme officers	33	18	15	39	21	18	40	18	22
Administrative assistants	1	1	0	5	5	0	1	1	0
<b>Average age</b>									
Employees	47	45	49	47	46	48	46	46	46
Externally recruited staff	36	35	38	38	37	40	39	38	40

## REPORTS REQUIRED

*Sida shall submit a report on the extent to which the agency's objectives for human resource management in 2003 have been*

*achieved, and the goals of the agency's human resource management in 2004 and for 2005–2006 respectively. Presented in Appendix 6.*

## Sida's Organisation



## Sida's board

Ewa Björling, *Member of Parliament*

Berndt Ekholm, *Member of Parliament*

Holger Gustafsson, *Member of Parliament*

Birgitta Ohlsson, *Member of Parliament*

Mariann Ytterberg, *Member of Parliament*

Leif Håkansson, *3rd Deputy Chairman, Swedish Trade Union Confederation*

Ari Kokko, *Professor, Stockholm School of Economics*

Hilda Lind, *Director, Church of Sweden, International Department*

Joakim Palme, *Professor, Institute for Future Studies*

Börje Risinggård, *Director, Swedish Federation of Trade*

## Members of Sida's Research Council

Prof. Mårten Carlsson, Chairman  
*Swedish University of Agricultural Sciences, Alnarp*

Prof. Lotta Mellander, Deputy Chairman  
*Gothenburg University*

Prof. Ian Bryceson  
*Centre for International Environment and Development Studies, NORAGRIC, Ås, Norway*

Prof. Barbara Ekbom  
*Swedish University of Agricultural Sciences, Uppsala*

Prof. Göte Hansson  
*Lund University*

Prof. Bo Sundqvist  
*Uppsala University*

Prof. Aud Talle  
*University of Oslo, Norway*

Prof. Lena Trojer  
*Blekinge College of Technology*

Prof. Hans Wigzell  
*Karolinska Institute, Stockholm*

### **From Sida:**

Berit Olsson  
*Head of Department for Research Cooperation, SAREC*

Göran Holmqvist  
*Head of Department for Latin America, RELA*

## Sida's management 2003

Bo Göransson, *Director General*  
(to 2003-01-12)

Staffan Herrström, *Acting Director General*  
(from 2003-01-13 to 2003-03-31)

Maria Norrfalk, *Director General*  
(from 2003-04-01)

Staffan Herrström, *Deputy Director General (Department for Europe (ÖST))*

Lotta Sylwander, *Head of Africa Department (AFRA)*

Jan Bjerninger, *Head of Department for Asia (ASIEN)*

Göran Holmqvist, *Head of Department for Latin America (RELA)*

Jerker Thunberg, *Head of Department for Natural Resources and the Environment (NATUR)*

Britt F Hagström, *Head of Department for Democracy and Social Development (DESO)*

Rolf Carlman, *Head of Department for Infrastructure and Economic Cooperation (INEC)*

Eva Asplund, *Head of Department for Cooperation with NGOs and Humanitarian Assistance and Conflict Management (SEKA)*

Berit Olsson, *Head of Department for Research Cooperation (SAREC)*

Johan Åkerblom, *Head of Information Department (INFO)*

Torbjörn Pettersson, *Head of Department for Finance and Corporate Development (EVU)*

Ingrid Wibom, *Head of Department for Personnel and Organisation Development (PEO)*

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 Department for Evaluation and Internal Audit (UTV)*

# Notes on the performance report

2003

# Notes on the performance report

## GENERAL

The reporting requirements laid down in the annual directives and letter of appropriations for the budget year 2003 in respect of the Swedish Agency for International Development Cooperation (Sida) are included in this performance report. The financial and statistical information has been taken from Sida's financial planning system, PLUS. Operational areas and sub-sectors are determined on the basis of appropriations, appropriation sub-items, forms of support and sectors. The total number of operational areas was 15, the same as in 2002.

In 2003 information was collected from Sida's divisions in respect of time worked by Sida's employees. This was converted into full-time posts. The information was obtained in order to make estimates of how the time worked by employees could be distributed to regions and operational areas. The information refers to employees working with development cooperation (and excludes administrative posts).

Appendix 7 contains tables showing the number of full-time posts and the relationship between these posts and the outcome.

## REVENUE AND COSTS

The definition of costs in 2003 does not differ from previous years. A reconciliation between the performance report and the statement of financial performance is presented in table 39.

## POLICY AREA INTERNATIONAL DEVELOPMENT COOPERATION

### Operational areas

In this policy area there are nine operational areas. They are made up of the appropriations for international development cooperation, multilateral development cooperation (8:1.1) and bilateral development cooperation (8:1.2). Administrative costs (8:2) are also reported under each operational area, see below under the heading "Administrative costs".

The number of operational areas is the same as in previous years and no changes have been made.

The operational area *Non-governmental Organisations* is identical to appropriation sub-item 7 and does not have any sub-sectors.

The operational areas *Economic Reforms, Research Cooperation* and *Humanitarian Assistance and Conflict Prevention* are defined by components that are classified under each form of support and, for humanitarian contributions and conflict prevention, components that are classified under the sectors Peace Promotion and Conflict Management. These operational areas do not have any sub-sectors.

The operational area *Democratic Governance and Human Rights* is defined by components that are classified under the main sector Human Rights and Democratic Governance. The sub-sectors are *Democracy including Media, Public Administration, Human Rights and Legal Systems* and are defined as the sub-sectors Democracy, Public Administration, Human Rights and Legal Systems in Sida's classification of contributions.

The operational area *Social Sectors* is defined components that are classified under the main sector Social sectors. The sub-sectors are *Health, Education and Other Social Sectors including Culture* and are defined as the sub-sectors Health, Education and Other Social Sectors in Sida's statistical handbook.

The operational area *Infrastructure, Private Sector Development, Urban Development and Financial Systems* includes components that are classified under the main sector Infrastructure, private sector development and urban development and broken down into the sub-sectors *Infrastructure, Private Sector Development, Urban Development including housing and Financial Systems*. The sub-sector Infrastructure includes components that have been classified in the under-sectors Transport, Telecommunications, Post and IT communications, and Energy. The sub-sector Private Sector Development includes components that have been classified under the under-sector Private Sector Development. The under-sectors Water Supply and Sanitation, Housing and Building and Urban Development form the sub-sector Urban Development. Financial Systems includes components that have been classified under the under-sector Financial Systems.

Components that have been classified under the main sector Natural Resources are part of the operational area *Natural Resources*, which has two sub-sectors, *Natural Resources* and *Pollution and Environmental Protection*. These correspond to the sub-sectors in Sida's statistical handbook.

Under the operational area *Other Operational Areas*, there are the components that have been classified under the main sector Other Operational Areas. The area has no sub-sectors but has been broken down into Information and Recruitment, resource base development, research and training.

### Regions

This year's performance report contains a report on each region. One new feature this year is that global contributions are reported in a separate appendix.

The regions follow the classification laid down in the appropriations. Appendix 1 Costs per operational area, region/country and continent shows the countries that are part of each region.

### Administrative expenses

Administrative expenses are classified in the same way as in previous years, by country, region and operational area.

The classification into country and region is made by distributing the administrative expenses of the embassies to each country. The administrative expenses for Sida's regional departments are distributed over all countries in the region that have an outcome, in proportion to the outcome. The administrative appropriation for other departments at Sida is distributed over all countries with an outcome, in proportion to the outcome.

The classification into operational areas is made by distributing each division's administrative costs to the operational area that the division mostly works with. Departmental management expenses have, in some cases, been allocated to the divisions' administrative expenses in proportion to the divisions' administrative expenses. The departments/divisions that are not possible to allocate directly, for example the regional departments, embassies and administrative divisions, have been distributed over all operational areas proportionally on the basis of the administrative expenses that have already been allocated.

### Forms of support

The report on forms of support follows Sida's statistical concept Form of Support. No changes have taken place since 2002.

### Channels

As in previous years, the report on channels is based on the statistical concept Implementing Channel. *Multilateral organisations* contains UN agencies and the

**Table 39. Reconciliation between the Performance Report and the Statement of Financial Performance, SEK '000**

<b>Statement of Financial Performance, excl income from appropriations</b>	
Income from fees and other payments	53 658
Income from fees	201
Financial income	1 145
Operating costs including depreciation	-887 256
Collections net	-2 605
Funds from other agencies to finance support	3 565
Other funds received to finance support	46 566
Support provided	-10 445 974
<b>Total as shown in Statement of Financial Performance, excl appropriation income</b>	<b>-11 230 701</b>
<b>Broken down by operational area:</b>	
<b>Policy area International Development Cooperation</b>	
Democratic governance including human rights	-1 810 982
Social sectors	-1 660 503
Infrastructure, private sector development, urban development and financial systems	-1 748 207
Natural resources	-933 423
Economic reforms	-583 060
Research cooperation	-855 333
Humanitarian assistance and conflict prevention	-1 703 251
NGOs	-912 282
Other	-516 724
<b>Total International Development Cooperation</b>	<b>-10 723 764</b>
<b>Policy area Cooperation with Central and Eastern Europe</b>	
Support for the promotion of security	-13 472
Democracy	-146 994
Economic transition	-113 763
Social security	-109 894
Environment	-172 018
<b>Total Cooperation with Central and Eastern Europe</b>	<b>-556 140</b>
<b>Policy area Foreign policy and Security policy</b>	
Peace promoting activities	-14 228
<b>Total Foreign policy and Security policy</b>	<b>-14 228</b>
<b>Total broken down by operational areas</b>	<b>-11 294 132</b>
<b>Outstanding items</b>	<b>63 432</b>
<b>According to the Statement of Financial Performance, the outstanding items consist of:</b>	
Doubtful debts	234
Funds received from agencies to finance support	3 565
Finance provided by funds etc to finance support	65 110
Cost of concessionary credits	-32 253
Damages etc contingency reserve	-120 405
Changes in doubtful debts, conditional loans	-6 991
Taxation net	-2 605
Interest income, concessionary credits	68 222
Interest income, separate guarantees	449
Interest income, contingency reserve	30 327
Exchange differences, contingency reserve	2 220
Book value and profit and losses on sales of fixed assets	-132
Cost of soft loans	52 668
Other items	3 023
<b>Total other items</b>	<b>63 432</b>

World Bank, among others. *Swedish NGOs* contains implementing organisations in Sweden, for example government agencies, organisations and universities and schools. *Partner country organisations* contains implementing organisations in the partner countries, for example Tanzania, and *Other countries' organisations* contains implementing organisations from other parts of the world, for example Norway. *International NGOs* are, for example, ICRC (International Committee of the Red Cross).

#### **Action programmes**

Sida's other action programmes are reported in the section "The year's results from the perspectives of the goals of development cooperation".

#### **Report on the number of contributions**

The definition of the number of contributions has not been changed in comparison with 2002. The total number of 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 each year and where the status of the agreement is agreed or completed.

The number of contributions under agreements that exceed SEK 15 million are given under the heading Agreements exceeding SEK 15 million.

The number of new contributions is the number of contributions that started during each year.

As in previous years, a number of contributions can refer to several operational areas and regions. The total of the number of contributions in operational areas and regions thus exceeds the actual number of contributions.

### **POLICY AREA COOPERATION WITH CENTRAL AND EASTERN EUROPE**

#### **Operational areas**

This year, the policy area Cooperation with Central

and Eastern Europe (appropriation 9:1.1 Cooperation with Central and Eastern Europe via Sida) has also been broken down into five operational areas: *Common Security*, *Deepening the Culture of Democracy*, *Economic Transition*, *Social Security*, and the *Environment*.

The operational areas follow the goals that exist for the policy area and are defined on the basis of the sectors for which the components are classified.

#### **Region**

See comments under Policy area: International development cooperation.

#### **Administrative expenses**

Administrative expenses have not been distributed over the policy area Cooperation with Central and Eastern Europe since this activity does not fall under appropriation 8.2, Sida's administrative appropriation.

#### **Report on the number of contributions**

See comments under Policy area International Development Cooperation.

#### **Commitments**

Under commitments, a report is provided on all decisions made during the year in respect of contributions in Central and Eastern Europe.

### **POLICY AREA FOREIGN POLICY AND SECURITY POLICY**

As in previous years, the operational area Peace Promotion Activities is defined as appropriation 5:7 Peace Promotion.

#### **Administrative expenses**

Administrative expenses have been estimated at 25 per cent of the expenses of Resource Base Development for International Development Cooperation in Stockholm's administrative expenses.

# Financial documents

2003

## Comments

### CEILING ON EXPENDITURE

In its annual directives and letter of appropriations for the financial year 2003, the Government imposed a ceiling on Sida's expenditure. The Government decided that the following restrictions should apply:

- 7 8:1.2 Bilateral development cooperation, maximum expenditure SEK 11 033 000 000.
- 7 9:1.1 Cooperation with Central and Eastern Europe via Sida, maximum expenditure SEK 580 000 000.

### OUTCOME IN 2003 IN RELATION TO THE CEILING ON EXPENDITURE

The outcome for Sida's main appropriations at December 31, 2003 amounted to (SEK '000):

<b>7 8</b>	<b>International Development Cooperation</b>	
7 8:1.1	Multilateral	96 218
7 8:1.2	Bilateral	10 230 947
7 8:2	Administration	510 351
<b>Total 7 8</b>		<b>10 837 517</b>

This corresponds to 92.7 per cent of the funds available, taking into consideration the ceiling on expenditure for bilateral development cooperation above.

<b>7 9:1.1</b>	<b>Cooperation with Central and Eastern Europe via Sida</b>	<b>525 578</b>
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This corresponds to 90.6 per cent of the ceiling on expenditure.

### CHANGES IN CLOSING BALANCES

In 2003, the closing balance (savings on appropriation) for appropriation item 7 8:1.2 Bilateral Development Cooperation increased from SEK 581 502 000 to SEK 1 133 094 000. The largest balance, SEK 458 115 000, is in respect of the sub-item Concessory Credits.

The closing balance for appropriation item 7 9:1.1 Cooperation with Central and Eastern Europe via Sida decreased from SEK 445 061 000 to SEK 419 483 000.

The savings on Sida's appropriation for administration decreased during the same period from SEK 28 184 000 to SEK 9 638 000. This is mainly due to the fact that retro-active salaries for the period April to December 2002 were disbursed in 2003.

## Summary of major expenditures 2003 (SEK '000)

### Loan facilities at the National Debt Office

	2003	2002	2001	2000	1999
Approved loan facility	92 000	67 000	62 000	62 000	62 000
Loans approved at the end of the budget year	63 355	62 240	53 042	50 682	53 450

### Credit account at the National Debt Office

	2003	2002	2001	2000	1999
Credit granted	19 700	20 000	20 000	20 000	0
Credit utilised	0	126	15 953	0	0

### Interest income and expenses on interest-bearing account

	2003	2002	2001	2000	1999
Interest expenses on interest-bearing account	0	731	5	4 129	0
Interest income on interest-bearing account	1 092	1 483	1 489	1 699	2 966

### Income from fees

	2003	2002	2001	2000	1999
Income from fees that Sida may use:					
Income from fees, Sida-Härnösand and International Recruitment, Stockholm	53	105	2 724	3 641	4 690
Other income from fees	19 312	18 523	19 585	16 200	14 635
	19 365	18 628	22 309	19 841	19 325
Estimated amount in Government directives	– *	20 000	20 000	20 000	21 600
* No amount in directives					
Income from fees that Sida may not use:	30 166	45 830	40 675	28 319	28 230
Estimated amount in Government directives	50 000	39 000	39 000	33 000	54 100
<b>Total income from fees</b>	<b>49 531</b>	<b>64 458</b>	<b>62 984</b>	<b>48 160</b>	<b>47 555</b>

### Appropriation credits approved and utilised

	2003	2002	2001	2000	1999
Appropriation credit approved	7 400	12 600	12 600	12 000	0
Appropriation credit utilised	0	0	0	0	0

**Closing balances incl. future commitments and outstanding commitments**

<b>CLOSING BALANCES AND SAVINGS ON APPROPRIATIONS</b>						
Appropriation	2003	of which committed	2002	2001	2000	1999
7 8:1.1	43 724	28 232	32 993	43 519	88 007	41 971
7 8:1.2	1 133 094	660 120	581 458	831 737	1 894 696	2 419 896
7 9:1.1	419 483	416 532	445 061	520 474	550 074	609 750
Other appropriations (excl administrative appropriation, see below)	100 759	0	84 702	131 377	110 809	198 715
<b>TOTAL</b>	<b>1 697 060</b>	<b>1 104 883</b>	<b>1 144 214</b>	<b>1 527 107</b>	<b>2 643 586</b>	<b>3 270 332</b>

<b>OUTSTANDING COMMITMENTS</b>		Outstanding commitments				
Appropriation	Allocation for the year	2003	2002	2001	2000	1999
7 8:1.2	15 460 000	12 721 190	10 175 022	8 697 864	6 996 166	8 069 753
7 9:1.1	650 000	421 511	394 597	324 632	348 733	439 275
<b>TOTAL</b>	<b>16 110 000</b>	<b>13 142 701</b>	<b>10 569 619</b>	<b>9 022 496</b>	<b>7 344 899</b>	<b>8 509 028</b>

**Saving on administrative appropriation**

	2003	2002	2001	2000	1999
Appropriation	7 8:2.1	7 8:2	7 8:2	A2	A2.1
Amount	9 638	28 184	7 594	19 996	43 000

**Full-time posts and average number of employees**

	2003	2002	2001	2000	1999
Number of full-time posts	727	724	711	694	665
Average number of employees	764	756	749	730	721

**Operating costs per full-time employees**

	2003	2002	2001	2000	1999
Operating costs	858 930	827 999	781 787	696 432	644 745
Operating costs per full-time employee	1 181	1 144	1 100	1 004	970

**Change in capital for the year and change in capital carried forward**

	2003	2002	2001	2000	1999
Change in capital for the year	-252 208	-311 953	-563 010	-587 365	-134 817
Change in capital carried forward	502 817	452 711	439 109	467 388	111 951

## Statement of Financial Performance 2003-12-31 (SEK '000)

	NOTE	030101 -031231	020101 -021231
<b>OPERATING REVENUE</b>			
Income from appropriations	1	845 755	773 652
Income from fees and other charges	2	53 658	54 590
Income from grants		201	2 785
Financial income	3	1 145	1 591
<b>Total operating revenues</b>		<b>900 758</b>	<b>832 617</b>
<b>OPERATING EXPENDITURE</b>			
Staff costs	4	-519 263	-493 193
Premises		-112 677	-113 342
Other operating costs	5	-226 989	-221 465
Financial expenses	6	-6 271	-6 541
Depreciation	12	-22 055	-18 918
<b>Total expenditure</b>		<b>-887 256</b>	<b>-853 459</b>
<b>OUTCOME</b>		<b>13 502</b>	<b>-20 842</b>
<b>FEES ETC. COLLECTED</b>			
Income from fees etc and other income that may not be used by Sida		27 561	44 925
Income from fees etc transferred to the government budget		-30 166	-45 830
<b>Balance: fees etc. collected</b>		<b>-2 605</b>	<b>-905</b>
<b>TRANSFERS</b>			
Government budget contributions for development cooperation	1	10 132 738	11 063 719
Government agency contributions for development cooperation		3 565	4 741
Other funds received for development cooperation	7	46 566	67 960
Financial income	8	108 239	137 803
Financial expenses	9	-32 729	-15 762
Development cooperation		-10 521 484	-11 548 666
<b>Balance: transfers</b>		<b>-263 105</b>	<b>-290 206</b>
<b>CHANGE IN CAPITAL FOR THE YEAR</b>	10	<b>-252 208</b>	<b>-311 953</b>

## Statement of Financial Position 2003-12-31 (SEK '000)

	NOTE	2003-12-31	2002-12-31
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Capitalised expenditure on development		10 903	5 809
Rights and other intangible assets		18 487	4 633
<b>Total intangible fixed assets</b>	11	<b>29 390</b>	<b>10 442</b>
<b>Tangible fixed assets</b>			
Improvements to non-Sida property		25 712	27 234
Machinery, plant, equipment etc		39 403	39 369
Advance in respect of tangible fixed assets		262	0
<b>Total tangible fixed assets</b>	12	<b>65 376</b>	<b>66 604</b>
<b>Financial assets</b>			
Long-term claims on other agencies	13	523 018	547 449
<b>Total financial assets</b>		<b>523 018</b>	<b>547 449</b>
<b>Lending</b>	14	<b>406 222</b>	<b>261 794</b>
<b>Stocks etc</b>			
Advances to suppliers		4 015	6 463
<b>Total stock</b>		<b>4 015</b>	<b>6 463</b>
<b>Receivables</b>			
Accounts receivable	7	13 389	17 012
Claims on other agencies		59 218	57 657
Other claims		10 265	7 708
<b>Total receivables</b>		<b>82 872</b>	<b>82 377</b>
<b>Cut-off items</b>			
Pre-paid expenses		24 133	22 252
Accrued revenue from grants		1 281	596
Other accrued revenue		16 399	20 786
<b>Total cut-off items</b>	15	<b>41 813</b>	<b>43 633</b>
<b>Settlement with Government</b>	16	<b>181 151</b>	<b>97 417</b>
<b>Cash and bank</b>			
Balance on interest-bearing account at the National Debt Office	17	31 021	43 681
Other balances at the National Debt Office	18	1 976 545	1 943 986
Cash, postal giro and bank balances	19	20 049	50 325
<b>Total cash and bank</b>		<b>2 027 615</b>	<b>2 037 991</b>
<b>TOTAL ASSETS</b>		<b>3 361 473</b>	<b>3 154 170</b>

	NOTE	2003-12-31	2002-12-31
<b>CAPITAL AND LIABILITIES</b>			
<b>Agency capital</b>			
Government capital	20	2 643 429	2 587 629
Change in capital brought forward	21	502 817	452 711
Change in capital from income statement	10	-252 208	-311 953
<b>Total agency capital</b>		<b>2 894 038</b>	<b>2 728 388</b>
<b>Provisions</b>			
Provisions for pensions etc	22	5 737	4 786
<b>Total provisions</b>		<b>5 737</b>	<b>4 786</b>
<b>Liabilities</b>			
Loan at National Debt Office	23	63 355	62 240
Debts to other agencies		99 245	82 560
Accounts payable		238 827	211 904
Other liabilities		14 671	9 247
Deposits		174	112
<b>Total liabilities etc</b>		<b>416 273</b>	<b>366 062</b>
<b>Cut-off items</b>			
Accrued expenses		41 149	52 934
Unused grants		3 985	2 000
Other deferred revenue		290	0
<b>Total cut-off items</b>	24	<b>45 425</b>	<b>54 934</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>		<b>3 361 473</b>	<b>3 154 170</b>
<b>CONTINGENT LIABILITIES</b>			
<b>Government guarantees for loans and credits</b>			
Loans to personnel in the field		989	2 012
Swedish school association in Nairobi		2 000	2 000
School in Nicaragua		400	400
<b>Other contingent liabilities</b>			
Import guarantee, INEC		1 157	836
Conditional loans		13 991	8 480
Write-off loans, Start-South, INEC		1 850	1 928
Write-off loans, Start-East, Bosnia		4 961	5 825
Separate guarantees		237 600	256 200
Guarantee, concessionary credits		3 822 000	5 540 000
Staff pensions		0	1 137
Possible liabilities, see notes		5 200	5 740
<b>TOTAL CONTINGENT LIABILITIES</b>		<b>4 090 147</b>	<b>5 824 557</b>

# Appropriation accounts 2003 (SEK '000)

## APPROPRIATION ACCOUNTS

APPROPRIATION	NAME OF ITEM	NOTE	OPENING TRANSFERRED BALANCE	ALLOCATION	RE-ALLOCATED APPROPRIATION ITEMS	WITHDRAWALS	TOTAL AMOUNT AVAILABLE	EXPENDITURES	CLOSING BALANCE	COMMITMENTS
			Not 25, 28	Not 28	Not 25, 28	Not 28				
<b>7 8:1.1</b>	<b>MULTILATERAL DEVELOPMENT COOPERATION</b>									
<b>7 8:1.1.6</b>	<b>Multilateral development cooperation at Sida's disposal (Extended grant)</b>	26	<b>32 993</b>	<b>106 950</b>			<b>139 943</b>	<b>96 218</b>	<b>43 724</b>	<b>28 232</b>
<b>7 8:1.2</b>	<b>BILATERAL DEVELOPMENT COOPERATION (Extended grant. All sub-items)</b>									
7 8:1.2.1	Africa	26,29	43 939	2 720 000	593 500		3 357 439	3 066 212	291 227	284 283
7 8:1.2.2	Asia	26,29	65 884	1 770 000	-131 000		1 704 884	1 461 000	243 884	181 601
7 8:1.2.3	Latin America	26,29	95 443	810 000	50 000		955 443	887 283	68 160	68 160
7 8:1.2.4	Europe	29	208	820 000	6 000		826 208	825 970	238	0
7 8:1.2.5	Global development programmes	26,29	95 145	1 323 000	8 000		1 426 145	1 372 296	53 848	52 161
7 8:1.2.6	Concessionary credits	29	243 079	675 000	-67 500		850 579	392 464	458 115	56 934
7 8:1.2.7	Non-governmental organisations	27,29	3 794	940 000	-31 000		912 794	901 506	11 288	11 288
7 8:1.2.8	Humanitarian assistance and conflict prevention	27,29	13 286	1 100 000	155 000		1 268 286	1 262 597	5 690	5 690
7 8:1.2.9	Economic reforms	26	24 461	0	-24 461		0		0	0
7 8:1.2.10	Information	29	263	60 000	2 000		62 263	61 620	644	4
<b>7 8:1.2</b>	<b>TOTAL</b>		<b>585 502</b>	<b>10 218 000</b>	<b>560 539</b>		<b>11 364 041</b>	<b>10 230 947</b>	<b>1 133 094</b>	<b>660 120</b>
<b>7 8:2</b>	<b>DEVELOPMENT COOPERATION ADMINISTRATION (Framework appropriation)</b>									
<b>7 8:2:1</b>	<b>Sida's development cooperation admin.</b>	30	<b>28 184</b>	<b>491 805</b>			<b>519 989</b>	<b>510 351</b>	<b>9 638</b>	
<b>7 9:1.1</b>	<b>COOPERATION WITH CENTRAL AND EASTERN EUROPE (Extended grant, all sub-items)</b>									
7 9:1.1.1	Candidate countries	31	152 533	175 000	-13 000		314 533	185 621	128 913	127 308
7 9:1.1.2	Russia, Ukraine and Belarus	31	292 528	325 000	13 000		630 528	339 957	290 571	289 224
<b>7 9:1.1</b>	<b>TOTAL</b>		<b>445 061</b>	<b>500 000</b>	<b>0</b>		<b>945 061</b>	<b>525 578</b>	<b>419 483</b>	<b>416 532</b>
<b>5 5:6</b>	<b>PEACE PROMOTION OPERATIONS (Framework appropriation)</b>									
5 5:6.3	Sida's operations abroad	32	11 868	17 000	-11 196		17 672	12 569	5 103	
<b>5 5:6</b>	<b>TOTAL</b>		<b>11 868</b>	<b>17 000</b>	<b>-11 196</b>		<b>17 672</b>	<b>12 569</b>	<b>5 103</b>	
	<b>OTHER EXTENDED APPROPRIATIONS</b>									
1F1	Coop./develop. – Baltic Sea region (1999)	33	241			-241	0			
20A10.3	Baltic Sea Programme (1999)	33	1 949			-1 949	0			
	<b>TOTAL</b>		<b>2 189</b>			<b>-2 189</b>	<b>0</b>			
	<b>OTHER FRAMEWORK APPROPRIATIONS</b>									
24 39:6.6	Private sector dev. in Baltic Sea region At the disposal of Sida	34	70 644	0	52 010		122 654	26 998	95 656	
	<b>GRAND TOTAL</b>		<b>1 176 442</b>	<b>11 333 755</b>	<b>601 353</b>	<b>-2 189</b>	<b>13 109 360</b>	<b>11 402 661</b>	<b>1 706 699</b>	<b>1 104 883</b>

# REVENUE UNDER GOVERNMENT BUDGET REVENUE HEADINGS

REVENUE HEADING	DESIGNATION	NOTE	ESTIMATED IN GOVERNMENT DIRECTIVE	REVENUE FOR THE YEAR
2394	Other interest income			3 048
2535	Fees for government guarantees			28
2811	Other revenue from government operations			27 091
4526	Repayment of other loans			6 310
<b>TOTAL</b>		<b>35</b>	<b>50 000</b>	<b>36 476</b>

# AUTHORISATIONS 2003-12-31 (SEK '000)

APPRO- PRIATION	DESIGNATION	AUTHORISED AMOUNT	COMMITMENTS B/F	OUTSTANDING COMMITMENTS 031231	OUTSTANDING COMMITMENTS BY YEAR				TOTAL
					2004	2005	2006	2007 –	
		Note 36		Note 37					Note 38
<b>7 8:1.2</b>	<b>BILATERAL DEVELOPMENT COOPERATION (extended appropriation)</b>								
7 8:1.2.1	Africa		4 336 232	5 206 713	2 837 469	1 415 393	768 836	110 999	5 132 697
7 8:1.2.2	Asia		1 731 084	2 191 075	1 169 338	538 278	264 215	214 201	2 186 031
7 8:1.2.3	Latin America		959 113	1 019 539	547 617	328 878	125 532	5 700	1 007 727
7 8:1.2.4	Europe		559 692	803 058	612 341	159 633	27 182	980	800 136
7 8:1.2.5	Global development programmes		1 149 687	1 308 843	848 583	330 160	72 947	27 956	1 279 646
7 8:1.2.6	Concessionary credits		103 445	196 526	194 526	1 000	1 000	0	196 526
7 8:1.2.7	Non-governmental organisations		1 008 569	1 559 804	970 766	513 184	75 686	0	1 559 636
7 8:1.2.8	Humanitarian assistance and conflict prevention		327 038	435 001	368 608	56 637	7 256	0	432 501
7 8:1.2.10	Information		162	630	230	200	200	0	630
<b>7 8:1.2</b>	<b>Total</b>	<b>15 460 000</b>	<b>10 175 022</b>	<b>12 721 190</b>	<b>7 549 478</b>	<b>3 343 362</b>	<b>1 342 853</b>	<b>359 836</b>	<b>12 595 530</b>
<b>7 9:1.1</b>	<b>COOPERATION WITH CENTRAL AND EASTERN EUROPE VIA SIDA (extended appropriation)</b>								
7 9:1.1.1	Candidate countries		133 874	99 824	90 555	5 540	0	0	96 095
7 9:1.1.2	Russia, Ukraine, Belarus		260 724	321 687	217 832	86 549	15 370	1 421	321 172
<b>7 9:1.1</b>	<b>Total</b>	<b>650 000</b>	<b>394 597</b>	<b>421 511</b>	<b>308 387</b>	<b>92 089</b>	<b>15 370</b>	<b>1 421</b>	<b>417 267</b>
	<b>TOTAL</b>	<b>16 110 000</b>	<b>10 569 619</b>	<b>13 142 701</b>	<b>7 857 866</b>	<b>3 435 451</b>	<b>1 358 223</b>	<b>361 257</b>	<b>13 012 797</b>

**FINANCIAL CONDITIONS 2003 (SEK '000)**

APPRO- PRIATION	DESIGNATION	CONDITIONS	TYPE	FINANCIAL CONDITIONS	OUTCOME 2003
	CEILINGS ON EXPENDITURE				
7 8:1.2	Bilateral development cooperation	Ceiling on expenditure 2003	Govt. dir.	11 033 000	10 230 947
7 9:1.1	Cooperation with Central and Eastern Europe via Sida	Ceiling on expenditure 2003	Govt. dir.	580 000	525 578
7 8:1.1	MULTILATERAL DEVELOPMENT COOPERATION (Extended appropriation)				
7 8:1.1.6	Multilateral development cooperation at Sida's disposal	Support to multilateral and bilateral drug programmes	Govt. dir.	12 000	7 147
		Multilateral environmental contributions	Govt. dir.	16 000	15 124
		Strengthening Sida's participation in above-mentioned multilateral cooperation and methods development	Govt. dir.	1 200	808
		Prepare projects and progs. within framework of Montreal Protocol multilateral fund. Includes balances from previous years.	Govt. dir.	4 000	5 209
		Expenses in connection with Sweden's chairmanship of the committee for finance, audit and evaluation etc.	Govt. dir.	750	544
		Global vaccine initiative (GAVI)	Govt. dir.	20 000	20 000
		Support to World Maritime University (WMU)	Govt. dir.	29 000	23 623
		Swedish particip. in Temporary International Presence in Hebron (TIPH)	Govt. dir.	14 000	12 396
		Swedish participation in co-Nordic Sri Lanka Monitoring Mission (SLMM)	Govt. dir.	10 000	9 468
		7 8:1.2	BILATERAL DEVELOPMENT COOPERATION (Extended appropriation)		
7 8:1.2	Bilateral development cooperation	Services in the field	Govt. dir.	200 000	199 675
		Sida may use SEK 10 500 million for its guarantee activities. Of which a maximum amount of:	Govt. dir.	10 500 000	4 060 757
		SEK 1 000 million refers to independent guarantees	Govt. dir.	1 000 000	237 600
		and SEK 30 million to capital markets and import guarantees	Govt. dir.	30 000	1 157
7 8:1.2.1	Africa	Extra support to education sector in Kenya (UD2003/30335/AF)	Govt. decis.	50 000	50 000
		Further support to rural development programme i Amhara, Ethiopia (2002–2003) *	Govt. dir. 2002	200 000	143 563
		Institutional development at the faculty of forestry in Wondo Genet, Ethiopia 1999–2003 (UD1999/949/AF) *	Govt. decis.	78 200	78 116
		Support for economic reforms and debt relief:			
		– Budget support for Burkina Faso (UD2003/20409/GU)	Govt. decis.	40 000	40 000
		– Budget support for Mali (UD2003/20409/GU)	Govt. decis.	50 000	50 000
		– Budget support for Rwanda (UD2003/20409/GU)	Govt. decis.	50 000	50 000
		– Budget support for Tanzania (UD2003/20409/GU)	Govt. decis.	110 000	110 000
		– Budget support for Uganda (UD2003/20409/GU)	Govt. decis.	65 000	65 000
		– Budget support for Mozambique (UD2003/60596/GU) (2003–2004)	Govt. decis.	200 000	100 000
– Opening balance, Africa (UD03/20403/GU)	Govt. decis.	40 000	0		
7 8:1.2.2	Asia	Support for economic reforms and debt relief:			
		– Budget support for East Timor (UD2003/36178/GU)	Govt. decis.	10 000	10 000
		– Opening balance, Asia (UD03/20403/GU)	Govt. decis.	16 000	16 000
7 8:1.2.3	Latin America	Support for economic reforms and debt relief:			
		– Budget support for Nicaragua (UD2003/31561/GU)	Govt. decis.	60 000	60 000
		– Opening balance, Latin America (UD03/20403/GU)	Govt. decis.	95 000	35 000
7 8:1.2.4	Europe	Election observer programmes	Govt. dir.	5 000	3 607
		Post in Stockholm, National Contact Point for Twinning (CARDS).	Govt. dir.	600	549
		Election observation in Montenegro (Serbia and Montenegro) (UD2003/20853/EP)	Govt. decis.	320	166
		Election observers, Parliament. elections, Armenia (UD2003/21022/EC)	Govt. decis.	220	166
		Support for OSCE's election programme in Albania (UD2003/42551/EP)	Govt. decis.	285	232
		Support for OSCE's election programme in Russia (UD2003/56033/EP)	Govt. decis.	600	353
		Support for OSCE's election programme in Georgia (UD2003/64695/EP+UD2004/6235/EP)	Govt. decis.	303	303

APPROPRIATION	DESIGNATION	CONDITIONS	TYPE	FINANCIAL CONDITIONS	OUTCOME 2003
7 8:1.2.5	Global development programmes	Support via political party related organisations for development of democracy in developing countries	Govt. dir.	18 800	18 800
		Support for research in to developing countries in Sweden	Govt. dir.	90 000	87 933
		Swedish support to International Planned Parenthood Federation (IPPF) (UD2002/1583/GU) 2002–2003	Govt. decis.	70 000	70 000
		Support to Voluntary Organisations Fund for Human Rights (UD2001/1546/IC) 2002–2004 *	Govt. decis.	40 300	26 500
		Swedish Society for the Conservation of nature: support for North/South programme 2002–2004 (UD2002/509/GU) *	Govt. decis.	59 000	38 500
		Support for economic reforms and debt relief: Opening balance, global development (UD03/20403/GU)	Govt. decis.	18 009	18 000
7 8:1.2.6	Concessionary credits	Conditional loan to Private Infrastructure Development Trust for purchasing shares in the Emerging Africa Infrastructure Fund (UD2003/356/AF)	Govt. decis.	countervalue to USD 20 million	124 075
		Support to central transmission network in Mongolia (UD2003/51206/ASO)	Govt. decis.	68 000	68 000
		Financing of four-lane bridge over River Karnaphuli in Chittagong in Bangladesh (UD2003/54099/ASO)	Govt. decis.	144 000	144 000
7 8:1.2.7	NGOs	Max. 10% of sub-item NGOs may be used for information about developing countries	Govt. dir.	94 000	91 981
7 8:1.2.8	Human. assist. and conflict prevention	Humanitarian assistance, Chechnya, Russia	Govt. dir.	40 000	33 304
		Support to ICRC's field projects	Govt. dir.	230 000	215 000
		Support to Burmese refugees in Thailand (UD2003/185/GS)	Govt. decis.	27 500	27 500
		Swedish support to UN appeal for Angola, 2003, (UD2003/269/GS) whereof to:	Govt. decis.	80 000	70 000
		– OCHA		11 000	11 000
		– UNICEF		20 000	10 000
		– WFP		19 000	19 000
		– FAO		10 000	10 000
		– UNHCR		10 000	10 000
		– UNDP		2 000	2 000
		– LWF		4 000	4 000
		– NRC		4 000	4 000
<b>7 8:2</b>	<b>SIDA'S ADMINISTRATION (Framework appropriation)</b>				
7 8:2	Sida's Administration	Credit guarantees for loans to staff	Govt. dir.	15 000	989
<b>7 9:1.1</b>	<b>COOPERATION WITH CENTRAL AND ASTERN EUROPE VIA SIDA (Extended appropriation)</b>				
7 9:1.1	Cooperation with Central and Eastern Europe via Sida	Administration of projects in Central and Eastern Europe.			
		The admin. costs are distributed to item 9:1.1.1 (SEK 9 020 000) and item 9:1.1.2 (SEK 18 819 000).	Govt. dir.	28 650	27 839
		Democracy related contributions in Central and Eastern Europe via Swedish parliamentary parties.	Govt. dir.	18 800	17 119
		Support via NGOs for information in Sweden	Govt. dir.	6 500	3 975
	<b>OTHER APPROPRIATIONS</b>				
5 5:6.3	Peace promotion activities, Sida's activities abroad	Administrative expenses for Swedish participation in the Swedish missions	Govt. dir.	500	467
24 39: 6.6	Private sector development in the Baltic Sea region (1999), at Sida's disposal	Funds for the Demo-East programme (UD1999/1608/EC) *	Govt. decis.	55 000	12 861
		Further funds for Demo-East (UD1999/1608/EC) whereof:	Govt. decis.	40 000	9 715
		– Administration	Govt. decis.	2 500	218
		Assignment to arrange internat. training prog. (UD1999/1398+1608/EC) *	Govt. decis.	20 000	14 943
		Continuation of Nordpraktik – New Managers for Russia, 2003–2004 (UD1999/1608/EC) *	Govt. decis.	16 250	10 250
		Replenishment of Swedish consultancy fund at the Nordic Investment Bank, NIB, 2002–2003 (UD1999/1608/EC) *	Govt. decis.	5 150	5 007
		Transformer station in Siauliai, Lithuania (UD1999/1608/EC) whereof:	Govt. decis.	8 950	0
		– Administration	Govt. decis.	240	0
		– External follow-up	Govt. decis.	200	0

\* Outcome refers also to earlier years.

## Cash flow statement 2003 (SEK '000)

	NOTE	030101 -031231	020101 -021231
<b>OPERATIONS</b>			
Costs	39	-864 201	-835 834
<b>Financing of operations</b>			
Income from appropriations		845 755	773 652
Income from fees and other payments	40	52 989	54 119
Income from grants		201	2 785
Other income		1 145	1 591
<b>Total funds provided for financing of operations</b>		<b>900 090</b>	<b>832 146</b>
Reduction in stocks		2 448	-4 431
Increase in short-term claims		-1 279	-25 517
Reduction in short-term liabilities		-6 756	-2 943
<b>CASH FLOW FROM OPERATIONS</b>		<b>30 301</b>	<b>-36 579</b>
<b>INVESTMENTS</b>			
Investments in tangible fixed assets		-20 960	-33 124
Investments in intangible fixed assets		-18 948	-10 442
<b>Total investment expenditure</b>		<b>-39 908</b>	<b>-43 566</b>
<b>Financing of investments</b>			
Loans from National Debt Office		22 555	30 234
- repayments		-21 440	-21 036
Sales of fixed assets		751	496
<b>Total funds available for financing of investments</b>		<b>1 866</b>	<b>9 694</b>
Change in short-term receivables and liabilities		-884	2 520
<b>CASH FLOW TO INVESTMENT ACTIVITIES</b>		<b>-38 926</b>	<b>-31 352</b>
<b>LENDING ACTIVITIES</b>			
New loans and write-downs		-150 738	-3 067
Repayments		6 310	5 851
<b>Total lending expenditure</b>		<b>-144 428</b>	<b>2 784</b>
<b>Financing of lending activities</b>			
Increase in government capital by funds received from government budget		120 858	-1 843
<b>Total funds provided for financing of lending activities</b>		<b>120 858</b>	<b>-1 843</b>
<b>CASH FLOW TO LENDING ACTIVITIES</b>		<b>-23 570</b>	<b>942</b>
<b>COLLECTION OF FEES ETC</b>			
Fees which may not be used by Sida		27 561	44 925
Change in short-term receivables and liabilities		2 605	905
<b>Payments to government budget</b>		<b>30 166</b>	<b>45 830</b>
Funds provided transferred to government budget from collection activities		-30 166	-45 830
<b>CASH FLOW TO COLLECTION ACTIVITIES</b>		<b>0</b>	<b>0</b>

	NOTE		030101 -031231	020101 -021231
<b>TRANSFERS</b>				
Disbursed contributions	41	-10 521 484		-11 548 666
Financial income	41	108 239		137 803
Financial expenses	41	-32 729		-15 762
Change in short-term receivables and liabilities		47 227		62 465
Change in long-term claims		24 431		-89 240
<b>Disbursements of transfers</b>			<b>-10 374 316</b>	<b>-11 453 400</b>
<b>Financing of transfer activities</b>				
Funds from government budget for financing of support		10 132 738		11 063 719
Funds from other agencies for financing of support	41	3 565		4 741
Other funds received for financing of support	41	46 566		67 960
Increase in government capital with funds from government budget		297 000		173 660
<b>Total funds available for financing of transfer activities</b>			<b>10 479 869</b>	<b>11 310 080</b>
<b>CASH FLOW FROM TRANSFER ACTIVITIES</b>			<b>105 553</b>	<b>-143 320</b>
<b>CHANGE IN LIQUID FUNDS</b>			<b>73 358</b>	<b>-210 310</b>

	030101 -031231	020101 -021231
<b>SPECIFICATION CHANGE IN LIQUID FUNDS</b>		
<b>Liquid funds at the beginning of the year</b>	<b>2 135 408</b>	<b>2 345 717</b>
Increase in cash and postal giro balances	8 586	-12 958
Increase in balances in National Debt Office	19 900	-203 416
Reduction in bank balances	-38 862	-24 400
Increase in settlement with Government	83 735	30 465
<b>Total change in liquid funds</b>	<b>73 358</b>	<b>-210 310</b>
<b>Liquid funds at the end of the year</b>	<b>2 208 766</b>	<b>2 135 408</b>

## Notes, amounts in SEK '000

### GENERAL

Sida is obliged to maintain accounts as laid down in the bookkeeping and accounting ordinance (2000:606). This annual report has been drawn up in accordance with the ordinance on the annual reports of government agencies (2000:605).

### ACCOUNTING PRINCIPLES

Claims have been valued at the amount expected to be received.

Claims and liabilities in foreign currencies have been valued at the rate in force at the year-end, unless otherwise stated below.

From 2002, expenditure on development that has a material value for the activities of the agency in future years is reported under Intangible Fixed Assets. Sida has decided that the document handling and retrieval system that is being produced should therefore be taken up as an intangible fixed asset. During the production of the system, which is expected to continue until 2004, the asset is to be recorded in the books as work in progress and it will not be depreciated.

Fixed assets are assets for permanent use with an acquisition value of at least SEK 10,000 and an economic life of at least three years. Fixed assets are taken up at acquisition value and are depreciated with the straight-line depreciation method. Depreciation starts from the month the asset is taken into operation. The depreciation period for improvements to non-Sida properties is ten years, for computers three years, and for other categories five years.

Expenditure classified as transfers is settled against the appropriation, according to the cash principle, in 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.

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.

When calculating the value of the contingency reserve, consideration is given to the estimated value of outstanding claims for damages and the estimated risk of losses in outstanding commitments. Consideration is also given to the so-called concentration risk since commitments are dominated by a few countries and the result is therefore greatly dependent on assessments of these countries. In the spring of 2003, the Swedish Export Credits Guarantee Board changed its portfolio risk model in order to better measure the risks. Valuations made on the basis of this new model are not available for comparison purposes for earlier years.

### 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

## PAYMENTS TO MEMBERS OF THE BOARD AND SENIOR MANAGEMENT AND INFORMATION ON OTHER ASSIGNMENTS

Members of the board receive fees for meetings in accordance with the ordinance (1992:1299) relating to fees for membership in government boards, committees and councils etc.

Member	Taxable payment	Membership of other boards
Björling, Ewa	10	----
Ekholm, Berndt	12	Environment Protection Agency
		Bank of Sweden Tercentenary Fund
Gustafsson, Holger	12	----
Göransson, Bo*	105	----
Herrström, Staffan (Deputy DG)*	792	----
Håkansson, Leif	8	National Labour Market Board
		National Board of Agriculture
		Stiftelsen Innovationscentrum
		Folksam LO Fondförsäkring AB
		Folksam LO Fond AB
		Fora Försäkringscentral AB
Kokko, Ari	8	----
Lind, Hilda	8	----
Norralk, Maria*	740	----
Palme, Joakim	12	----
Ohlsson, Birgitta	8	----
Risinggård, Börje	8	Swedish Customs
		Swedish-Polish Trade Services AB
		Handelns utredningsinstitut AB
		Swedish-Russian Chamber of Commerce AB
		Nordiska Unipol AB
		Silf Competence AB
Ytterberg, Mariann	10	Försäkringskassan i Västmanland
		Hospital Patient's Injuries Board
<b>Total payments</b>	<b>1 733</b>	

\* Bo Göransson terminated his appointment as Director General in January 2003. Staffan Herrström acted as Director General from January 13, 2003 to March 31, 2003, and as acting chairman of the board from February 6, 2003 to March 31, 2003. Maria Norralk was appointed Chairman of the Board and Director General at Sida on April 1, 2003.

## REPORT OF ABSENCE DUE TO SICKNESS AT SIDA IN 2003

In accordance with paragraph 3 of the Ordinance (2000:605) on annual reports and budget documentation, information shall be submitted on absence due to sickness at the agency from 2003. The information shall refer to the period from July 1, 2003, but for purposes of comparison corresponding information is submitted for the entire year.

Absence due to sickness in the table is given as a percentage if the employees' total working time for each group.

Absence due to sickness	030701 -031231	030101 -031231
Total	2,33 %	2,48 %
Long term absence due to sickness (>60 days)	1,28 %	1,37 %
Men	1,74 %	2,04 %
Women	2,74 %	2,78 %
Employees -29 years	0,78 %	0,80 %
Employees 30-49 years	2,24 %	2,38 %
Employees 50- years	2,50 %	2,63 %

## STATEMENT OF FINANCIAL PERFORMANCE

### Note 1. Relationship between income from appropriations according the appropriation accounts and the income statement

	030101 -031231	020101 -021231
Appropriation outcome as shown in the appropriation accounts	11 402 661	12 015 040
Appropriation income as shown in the income statement	-845 755	-773 652
Funds received from govt. budget for the financing of dev. coop.	-10 132 738	-11 063 719
Accounted against state capital (loans)	-424 168	-177 668
	<b>0</b>	<b>0</b>

### Note 2. Income from fees and other payments

	030101 -031231	020101 -021231
Income in accordance with Fees Ordinance 4 §	18 591	18 174
Income from fee-financed operations	53	105
Other operational income	35 013	36 310
<b>Total income</b>	<b>53 658</b>	<b>54 590</b>

### Note 3. Financial income

	030101 -031231	020101 -021231
Interest income National Debt Office	1 092	1 483
Other interest income	48	108
Other financial income	5	0
<b>Total financial income</b>	<b>1 145</b>	<b>1 591</b>

### Note 4. Payroll expenses

	030101 -031231	020101 -021231
Total expenses for personnel	-519 263	-493 193
Of which salaries and wages	-288 839	-270 130

### Note 5. Other operating expenses

	030101 -031231	020101 -021231
Consulting services (excl. computer services)	-119 364	-99 878
Computer services	-4 378	-4 743
Other services	-17 915	-24 966
Telecommunications and post	-17 840	-19 543
Transport and travel	-36 910	-39 905
Office materials, printed matter etc	-18 856	-20 793
Other	-11 725	-11 636
<b>Total other operating costs</b>	<b>-226 989</b>	<b>-221 465</b>

### Note 6. Financial expenses

	030101 -031231	020101 -021231
Interest expenses, interest-bearing account, National Debt Office	0	-731
Interest expenses, loans, National Debt Office	-3 265	-2 620
Exchange rate losses	-2 511	-2 838
Other financial expenses	-495	-352
<b>Total financial expenses</b>	<b>-6 271</b>	<b>-6 541</b>

**Note 7. Other funds received for financing development cooperation and accounts receivable**

The balance for other funds received was SEK 21 940 000 lower on December 31 than it was in the annual report for 2002. In the latter case the balance included transactions relating to the Global Water Partnership (GWP) amounting to SEK 34 929 000. GWP parted from Sida on July 1, 2002 and is now an intergovernmental organisation. Therefore the funds received have decreased considerably.

Accounts receivable have decreased by approximately SEK 4 million. The high balance for accounts receivable is explained by the fact that the claim that arose in the final settlement with GWP has only been partly paid by GWP. GWP requested, and was granted, respite in respect of the payment until the spring of 2004. The outstanding claim is now SEK 13 256 000.

At the same time there has been an increase in funds received in comparison with previous years in respect of the Contingency Reserve. Recovered damages and income from premiums have increased by SEK 14 240 000 in comparison with 2002.

**Note 8. Financial income**

	030101 -031231	020101 -021231
Interest income, concessionary credits	68 670	98 288
Interest income, Contingency Reserve	30 337	36 054
Exchange rate gains	9 231	3 032
Other financial income	0	429
<b>Total financial income</b>	<b>108 239</b>	<b>137 803</b>

**Note 9. Financial expenses**

	030101 -031231	020101 -021231
Interest expenses, Contingency Reserve	-10	-36
Exchange rate losses	-32 659	-15 667
Other financial expenses	-60	-59
<b>Total financial expenses</b>	<b>-32 729</b>	<b>-15 762</b>

**Note 10. Change in capital for the year**

	030101 -031231	020101 -021231
<i>Accrued differences in appropriation- financed activities</i>		
Repayments	21 440	21 036
Personnel expenses	12 990	-18 622
Depreciation	-22 055	-18 918
Collections	-2 605	-905
Other	1 128	-1 492
<i>Surpluses/deficits in appropriation-financed activities</i>		
Bad debt losses, conditional loans	-7 757	-7 604
Concessionary credits – grant elements	-292 253	-363 558
Outcome: soft loans*	15 668	-92 742
Outcome: contingency reserves	-24 431	89 240
Other transfers*	45 668	81 613
<b>Change in capital for the year</b>	<b>-252 208</b>	<b>-311 953</b>

\* Comparative figures in respect of "Other transfers" have been changed in comparison with the corresponding note in the annual report for 2002 by SEK 92 742 000. Instead, this amount is reported separately under "Outcome: soft loans".

## STATEMENT OF FINANCIAL POSITION

### Note 11. Intangible fixed assets

	Capitalised expenditure on development		Rights and other intangible fixed assets		TOTAL
	Finalised	Ongoing	Finalised	Ongoing	
Opening balance acquisition value	0	5 809	0	4 633	10 442
Acquisitions 2003	0	5 095	0	13 853	18 948
Closing balance acquisition value	0	10 903	0	18 487	29 390
Opening balance depreciation	0	0	0	0	0
Depreciation 2003	0	0	0	0	0
Closing balance depreciation	0	0	0	0	0
<b>Total per item on Statement of Financial Position</b>	<b>0</b>	<b>10 903</b>	<b>0</b>	<b>18 487</b>	<b>29 390</b>

### Note 12 Tangible fixed assets

Improvements to non-Sida property	Finalised improvements to non-Sida property	Machines, equipment, installations etc.					TOTAL
		Capital goods	Vehicles	Com-puters	Office machines	Furniture	
Opening balance acquisition value	49 756	15 779	21 003	62 785	19 493	27 975	196 792
Acquisitions 2003	3 338	2 513	2 968	5 453	1 915	4 511	20 698
Reverses – acquisition value	0	-138	-1 160	-1 022	-575	-8	-2 903
Closing balance acquisition value	53 094	18 155	22 811	67 216	20 833	32 478	214 587
Opening bal. accum. depreciation	-22 522	-12 420	-13 367	-49 519	-11 684	-20 677	-130 188
Depreciation 2003	-4 861	-1 153	-2 623	-8 812	-2 294	-2 313	-22 055
Reversed depreciation	0	138	1 113	1 022	490	8	2 771
Closing bal. accum. depreciation	-27 382	-13 436	-14 877	-57 309	-13 487	-22 982	-149 473
BOOK VALUE	25 712	4 719	7 935	9 907	7 346	9 496	65 114
<b>Total per item on Statement of Financial Position</b>	<b>25 712</b>					<b>39 403</b>	<b>65 114</b>
<b>Advance in respect of tangible fixed assets</b>							<b>262</b>
<b>Closing balance tangible fixed assets</b>							<b>65 376</b>

### Note 13. Long-term claims at other agencies

This item consists in its entirety of the contingency reserve which is administered by the Export Credit Guarantee Board and is tied to the concessionary credit system. The value of the contingency reserve, after allocations have been made to it, is assessed to cover any possible future losses.

**Note 14. Loans**

Loans: Soft loans	031231	021231
<b>Opening balance</b>	<b>171 217</b>	<b>153 047</b>
New loans in the year	57 526	21 174
Repayments during the year	-3 817	-2 809
Change for the year in exchange rate diff. and expected losses	834	-194
<b>Closing balance</b>	<b>225 761</b>	<b>171 217</b>
<b>Loans: Conditional loans</b>	<b>031231</b>	<b>021231</b>
<b>Opening balance</b>	<b>90 577</b>	<b>111 531</b>
New loans in the year	87 831	4 041
Repayments during the year	-2 494	-3 042
Loans written off	-766	-6 655
Change for the year in exchange rate diff. and expected losses	5 313	-15 298
<b>Closing balance</b>	<b>180 461</b>	<b>90 577</b>
<b>Total closing balance</b>	<b>406 222</b>	<b>261 794</b>

**Note 15. Cut-off items**

	031231	021231
Prepaid rent, not government property	12 757	14 046
Prepaid rent, government property	9 443	7 977
Other prepaid costs, not governmental	1 933	228
Accrued grant income, not governmental	1 281	596
Accrued interest income, governmental	7 066	8 066
Accrued interest income, non governmental	9 047	11 631
Other accrued income	286	1 088
<b>Closing balance</b>	<b>41 813</b>	<b>43 633</b>

**Note 16. Settlement with the government**

	031231	021231
<b>Opening balance</b>	<b>97 417</b>	<b>66 951</b>
<i>Settled against government budget</i>		
– Appropriations	11 402 661	12 015 039
– Income headings	-36 476	-51 682
<i>Settled against government budget, total</i>	<i>11 366 185</i>	<i>11 963 357</i>
<i>Settled against government current account</i>		
– Appropriation funds deposited on interest-bearing account	-491 805	-489 333
– Collections etc.	897 441	1 020 827
– Transfers etc.	-11 688 087	-12 464 386
<i>Settled against government current account, total</i>	<i>-11 282 450</i>	<i>-11 932 892</i>
<b>Settlement with the government</b>	<b>83 734</b>	<b>30 465</b>
<b>Closing balance</b>	<b>181 151</b>	<b>97 417</b>

**Note 17. Holding on interest-bearing account at the National Debt Office**

Sida has a credit facility of SEK 19 700 000 on its interest-bearing account at the National Debt Office. The holding on the account consists in essentials of appropriated funds. A breakdown of the composition of balance can be seen below.

Composition of the balance	031231	021231
Appropriations	31 005	43 636
Fees	2	1
Contributions from other agencies	4	22
Other funds	10	22
<b>Total holding</b>	<b>31 021</b>	<b>43 681</b>
<b>of which short-term liquidity needs</b>	<b>17 730</b>	<b>29 950</b>

**Note 18. Other balances at the National Debt Office**

Under a decision of the Government (UD1999/283/IC), Sida is entitled to start trial activities with so-called independent guarantees up to an amount of SEK 1 000 million. Any losses incurred in the guarantee activities shall be covered by funds at the National Debt Office for the financing of the concessionary credit system (SEK 1 976 545 000) up to an amount of SEK 500 million. A risk evaluation made in December 2002 shows that the commitments are well below the ceiling. The trial activities were extended by three years by a decision of the Government UD/2002/780/GU.

**Note 19. Cash, postal giro, bank**

	031231	021231
Cash	47	48
Embassies LORO	20 002	11 415
Bank balances	0	38 863
<b>Closing balance</b>	<b>20 049</b>	<b>50 325</b>

For non-convertible currencies the embassies' holdings as at December 31 have been valued at the rate in force in December. Convertible currencies have been valued at the rate in force at the end of the year.

In 2003, a new routine was introduced in respect of the embassies' accounts in Nordea Bank. This has the effect that a daily withdrawal is made against the Government current account and therefore the balance for bank balances is zero.

**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 income heading on the government budget and reduce government capital.

Soft loans are reported in the same way, but with the difference that accounting of the claim and repayments to government capital and income heading are made after making adjustments that take into consideration the degree of write-off of the loans.

In connection with provisions for future interest subsidies on concessionary credits, the appropriation is debited and the amount is reported against government capital. Provisions can also be made for soft loans. The payments of interest subsidies during the year are shown as expenses in the Statement of Financial Performance and result in a change in capital, which is a charge on government capital next year.

Soft loans	031231	021231
<b>Opening balance</b>	<b>239 516</b>	<b>154 325</b>
Allocations made during the year	37 000	88 000
Repayments made during the year	-3 817	-2 809
Change in capital for the year	-92 745	0
<b>Closing balance</b>	<b>179 954</b>	<b>239 516</b>
Conditional loans	031231	021231
<b>Opening balance</b>	<b>115 518</b>	<b>121 731</b>
New loans for the year	127 168	4 041
Repayments made during the year	-2 494	-3 042
Change in capital for the year	-6 622	-7 179
Exchange rate losses	0	-32
<b>Closing balance</b>	<b>233 571</b>	<b>115 518</b>
Concessionary credits	031231	021231
<b>Opening balance</b>	<b>2 232 595</b>	<b>2 716 368</b>
Allocation for the year	260 000	85 660
Change in capital for the year	-262 690	-569 433
<b>Utgående balans</b>	<b>2 229 905</b>	<b>2 232 595</b>
<b>Total closing balance</b>	<b>2 643 429</b>	<b>2 587 629</b>

**Note 21. Change in capital brought forward**

	031231	021231
<b>Opening balance</b>	<b>452 711</b>	<b>439 109</b>
Capital change previous years	-311 953	-563 010
Allocated against government capital for soft loans	92 745	0
Allocated against government capital for conditional loans	6 622	7 179
Allocated against government capital for concessionary credits	262 690	569 433
<b>Closing balance</b>	<b>502 817</b>	<b>452 711</b>

**Note 22. Provisions**

	031231	021231
<b>Opening provision</b>	<b>4 786</b>	<b>6 081</b>
Pension expenses for the year	3 284	1 403
Pension payments for the year	-2 334	-2 698
<b>Closing provision</b>	<b>5 737</b>	<b>4 786</b>

The provisions made in 2002 included, in addition to pensions, an amount for severance pay (including social security contributions) of SEK 611 000. There was no severance pay in 2003. Any severance pay in the future will be entered in the books as a liability.

**Note 23. Loans at the National Debt Office**

Under the Government's annual directives, Sida has a loan facility of SEK 92 million.

	031231	021231
<b>Opening balance</b>	<b>62 240</b>	<b>53 042</b>
Loans taken in the year	22 555	30 234
Repayments made during the year	-21 440	-21 036
<b>Closing balance</b>	<b>63 355</b>	<b>62 240</b>

**Note 24. Cut-off items**

	031231	021231
Accrued salaries and vacation pay	35 071	46 149
Accrued interest and expenses, governmental	0	86
Other accrued expenses, not governmental	4 649	3 324
Other accrued expenses, governmental	1 429	3 375
Unused grants governmental	3 985	2 000
Deferred income, non governmental	290	0
<b>Closing balance</b>	<b>45 425</b>	<b>54 934</b>

Accrued salaries for 2002 are higher than for 2003 due to the fact that retroactive salaries for the period April–December 2002 were paid in January 2003.

**APPROPRIATION ACCOUNTS****Note 25. Concepts used in appropriation accounts**

*Opening transferred balance* is a generic term which includes savings on appropriations, appropriation credits and extended grants that Sida has brought forwards from previous years.

*Reallocated appropriation items* refer to appropriations/appropriation items that have previously been at the disposal of the Government where Sida has either received the right to use the funds or transferred them to the Government. Receipt of the right to use the funds is shown without a sign while transfers to the Government are shown with a minus sign. In addition this column also includes the reallocations Sida makes between sub-items, see note 26 and 31.

**Note 26. Reallocation of closing balances in 2002.**

To enable Sida to use balances carried forward from 2002 on appropriation accounts that are not available to Sida in 2003, the Government decided (UD03/20403/GU) to reallocate the opening balances as shown below.

Appropriation accounts that Sida may not use	SEK '000	Balance transferred to	SEK '000
8:1.1.1	9 202	8:1.1.6	32 993
8:1.1.3	23 791		
Total	32 993		32 993
8:1.2.9	169 009	8:1.2.1	40 000
		8:1.2.2	16 000
		8:1.2.3	95 000
		8:1.2.5	18 009
Total	169 009		169 009
<b>Grand total</b>	<b>202 002</b>		<b>202 002</b>

The closing balance in 2002 on account 8:1.2.9 amounted to SEK 193 470 000, the difference SEK 24 461 000, was returned to the Government for its use, see UD2003/60599/GU.

**Note 27. Additional opening balances**

In addition to the closing balances that were placed at Sida's disposal in 2002, the opening balance on account 8:1.2, sub-account 7 Non-governmental Organisations, that was to be used by the Government under the Government's annual directives, shall be placed at the disposal of Sida. The balance amounts to SEK 205 000. The same applies to the opening balance on account 8:1.2, sub-account 7, Humanitarian assistance and conflict prevention. This balance amounts to SEK 3 840 000.

**Note 28. Difference in comparison with Hermes**

In the central government information system, Hermes, four government decisions (UD2003/20409, 31561, 36178, 60596/GU) have been registered as *Appropriations for the year in accordance with the Government's annual directives* while in Sida's appropriation accounts they have been registered as reallocated appropriations. The amounts concerned are SEK 515 000 000 for sub-account 8:1.2.1 Africa, SEK 10 000 000 for sub-account 8:1.2.2 Asia and SEK 60 000 000 for sub-account 8:1.2.3 Latin America.

Sida reports the *opening transferred balance* and the *reallocated appropriation item* for sub-account 7 8:1.2.9 Economic reforms. This sub-account is not reported for Sida in Hermes since this account is at the disposal of the Government Offices and it is not possible to break down sub-accounts in Hermes, see also note 26.

The Government's decision (UD2003/60602/GS) has not been registered in Hermes. The *opening transferred balance* and the *reallocated appropriation item* for sub-account 5 5:6.3 Sida's activities abroad do not therefore correspond with the information contained in Sida's appropriation report, see note 32.

Sida reports the *opening transferred balance* and *withdrawals* on appropriations IFI and 20A104. These appropriations are not included at all in Hermes.

However, the total amount available according to Sida's appropriation accounts corresponds with the information in Hermes

**Note 29. Re-allocation of appropriation 7 8:1.2**

Under the Government's annual directives, Sida is entitled to transfer funds between sub-items under 8:1.2 within a framework of 10% per item. However, transfers of 20% are permitted for the item 8:1.2.8 Humanitarian assistance and conflict prevention. A summary is provided below of re-allocations made under appropriation 7 8:1.2 Bilateral development cooperation.

Sub-item	According to government directives	Reallocations	According to the annual report
8:1.2.1	3 235 000	78 500	3 313 500
8:1.2.2	1 780 000	-141 000	1 639 000
8:1.2.3	870 000	-10 000	860 000
8:1.2.4	820 000	6 000	826 000
8:1.2.5	1 323 000	8 000	1 331 000
8:1.2.6	675 000	-67 500	607 500
8:1.2.7	940 000	-31 000	909 000
8:1.2.8	1 100 000	155 000	1 255 000
8:1.2.10	60 000	2 000	62 000
	<b>10 803 000</b>	<b>0</b>	<b>10 803 000</b>

The columns According to government directives and According to the annual report also include reallocated appropriations.

**Note 30. 7 8:2.1 Sida's administration**

Sida's saving on its administration appropriation amounted at the beginning of the year to SEK 28 184 000. Sida may use the entire sum (2003/25362/GU).

According to its annual directives, Sida may use an appropriation credit not exceeding SEK 7 400 000 in addition to its appropriation.

**Note 31. Reallocations under appropriation 7 9:1.1**

According to the Government's annual directives, Sida is entitled to transfer funds between sub-items within a framework of 15% per sub-item on appropriation item 7 9:1.1 Cooperation with Central and Eastern Europe. Sida has transferred SEK 13 million from sub-item 7 9:1.1.1 Candidate countries to sub-item 7 9:1.1.2 Russia, Ukraine and Belarus.

**Note 32. Re-allocated funds from savings on framework appropriations**

At the start of the year Sida had outstanding funds on appropriation item 5 5:6 Peace-Promotion Activities sub-item 4 Ministry for Foreign Affairs, special contributions

amounting to SEK 207 000 and on sub-item 8 at the disposal of the Government amounting to SEK 1 943 000. According to UD/2003/60602/GS these funds shall be transferred as savings on appropriations to item 3: Sida's activities abroad. Sida may not use the savings on appropriations. They shall be reallocated to item 5: At the disposal of the Government.

At the start of the year Sida had outstanding funds on appropriation item 5 5:6 Peace-Promotion Activities sub-item 3: Sida Activities abroad amounting to SEK 9 717 000. According to its letter of appropriations Sida may use that part of the savings on appropriations that constitutes 3 per cent of the funds allocated in the previous year. The remainder, in addition to SEK 672 000, have been transferred to item 5: At the disposal of the Government.

**Note 33. Re-allocated funds from savings on extended appropriations**

At the start of the year, Sida had outstanding funds on appropriation account 1F1 Cooperation and Development in the Baltic Sea region amounting to SEK 241 000 and an amount of SEK 1 949 000 on appropriation account 20A10.3 Baltic Sea Action Programme. These funds have been withdrawn from Sida's appropriation accounts since extended appropriations may only be used during a period of two years after inclusion in the government budget.

**Note 34. Right to use savings on appropriations and allocated funds**

By a decision of the Government UD2003/24459/EIM, Sida has continued to have the right to use the entire saving of SEK 70 644 000 on appropriation 24 39:6.6 Private Sector Development in the Baltic Sea Region. The main rule is that the agency may only use three per cent without the consent of the Government.

Through a change to the Government's annual directives and letter of appropriations, Sida was allocated SEK 40 000 000 for further replenishment of the Demo-East programmes, SEK 8 950 000 for project support contributions within the framework of Demo-East and SEK 3 060 000 for the replenishment of a Swedish consultancy fund – all in all SEK 52 010 000.

**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. The lower outcome is due to the fact that payments received in respect of interest from Swedish and foreign organisations have not been so high as estimated. Sida does not know in advance which organisations will report interest due to Sida. Other factors that exert an influence are the banks' rates of interest and exchange rates for USD.

## **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. Definition of outstanding commitments**

Outstanding commitments consist of binding commitments i.e. signed and still valid agreements/contracts – or decisions on contributions where there is no agreement – reduced by accumulated expenditure as at December 31, 2003. The total for outstanding commitments does not include that part which is accounted for as committed appropriations.

**Note 38. Total outstanding commitments**

There is a difference between the total amount of outstanding commitments at the end of

the year and the total of those broken-down per year. The difference arises since the total amount of the outstanding commitments includes the difference between the agreed amounts that were allocated before 2003 and disbursements that were made before 2003. 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

	030101 -031231	020101 -021231
Cost of operations according to the statement of fin. performance	-887 256	-853 459
Cost of operations according to the statement of financial position	-864 201	-835 834
<b>Difference</b>	<b>-23 055</b>	<b>-17 625</b>

The difference consists of the following items in the Statement of Financial Performance that do not affect the Cash Flow Statement:

	030101 -031231	020101 -021231
Capital losses from sales of fixed assets	-49	-2
Allocations for future pension commitments	-951	1 295
Depreciation of fixed assets	-22 055	-18 918
<b>Total</b>	<b>-23 055</b>	<b>-17 625</b>

### Note 40. Income from fees and other payments

	030101 -031231	020101 -021231
Income from fees and other payments according to the Statement of Financial Performance	53 658	54 590
Income from fees and other payments according to the Cash Flow Statement	52 989	54 119
<b>Difference</b>	<b>669</b>	<b>471</b>

The difference consists of the following item in the Statement of Financial Performance that does not affect the Cash Flow Statement:

	030101 -031231	020101 -021231
Capital gains from sales of fixed assets	669	471
<b>Total</b>	<b>669</b>	<b>471</b>

### Note 41. Comparative figures for 2002

The comparative figures as at 021231 for *Development cooperation provided* have been reduced by SEK 83 983 000 compared to the annual report for 2002. This is explained by the fact that *Financial income* (SEK 137 803 000) and *Financial expenses* (-SEK 15 762 000) are reported separately in the Cash flow statement from 2003. As a result of an erroneous classification in previous years, SEK 480 000 has also been transferred from *Development Cooperation provided* to *Funds received from other agencies for development cooperation*, and SEK 206 504 000 has been transferred to *Development cooperation provided* from *Other funds received for development cooperation*.

## DISPUTES

In this context disputes either refer to a situation in which Sida has demanded payment from another party or that another party has demanded payment from Sida and that the party in receipt of the demand is not willing to pay. Below a report is provided on the disputes under the headings Contingent Liabilities and Doubtful Receivables.

### Contingent Liabilities

#### **Scandiaconsult AB SEK 4.2 million**

Scandiaconsult carried out assignments for Sida in West Bank/Gaza in a project relating to the reconstruction of surface water and wastewater systems. In the district court Scandiaconsult has claimed an additional payment over and above that paid by Sida under the contract between the parties, partly for loss of profit and partly for additional costs, in total an amount of approximately SEK 4 200 000. Sida has contested the claim (and has presented a counter claim as described below). The dispute is being prepared for presentation in the district court in 2004.

#### **Hifab AB: SEK 1 million**

As a consequence of a consulting assignment, Hifab has claimed payment, over and above agreed compensation, of an amount of approximately SEK 1 million for work it has performed. Sida has contested the entire claim since the work has not been ordered by Sida. (At present the dispute is not the subject of court proceedings.)

### Doubtful receivables

#### **Scandiaconsult AB: SEK 691,000**

In the above-mentioned dispute in court, Sida claims compensation for financial losses totalling more than SEK 691 000 due to the breach of contract by the counter party.

#### **Hifab AB and NCC AB: SEK 50 million**

Hifab has performed assignments as a consultant for a road construction project that was undertaken by NCC in Nicaragua. Since faults have occurred in the road surface, which are estimated to result in an additional cost of at least SEK 50 million, negotiations have been held on the responsibility of Hifab and NCC for payment of this amount. The companies have contested responsibility. Sida has made a study with the purpose of determining responsibilities in the matter. (At present the dispute is not the subject of court proceedings.)

Approval of the annual report  
by the Board of Sida

2003

# Approval of the annual report by the Board of Sida

Sida's board approved Sida's annual report for 2003 at its board meeting on February 20, 2004.

Maria Norrfalk, Director General, *chairman*

Ewa Björling

Berndt Ekholm

Holger Gustafsson

Leif Håkansson

Ari Kokko

Hilda Lind

Joakim Palme

Birgitta Ohlsson

Börje Risinggård

Mariann Ytterberg

# Appendices

2003

## Appendix 1. Expenditure summarised by operational area, region and country

Appendix 1. Overview of policy areas, outcome in SEK million and number of contributions

Policy area	Expenditure			Number of contributions		
	2003	2002	2001	2003	2002	2001
International development cooperation	10 228	10 927	11 437	5 188	5 397	5 476
Cooperation with Central and Eastern Europe	556	662	648	778	812	1 021
Foreign and security policy/Peace promotion activities	13	19	19	20	15	14
<b>Total</b>	<b>10 797</b>	<b>11 609</b>	<b>12 104</b>	<b>5 986</b>	<b>6 224</b>	<b>6 511</b>
Administrative expenses	497	464	467			
<b>Total</b>	<b>11 294</b>	<b>12 073</b>	<b>12 571</b>			

Appendix 1:1. International development cooperation by country and operational area, SEK

Country/region	Democratic governance and human rights	Social sectors	Infrastructure, private sector dev., urban dev. and financial systems	Natural resources	Economic reforms	Research cooperation
<b>AFRICA SOUTH OF THE SAHARA</b>						
Angola	4 388 603	17 388 056	218 738	-432 372	0	0
Benin	0	0	0	0	0	0
Botswana	1 358 785	3 092 818	359 748	89 619	0	0
Burkina Faso	8 241 135	27 292 440	102 081	593 268	40 000 000	3 739 788
Burundi	6 755 700	0	0	0	0	0
Central African Republic	0	0	0	0	0	0
Equatorial Guinea	0	0	0	0	0	0
Ivory Coast	0	0	0	0	0	0
Eritrea	109 667	0	0	0	0	3 943 851
Ethiopia	4 290 263	15 439 080	860 743	109 358 884	0	20 752 000
Gambia	0	0	0	0	0	0
Ghana	0	0	388 511	0	0	0
Guinea	0	0	0	0	0	0
Guinea-Bissau	0	731 116	2 890 120	500 000	0	0
Cape Verde	283 177	0	401 810	0	0	0
Kenya	35 955 442	71 588 203	36 902 682	39 308 411	0	0
Congo	0	0	0	0	0	0
Congo, Democratic Republic	0	0	1 800 000	0	0	0
Lesotho	0	0	0	0	0	0
Liberia	0	0	0	0	0	0
Madagascar	0	0	0	0	0	0
Malawi	23 745 094	43 299 878	35 978 730	0	0	0
Mali	2 772 357	33 903 492	2 158 360	0	50 000 000	0
Mauritania	0	0	0	0	0	0
Mauritius	0	0	0	0	0	0
Mozambique	110 711 327	14 502 610	178 575 344	14 707 381	100 783 407	14 128 961
Namibia	27 902 113	27 343 423	10 186 718	4 999 413	0	0
Niger	0	0	0	0	0	0
Nigeria	5 593 976	0	0	0	0	0
Rwanda	24 746 100	4 331 014	1 956 051	0	50 000 000	17 379 529

	Humanitarian contributions and conflict prevention	NGOs	Other	Total excluding administrative expenses	Administrative expenses	Total	Country/region
							<b>AFRICA SOUTH OF THE SAHARA</b>
	83 312 258	6 525 385	1 269 430	112 670 098	8 569 918	<b>121 240 016</b>	Angola
	0	1 792 821	0	1 792 821	73 385	<b>1 866 206</b>	Benin
	0	0	0	4 900 970	200 609	<b>5 101 579</b>	Botswana
	242 550	3 652 041	2 361 174	86 224 477	3 474 673	<b>89 699 150</b>	Burkina Faso
	35 341 483	-33 693	130 729	42 194 219	1 727 114	<b>43 921 333</b>	Burundi
	0	1 097 900	0	1 097 900	44 940	<b>1 142 840</b>	Central African Republic
	0	66 228	0	66 228	2 711	<b>68 939</b>	Equatorial Guinea
	18 663 040	1 797 193	0	20 460 233	837 488	<b>21 297 721</b>	Ivory Coast
	13 728 350	1 483 192	0	19 265 060	788 566	<b>20 053 627</b>	Eritrea
	65 311 082	11 511 930	3 519 696	231 043 677	14 400 076	<b>245 443 753</b>	Ethiopia
	-12 452	2 658 714	0	2 646 263	108 318	<b>2 754 581</b>	Gambia
	0	2 758 457	0	3 146 968	128 813	<b>3 275 781</b>	Ghana
	7 102 500	132 456	0	7 234 956	296 145	<b>7 531 101</b>	Guinea
	12 411 388	759 010	1 550 518	18 842 152	771 256	<b>19 613 407</b>	Guinea-Bissau
	0	0	1 387	686 374	28 095	<b>714 469</b>	Cape Verde
	1 456 500	17 887 473	2 919 466	206 018 177	11 636 233	<b>217 654 410</b>	Kenya
	22 225 291	2 099 921	0	24 325 212	995 691	<b>25 320 903</b>	Congo
	74 112 026	12 972 258	336 850	89 221 134	3 652 041	<b>92 873 175</b>	Congo, Democratic Republic
	-70 939	198 684	0	127 745	5 229	<b>132 974</b>	Lesotho
	38 440 619	2 344 529	0	40 785 148	1 669 437	<b>42 454 585</b>	Liberia
	0	1 539 011	0	1 539 011	62 996	<b>1 602 006</b>	Madagascar
	2 739 463	2 263 409	3 648 541	111 675 116	4 571 138	<b>116 246 254</b>	Malawi
	352 800	1 881 847	1 506 718	92 575 575	3 755 024	<b>96 330 599</b>	Mali
	1 565 000	6 914 527	0	8 479 527	347 088	<b>8 826 615</b>	Mauritania
	0	108 430	0	108 430	4 438	<b>112 868</b>	Mauritius
	9 371 640	11 856 190	2 567 488	457 204 348	25 138 335	<b>482 342 683</b>	Mozambique
	0	5 360 095	3 700 134	79 491 897	5 217 469	<b>84 709 367</b>	Namibia
	0	381 881	0	381 881	15 631	<b>397 512</b>	Niger
	3 810 000	1 196 054	0	10 600 030	433 885	<b>11 033 915</b>	Nigeria
	2 281 767	2 197 379	3 238 895	106 130 735	6 067 044	<b>112 197 779</b>	Rwanda

## Appendix 1:1 cont. International development cooperation by country and operational area, SEK

Country/region	Democratic governance and human rights	Social sectors	Infrastructure, private sector dev., urban dev. and financial systems	Natural resources	Economic reforms	Research cooperation
Senegal	0	0	301 176	813 269	0	0
Sierra Leone	0	0	0	0	0	0
Somalia	0	0	0	0	0	0
Sudan	0	0	0	0	0	0
Swaziland	0	0	0	0	0	0
South Africa	78 151 226	23 720 297	36 486 970	475 829	0	7 340 535
Tanzania	55 609 821	148 304 873	96 922 941	41 106 739	110 000 000	29 543 374
Chad	0	0	0	0	0	0
Togo	0	0	0	0	0	0
Uganda	14 020 851	62 879 383	26 878 278	2 272 945	65 000 000	25 958 541
Zambia	17 703 488	62 932 232	23 190 965	43 968 578	0	194 665
Zimbabwe	37 530 008	15 294 622	0	2 005 268	0	0
Regional Africa	127 109 052	149 419 997	93 660 054	112 493 762	0	141 156 396
<b>Total Sub-Saharan Africa</b>	<b>586 978 185</b>	<b>721 463 534</b>	<b>550 220 020</b>	<b>372 260 995</b>	<b>415 783 407</b>	<b>264 137 638</b>
<b>ASIA including NORTH AFRICA</b>						
Afghanistan	867 664	72 000 000	23 844 441	-48 008	0	0
Algeria	0	0	0	0	0	0
Bangladesh	14 039 493	51 127 867	188 087 138	1 868 125	0	2 805 217
Bhutan	1 168 140	0	2 717 040	0	0	0
Egypt	106 480	1 754 833	682 028	0	0	0
Philippines	4 556 025	0	0	4 764 393	0	0
India	20 711 171	19 262 932	72 773 878	9 395 446	0	0
Indonesia	10 460 087	0	4 032 173	0	0	0
Iraq	68 922	0	0	0	0	0
Iran	0	0	0	0	0	0
Jordan	0	551 192	8 783 840	0	0	0
Cambodia	86 064 290	25 111 242	0	6 400	16 000 000	200 000
China	10 917 772	998 563	1 921 806	20 864 234	0	0
Korea, North	0	1 415 054	3 304 000	128 960	0	0
Laos	38 076 609	26 795 208	94 054 863	16 382 441	0	2 973 648
Lebanon	0	0	652 676	0	0	0
Morocco	851 673	0	1 113 202	2 840 434	0	0
Mongolia	13 440 414	190 305	71 153 331	0	0	0
Myanmar	2 000 000	10 000 000	0	0	0	0
Nepal	0	0	0	0	0	0
Pakistan	0	0	0	0	0	0
Papua New Guinea	0	0	0	0	0	0
Sri Lanka	29 161 840	1 605 224	20 634 737	855 500	0	8 567 833
Syria	0	0	4 848 676	0	0	0
Thailand	0	1 155 000	640 080	1 453 814	0	0
Tunisia	981 443	104 000	567 449	784 182	0	0
Vietnam	71 414 361	27 584 958	26 740 569	12 561 870	0	10 353 519
West Bank/Gaza	34 334 043	85 934 310	41 777 153	0	0	0
Yemen	0	0	0	0	0	0
East Timor	13 250 000	7 500 000	351 746	0	10 000 000	0
Regional Asia	17 684 674	23 018 179	27 015 079	48 462 606	0	59 513 439
<b>Total Asia including North Africa</b>	<b>370 155 100</b>	<b>356 108 867</b>	<b>595 695 906</b>	<b>120 320 397</b>	<b>26 000 000</b>	<b>84 413 657</b>
<b>LATIN AMERICA</b>						
Argentina	0	0	0	0	0	0
Bolivia	47 023 712	43 333 596	33 323 306	2 193 539	35 000 000	15 543 795
Brazil	0	0	0	0	0	0
Chile	0	0	5 911	0	0	0
Colombia	34 334 492	0	0	0	0	0
Costa Rica	0	0	0	222 921	0	0

	Humanitarian contributions and conflict prevention	NGOs	Other	Total excluding administrative expenses	Administrative expenses	Total	Country/region
	0	1 347 382	0	2 461 827	106 388	<b>2 568 214</b>	Senegal
	27 007 500	1 484 456	0	28 491 956	1 166 246	<b>29 658 202</b>	Sierra Leone
	45 392 519	7 628 074	100 000	53 120 593	2 174 357	<b>55 294 950</b>	Somalia
	84 188 373	13 266 610	0	97 454 983	3 989 073	<b>101 444 056</b>	Sudan
	0	538 164	0	538 164	22 028	<b>560 192</b>	Swaziland
	0	43 833 376	1 872 724	191 880 957	12 262 357	<b>204 143 314</b>	South Africa
	14 703 098	29 363 590	9 750 479	535 304 915	28 365 050	<b>563 669 965</b>	Tanzania
	1 008 000	1 492 434	0	2 500 434	102 349	<b>2 602 783</b>	Chad
	0	1 191 864	0	1 191 864	48 786	<b>1 240 650</b>	Togo
	45 577 163	15 097 266	8 515 393	266 199 820	14 624 199	<b>280 824 020</b>	Uganda
	4 644 463	5 807 784	3 321 151	161 763 326	11 139 543	<b>172 902 870</b>	Zambia
	11 313 190	14 938 938	551 804	81 633 830	6 460 492	<b>88 094 322</b>	Zimbabwe
	114 457 614	43 392 254	34 504 544	816 193 672	33 408 823	<b>849 602 495</b>	Regional Africa
	<b>740 676 288</b>	<b>282 785 518</b>	<b>85 367 119</b>	<b>4 019 672 703</b>	<b>208 893 477</b>	<b>4 228 566 180</b>	<b>Total Sub-Saharan Africa</b>
<b>ASIA including NORTH AFRICA</b>							
	222 513 389	15 218 433	2 896 329	337 292 247	15 206 043	<b>352 498 290</b>	Afghanistan
	11 358 000	222 000	0	11 580 000	473 018	<b>12 053 018</b>	Algeria
	4 560 855	18 877 131	1 616 869	282 982 696	12 533 056	<b>295 515 752</b>	Bangladesh
	0	493 061	0	4 378 241	178 842	<b>4 557 083</b>	Bhutan
	0	4 798 391	0	7 341 732	299 894	<b>7 641 626</b>	Egypt
	0	7 853 314	0	17 173 731	701 509	<b>17 875 241</b>	Philippines
	3 211 991	21 674 102	1 818 359	148 847 880	7 208 248	<b>156 056 128</b>	India
	22 374 996	3 017 966	8 000 000	47 885 222	1 956 007	<b>49 841 229</b>	Indonesia
	95 319 600	2 488 667	4 500	97 881 689	3 998 253	<b>101 879 942</b>	Iraq
	2 502 000	140 228	0	2 642 228	107 929	<b>2 750 157</b>	Iran
	1 008 000	430 600	0	10 773 632	440 079	<b>11 213 711</b>	Jordan
	16 657 907	6 826 640	256 018	151 122 496	7 944 489	<b>159 066 985</b>	Cambodia
	3 525 500	7 865 362	2 759 774	48 853 011	4 316 017	<b>53 169 028</b>	China
	33 832 305	869 994	0	39 550 313	1 615 544	<b>41 165 857</b>	Korea, North
	0	4 411 515	353 873	183 048 158	8 772 841	<b>191 820 999</b>	Laos
	5 163 677	2 971 142	0	8 787 495	358 950	<b>9 146 445</b>	Lebanon
	0	0	0	4 805 309	196 286	<b>5 001 595</b>	Morocco
	504 000	315 342	0	85 603 392	3 496 712	<b>89 100 104</b>	Mongolia
	4 885 000	908 138	0	17 793 138	726 811	<b>18 519 949</b>	Myanmar
	4 055 000	5 287 359	0	9 342 359	381 615	<b>9 723 974</b>	Nepal
	952 500	11 547 472	0	12 499 972	904 636	<b>13 404 608</b>	Pakistan
	0	549 281	0	549 281	22 437	<b>571 717</b>	Papua New Guinea
	39 502 414	7 677 086	821 163	108 825 796	6 773 873	<b>115 599 669</b>	Sri Lanka
	1 008 000	325 290	0	6 181 966	252 520	<b>6 434 486</b>	Syria
	28 970 717	6 021 806	0	38 241 417	1 562 078	<b>39 803 495</b>	Thailand
	2 339 000	0	0	4 776 074	195 092	<b>4 971 166</b>	Tunisia
	899 296	19 856 064	560 841	169 971 478	9 241 785	<b>179 213 263</b>	Vietnam
	106 472 417	13 380 623	2 129 406	284 027 951	17 385 420	<b>301 413 371</b>	West Bank/Gaza
	952 500	1 710 921	0	2 663 421	108 795	<b>2 772 216</b>	Yemen
	4 485 000	2 884 840	0	38 471 586	1 571 480	<b>40 043 066</b>	East Timor
	14 755 000	25 379 141	1 951 568	217 779 685	8 895 825	<b>226 675 510</b>	Regional Asia
	<b>631 809 063</b>	<b>194 001 909</b>	<b>23 168 699</b>	<b>2 401 673 597</b>	<b>117 826 085</b>	<b>2 519 499 682</b>	<b>Total Asia including North Africa</b>
<b>LATIN AMERICA</b>							
	504 000	1 766 051	0	2 270 051	98 722	<b>2 368 774</b>	Argentina
	95 550	12 907 681	839 620	190 260 799	11 222 227	<b>201 483 026</b>	Bolivia
	0	16 719 381	0	16 719 381	727 108	<b>17 446 489</b>	Brazil
	0	6 195 575	0	6 201 486	269 696	<b>6 471 181</b>	Chile
	28 785 316	6 568 977	0	69 688 785	3 030 691	<b>72 719 476</b>	Colombia
	0	7 452 733	3 670 577	11 346 231	493 435	<b>11 839 666</b>	Costa Rica

## Appendix 1:1 cont. International development cooperation by country and operational area, SEK

Country/region	Democratic governance and human rights	Social sectors	Infrastructure, private sector dev., urban dev. and financial systems	Natural resources	Economic reforms	Research cooperation
Dominican Republic	0	0	0	0	0	0
Ecuador	4 357 361	0	0	0	0	0
El Salvador	8 379 333	-419 147	4 514 653	0	0	0
Guatemala	51 199 661	12 715 982	1 652 858	6 500 000	0	0
Guyana	0	0	0	0	0	0
Haiti	2 617 997	0	0	0	0	0
Honduras	20 467 535	62 043 506	9 199 923	307 248	0	418 791
Jamaica	1 767 473	0	1 059 177	0	0	0
Cuba	12 378 067	1 228 031	836 000	37 950	0	0
Mexico	0	0	0	0	0	0
Nicaragua	57 047 700	39 707 138	9 842 752	33 912 142	60 000 000	21 499 588
Paraguay	4 450 000	0	0	0	0	0
Peru	11 004 521	0	0	0	0	0
Uruguay	0	0	0	606 614	0	0
Venezuela	0	0	0	0	0	0
Regional Latin America	38 179 672	24 874 552	22 874 315	25 168 333	0	26 270 000
<b>Total Latin America</b>	<b>293 207 525</b>	<b>183 483 657</b>	<b>83 308 895</b>	<b>68 948 748</b>	<b>95 000 000</b>	<b>63 732 173</b>
<b>EUROPE</b>						
Albania	18 378 763	9 810 345	955 614	8 537 588	0	0
Armenia	4 763 742	0	0	2 892 005	0	0
Azerbaijan	2 469 659	0	0	0	0	0
Bosnia & Herzegovina	57 777 699	14 937 486	139 076 655	35 601 149	2 049 344	0
Georgia	13 546 463	1 395 312	0	3 555 097	0	0
Kazakhstan	2 514 981	0	0	0	0	0
Kyrgyzstan	6 081 636	982 521	0	327 675	0	0
Croatia	21 522 700	4 636 143	27 973 042	50 190	0	0
Macedonia	16 490 811	4 315 110	420 238	13 658 627	0	0
Moldova	15 161 907	8 441 743	4 978 685	5 019 964	0	0
Serbia and Montenegro	100 426 647	15 926 000	73 559 325	21 834 881	0	0
<i>of which Serbia</i>	42 796 505	5 592 065	14 182 579	19 766 764	0	0
<i>Montenegro</i>	6 052 616	2 016 787	0	0	0	0
<i>Kosovo</i>	44 547 519	7 517 147	53 676 738	1 884 405	0	0
<i>Other parts of the country</i>	7 030 008	800 000	5 700 008	183 712	0	0
Tajikistan	1 050 000	1 030 000	0	4 000 000	0	0
Turkey	10 380 232	936 000	161 624	0	0	0
Uzbekistan	0	0	0	0	0	0
Regional Europe	65 470 025	23 543 859	25 382 022	14 496 943	0	0
<b>Total Europe</b>	<b>336 035 265</b>	<b>85 954 519</b>	<b>272 507 204</b>	<b>109 974 119</b>	<b>2 049 344</b>	<b>0</b>
Global contributions	178 274 911	243 336 948	160 669 138	197 290 632	22 000 000	378 381 921
<b>Total excl. administrative expenses</b>	<b>1 764 650 986</b>	<b>1 590 347 525</b>	<b>1 662 401 163</b>	<b>868 794 891</b>	<b>560 832 751</b>	<b>790 665 389</b>
Administrative expenses	46 331 378	70 155 169	85 806 054	64 628 524	22 226 957	64 667 150
<b>TOTAL</b>	<b>1 810 982 363</b>	<b>1 660 502 694</b>	<b>1 748 207 217</b>	<b>933 423 415</b>	<b>583 059 708</b>	<b>855 332 539</b>

	Humanitarian contributions and conflict prevention	NGOs	Other	Total excluding administrative expenses	Administrative expenses	Total	Country/region
	0	1 143 091	0	1 143 091	49 712	<b>1 192 802</b>	Dominican Republic
	0	4 110 504	0	8 467 866	368 258	<b>8 836 124</b>	Ecuador
	13 500 000	15 512 156	2 892 187	44 379 183	1 930 003	<b>46 309 186</b>	El Salvador
	4 945 305	14 757 033	3 189 292	94 960 131	6 282 516	<b>101 242 647</b>	Guatemala
	0	132 456	0	132 456	5 760	<b>138 216</b>	Guyana
	0	683 130	38 349	3 339 476	145 230	<b>3 484 706</b>	Haiti
	2 602 900	7 443 538	6 430 452	108 913 894	8 097 179	<b>117 011 073</b>	Honduras
	0	0	0	2 826 650	122 928	<b>2 949 578</b>	Jamaica
	4 000 000	447 436	1 543 058	20 470 542	890 242	<b>21 360 784</b>	Cuba
	399 000	3 183 850	0	3 582 850	155 814	<b>3 738 665</b>	Mexico
	47 493 593	20 547 309	60 167	290 110 389	17 667 935	<b>307 778 325</b>	Nicaragua
	0	6 167 041	0	10 617 041	461 724	<b>11 078 765</b>	Paraguay
	1 967 722	15 056 759	0	28 029 002	1 218 951	<b>29 247 954</b>	Peru
	0	1 026 084	0	1 632 698	71 004	<b>1 703 702</b>	Uruguay
	0	216 860	0	216 860	9 431	<b>226 291</b>	Venezuela
	18 230 937	49 755 120	11 270 652	216 623 581	9 420 728	<b>226 044 310</b>	Regional Latin America
	<b>122 524 324</b>	<b>191 792 766</b>	<b>29 934 355</b>	<b>1 131 932 444</b>	<b>62 739 298</b>	<b>1 194 671 742</b>	<b>Total Latin America</b>
							<b>EUROPE</b>
	1 952 500	0	3 682 979	43 317 789	1 820 111	<b>45 137 900</b>	Albania
	0	5 281 941	0	12 937 689	516 593	<b>13 454 282</b>	Armenia
	0	0	0	2 469 659	98 612	<b>2 568 271</b>	Azerbaijan
	5 580 785	7 377 419	2 155 165	264 555 702	12 341 432	<b>276 897 134</b>	Bosnia & Herzegovina
	0	0	0	18 496 872	738 568	<b>19 235 440</b>	Georgia
	0	1 298 294	45 288	3 858 563	154 070	<b>4 012 633</b>	Kazakhstan
	0	0	0	7 391 832	295 151	<b>7 686 983</b>	Kyrgyzstan
	0	0	2 215 562	56 397 637	2 253 721	<b>58 651 357</b>	Croatia
	2 302 500	407 200	3 093 140	40 687 626	2 531 450	<b>43 219 076</b>	Macedonia
	0	715 556	2 116 744	36 434 598	1 454 810	<b>37 889 408</b>	Moldova
	6 111 885	2 299 054	9 659 144	229 816 935	9 343 162	<b>239 160 097</b>	Serbia and Montenegro
	0	1 892 054	1 364 079	85 594 046	3 417 714	<b>89 011 760</b>	<i>of which Serbia</i>
	0	0	0	8 069 403	322 206	<b>8 391 609</b>	<i>Montenegro</i>
	1 313 172	407 000	2 485 850	111 831 831	4 465 372	<b>116 297 203</b>	Kosovo
	4 798 713	0	5 809 215	24 321 655	1 137 870	<b>25 459 529</b>	<i>Other parts of the country</i>
	8 310 000	0	7 163	14 397 163	574 869	<b>14 972 033</b>	Tajikistan
	0	615 819	0	12 093 675	482 893	<b>12 576 568</b>	Turkey
	0	525 570	0	525 570	20 986	<b>546 556</b>	Uzbekistan
	48 793 744	10 994 923	1 775 040	190 456 556	7 604 805	<b>198 061 362</b>	Regional Europe
	<b>73 051 415</b>	<b>29 515 777</b>	<b>24 750 225</b>	<b>933 837 867</b>	<b>40 231 232</b>	<b>974 069 099</b>	<b>Total Europe</b>
	96 839 529	203 409 651	260 865 046	1 741 067 776	65 889 474	<b>1 806 957 250</b>	Global contributions
	<b>1 664 900 618</b>	<b>901 505 621</b>	<b>424 085 442</b>	<b>10 228 184 387</b>	–	–	<b>Total excl. administrative expenses</b>
	38 349 890	10 776 222	92 638 222	–	495 579 566	<b>495 579 566</b>	Administrative expenses
	<b>1 703 250 508</b>	<b>912 281 843</b>	<b>516 723 664</b>	–	<b>495 579 566</b>	<b>10 723 763 953</b>	<b>TOTAL</b>

### Appendix 1:2. Cooperation with Central and Eastern Europe, by country and operational area, SEK

Country/region	Common security	Democracy	Economic transition	Social security	Environment	Total
Bulgaria	0	750 668	56 706	16 570	-232	<b>823 713</b>
Estonia	283 831	4 882 192	3 330 391	2 262 794	6 975 648	<b>17 734 858</b>
Latvia	1 173 161	7 552 772	2 554 309	1 866 936	27 130 343	<b>40 277 521</b>
Lithuania	0	11 055 281	3 272 251	5 189 457	19 647 018	<b>39 164 007</b>
Poland	0	3 363 016	2 475 723	584 053	19 423 403	<b>25 846 195</b>
Rumania	198 032	1 310 485	1 004 835	1 423 409	-232	<b>3 936 529</b>
Russia	4 479 907	35 392 768	56 533 594	33 800 264	67 370 131	<b>197 576 664</b>
<i>of which the Barents region</i>	2 278 885	7 310 791	5 080 997	7 813 624	1 720 077	<b>24 204 374</b>
Slovakia	0	125 775	85 855	0	-464	<b>211 166</b>
Slovenia	0	0	282 818	0	0	<b>282 818</b>
Czech Republic	0	67 853	219 079	0	-1 160	<b>285 772</b>
Ukraine	2 908 052	23 128 943	18 233 734	3 901 561	7 631 310	<b>55 803 601</b>
Hungary	0	899 052	599 836	95 256	-696	<b>1 593 448</b>
Belarus	567 080	4 166 973	7 103 266	1 993 902	-232	<b>13 830 988</b>
Regional Central and Eastern Europe	3 861 540	54 298 299	18 010 374	58 759 648	23 843 135	<b>158 772 997</b>
<b>Total Central and Eastern Europe</b>	<b>13 471 603</b>	<b>146 994 078</b>	<b>113 762 773</b>	<b>109 893 850</b>	<b>172 017 974</b>	<b>556 140 277</b>

### Appendix 1:3. Peace promotion activities, by country, SEK

Country/region	Peace promotion	Administrative expenses	Total
Albania	330 385	39 916	<b>370 300</b>
Bosnia & Herzegovina	3 209 438	387 753	<b>3 597 191</b>
Georgia	1 007 698	121 746	<b>1 129 445</b>
Kazakhstan	238 414	28 804	<b>267 218</b>
Macedonia	-19 281	-2 329	<b>-21 611</b>
Serbia and Montenegro	5 187 262	626 706	<b>5 813 968</b>
<i>of which Serbia</i>	758 113	91 592	<b>849 705</b>
<i>Kosovo</i>	4 429 149	535 114	<b>4 964 263</b>
Uzbekistan	599 597	72 441	<b>672 038</b>
Poland	705 905	85 285	<b>791 190</b>
Belarus	583 621	70 511	<b>654 133</b>
Regional Europe	851 367	102 859	<b>954 226</b>
<b>Total</b>	<b>12 694 406</b>	<b>1 533 692</b>	<b>14 228 098</b>

## Appendix 2. Cooperation with Central and Eastern Europe, commitments by country and operational area, SEK '000

If a comparison of new commitments is made between 2002 and 2003, the amount has decreased from SEK 606 million to SEK 564 million. According to plan, there was a considerable reduction in com-

mitments in respect of the Baltic States and Poland, even if, as a consequence of the completion of environmental contributions, the picture may appear different (see, for example, Estonia). During the same

Appendix 2. Cooperation with Central and Eastern Europe, commitments by country and operational area, SEK '000

Country	Common security	Deepening the culture of democracy	Economic transition*	Social security*	Socially sustainable economic transition*	Environment	Total
<b>Estonia</b>							
2003	0	6 614	1 752	1 072	–	26 321	35 759
2002	695	5 515	1 777	1 202	–	1 469	10 658
2001	2 534	8 111	–	–	10 787	23 981	45 413
<b>Latvia</b>							
2003	1 156	4 868	1 304	3 970	–	2 271	13 569
2002	3 901	16 359	3 942	3 239	–	47 677	75 118
2001	3 155	5 850	–	–	10 829	14 074	33 908
<b>Lithuania</b>							
2003	0	12 726	1 040	4 052	–	27 914	45 732
2002	1 860	16 204	7 068	1 134	–	15 365	41 631
2001	640	9 864	–	–	12 235	10 454	33 193
<b>Baltic States, regional</b>							
2003	1 672	7 460	4 965	3 926	–	0	18 023
2002	3 558	11 663	1 810	216	–	41 179	58 426
2001	3 864	23 325	–	–	2 735	12 330	42 254
<b>Poland</b>							
2003	0	3 984	734	579	–	1	5 298
2002	0	4 808	1 065	0	–	0	5 873
2001	0	2 740	–	–	3 268	10 295	16 303
<b>Russia <sup>1)</sup></b>							
2003	1 659	45 618	93 720	25 049	–	22 854	188 900
2002	11 881	29 602	25 997	67 680	–	40 877	176 037
2001	13 896	44 273	–	–	114 934	148 489	321 592
<i>of which the Barents region</i>							
2003	0	14 750	3 732	7 587	–	4 846	30 915
2002	8 169	1 012	5 824	13 235	–	1 305	29 545
2001	3 062	7 956	–	–	19 523	5 510	36 051
<b>Ukraine</b>							
2003	1 502	34 278	18 438	9 642	–	2 037	65 897
2002	1 996	6 448	15 938	17 353	–	1 048	42 783
2001	4 722	35 051	–	–	23 183	5 074	68 030
<b>Belarus</b>							
2003	875	21 514	2 358	1 008	–	0	25 755
2002	56	24 243	3 794	1 664	–	0	29 757
2001	0	7 321	–	–	6 547	117	13 985
<b>Other countries</b>							
2003	0	3 438	2 703	1 012	–	0	7 153
2002	386	2 878	2 141	1 485	–	5 243	12 133
2001	0	5 185	–	–	4 402	315	9 902
<b>Regional contributions</b>							
2003	0	55 417	14 920	73 303	–	14 148	157 788
2002	6 605	67 159	23 647	54 396	–	1 636	153 443
2001	7 468	24 471	–	–	97 473	12 056	141 468
<b>Total</b>							
2003	6 864	195 917	141 934	123 613	–	95 546	563 874
2002	30 938	184 879	87 179	148 369	–	154 494	605 859
2001	36 280	166 191	–	–	286 393	237 185	726 049

\* Previously, Economic Transition and Social Security constituted one operational area, Socially Sustainable Economic Transition.

Appendix 2. **Cooperation with Central and Eastern Europe**, commitments by country and operational area, SEK '000

Country	Common security	Deepening the culture of democracy	Economic transition*	Social security*	Socially sustainable economic transition*	Environment	Total
<b>Russia</b>							
<i><sup>1)</sup> of which</i>							
<i>Moscow/Federal Russia</i>	3	8 027	66 463	1 074	–	1 646	<b>77 213</b>
<i>St Petersburg</i>	0	2 120	0	0	–	3 751	<b>5 871</b>
<i>Leningrad region</i>	0	0	33	0	–	396	<b>429</b>
<i>Pskov region</i>	0	303	1 500	4 000	–	0	<b>5 803</b>
<i>Novgorod region</i>	0	1 808	1 024	0	–	0	<b>2 832</b>
<i>Kaliningrad region</i>	0	2 700	8 144	0	–	1 121	<b>11 965</b>
<i>Regional North-west Russia</i>	1 656	1 826	2 643	8 762	–	11 094	<b>25 981</b>
<i>Other Russia</i>	0	14 084	10 181	3 626	–	0	<b>27 891</b>
<i>Murmansk</i>	0	292	2 390	2 360	–	4 846	<b>9 888</b>
<i>Arkhangelsk</i>	0	7 707	0	0	–	0	<b>7 707</b>
<i>Karelia</i>	0	4 731	0	5 227	–	0	<b>9 958</b>
<i>Regional Barents region</i>	0	2 020	1 342	0	–	0	<b>3 362</b>
<b>Total Russia</b>	<b>1 659</b>	<b>45 618</b>	<b>93 720</b>	<b>25 049</b>	<b>–</b>	<b>22 854</b>	<b>188 900</b>

\* Previously, Economic Transition and Social Security constituted one operational area, Socially Sustainable Economic Transition.

period, the total amount of new commitments to Russia, Ukraine and Belarus increased from SEK 249 million to SEK 281 million.

## Appendix 3. Guarantees and concessionary credits

*For each new type of guarantee Sida shall report the guaranteed capital debt, the guarantee reserve where applicable, expenses and income in respect of guarantees and the accumulated risk-valued result.*

### Import guarantees

Sida's guarantee commitments amounted to SEK 1.2 million at the year-end. This is an increase of SEK 0.4 million in comparison with 2002. Sida's risk level for import guarantees has remained constant at approximately 10 per cent for the last ten years.

### Independent guarantees

The Government has authorised Sida to work with independent guarantees on a trial basis. The trial period runs from March 11, 1999 to March 11, 2005. The budget authorised by the Government amounts to SEK 1 000 million. The aim of this guarantee instrument is to mobilise commercial resources, with relatively small government funds and risk-taking, which would not have otherwise been available for projects given priority from the development policy perspective.

Sida's commitments in respect of independent guarantees amounted to SEK 238 million as at December 31, 2003. The commitments consist of four guarantees: a guarantee of SEK 70 million to Swedfund for borrowing in Swedish Export Credit AB in respect of Sida's participation in AIG-African Infrastructure Fund; a guarantee of SEK 80 million for a share issue made by the telecommunications company, MTN-Uganda; a guarantee of SEK 88 million in respect of the rehabilitation of the port in Maputo. Sida is guaranteeing a bank loan for the co-financing of the rehabilitation of the port in Maputo; and a currency risk guarantee to Swedish Export Credit in respect of a transmission investment in Namibia. A risk valuation of the commitments shows a risk of a loss of SEK 60 million, which corresponds to Sida's reserve. 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. The income from guarantee activities amounted to SEK 1 457 000. The activity has not had any expenses.

The independent guarantee activity has attracted positive attention among some donor organisations and international development financiers for its innovative and pioneering character.

### Concessionary credits

The Export Credit Guarantee Board has valued the risk of Sida's guarantee commitments and outstanding claims as at December 31, 2003, in accordance with a new accounting principle approved by Parliament. Sida's guarantee commitment in respect of concessionary credits amounted to SEK 3 822 million at December 31, 2003 of which SEK 3 287 million refers to outstanding obligations and SEK 535 million to outstanding commitments. This means that the volume has continued to decrease considerably since 2002 when it amounted to SEK 5 540 million. This can be partly explained by a reduction in the amount of new credits, an early repayment from India, and the fact that the conversion from USD was made at a considerably lower exchange rate in 2003. The conversion accounts for a considerable part of the reduction. The valuation made by the Export Credit Guarantee Board indicates an average risk of loss, excluding the concentration risk, of 14.2 per cent of the commitment, or SEK 468 million, which can be compared to 15.2 per cent or SEK 706 million in 2002. The corresponding figures for 2001 were 13.6 per cent or SEK 852 million.

In the final accounts, consideration has also been given to the risk premium that arises due to the fact that guarantees and claims are concentrated to a small number of countries. The provision for the concentration risk amounts to SEK 183 million and together with the loss risk of SEK 468 million gives a total risk provision of SEK 651 million. The concentration risk has increased considerably since 2002. One explanation for this is the Export Credit Guarantee Board's new model. The effect of the new model had a full impact in this year's valuation.

A continuation of the high level of compensation (SEK 199 million) can be seen. This is mainly due to the negative developments in Zimbabwe. Sida also disbursed a considerable amount of compensation in respect of Pakistan in accordance with the Paris Club agreement and further settlements within the framework of the extended HIPC initiative. It is expected that these types of settlements will increase in the future when more countries reach the so-called final point and are then offered debt write-off of up to 100 per cent. However, Sida's commitments in respect of HIPC countries are small and therefore the effect where Sida is concerned is considered to be manageable. The issue of final compensation for Sida for the HIPC write-offs that are being made has not yet been determined.

In comparison with the surplus of SEK 89 million in 2002, this year's result, SEK 24 million, can be mostly explained by the continued high level of compensation payments. The positive result for 2002 was strongly influenced by a considerably reduced reservation in the outstanding commitment. This has not been matched during the year by the same tempo in reduced need to make provisions. From the perspective of the countries, the need to make provisions has continued to fall (by SEK 238 million), but this has been largely counteracted by the above-mentioned concentration risk (SEK 183 million).

As in previous years Algeria dominated in respect of recoveries. This is taking place in accordance with the Paris Club agreement, which remains in force until 2011.

Sida's outstanding claims amount to slightly less than SEK 1 billion and are largely unchanged. The valuation of these claims, taking into consideration expected losses and the risk concentration, amounts to SEK 281 million, a reduction of SEK 26 million

Agency capital, i.e. assets minus liabilities and risk provisions, has decreased somewhat from SEK 547 million to SEK 523 million. The cash flow is similar to previous years. Sida's conclusion is that the present level of the contingency reserve well covers the estimated risk level, but that the continued high level of compensation payments is disturbing in combination with the uncertainty in respect of compensation for the HIPC write-offs.

## Bilaga 4. Grants to the UN and other international organisations

Appendix 4:1. UN Organisations, project cooperation, SEK million

	2003	2002	2001
World Bank group	442,5	402,0	371,3
UNICEF	403,5	374,0	395,0
UNDP	377,8	259,0	372,0
WHO	109,7	126,4	109,6
UN-DHA/UNOCHA	93,4	90,0	82,7
FAO	90,1	61,4	91,0
UNHCR	72,0	55,0	13,8
UNESCO/IIEP	40,1	26,2	13,5
WFP	35,2	50,0	63,1
ILO	28,3	55,2	63,7
UN/FN	26,8	53,0	41,4
PAHO	25,8	46,0	75,0
WMU	22,8	25,0	24,0
UNFPA	15,3	2,0	9,3
UNRISD	13,0	10,0	8,5
UNECA	10,9	10,0	8,5
UNHCHR	10,5	12,5	5,4
Habitat/UNCHS	10,3	20,0	8,8
WTO	10,0	7,4	1,0
UNMAS	10,0	0	0
UNEP	7,6	17,5	22,0
UNMIK	7,2	0	0
ICTP	7,0	9,0	4,0
UNAIDS	4,9	1,1	3,7
UNISDR	4,5	0	0
UNCTAD	4,0	4,5	4,0
IFAD	4,0	0,7	17,7
University for Peace	3,5	0,0	0,0
ECLAC	3,3	6,9	0,5
UNIDO	2,0	0,5	-0,6
UN/WIDER	1,8	0	0
IAPSO	1,4	0	0
ITC	1,1	1,5	3,1
UNTCA	0,8	6,2	0,6
WIPO	0,2	0	0
IMF	0	10,0	0,0
UNOPS	0	7,2	24,2
UNCHR	0	4,5	30,6
UNDCP	0	3,0	3,0
ESCAP	0	-0,3	1,0
UNV	-3,5	1,1	0,5
Others	0	0	24,6
<b>Total: UN agencies, project cooperation</b>	<b>1897,8</b>	<b>1 758,5</b>	<b>1 871,9</b>

Appendix 4:2. UN agencies, basic support, SEK million

	2003	2002	2001
UNDP	–	540,0	795,0
UNICEF	–	297,0	297,0
UNFPA	–	165,0	160,0
UNDCP	–	38,5	38,5
UNAIDS	–	52,0	47,0
<b>Total: UN organisations, basic support</b>	<b>–</b>	<b>1 092,5</b>	<b>1 337,5</b>

Appendix 4:3. Other international organisations, SEK million

	2003	2002	2001
ICRC	215,0	231,0	205,0
Lutheran World Federation	112,9	93,7	91,3
IPPF	70,0	70,0	69,8
IOM	48,9	15,9	60,6
Save the Children	37,9	18,4	29,6
IUCN	36,1	36,5	42,1
ICRAF	32,8	19,6	15,0
OAS	30,4	32,6	17,0
Asian Institute of Technology	14,7	20,9	31,3
Asian Development Bank	13,2	5,1	0
Mines Advisory Group	13,0	12,2	5,0
GWPO	11,0	0	0
IADB/IDB	10,7	0	0
Mekong Committee	10,2	12,4	11,3
European Bank	6,0	7,5	12,0
African Development Bank	3,3	3,3	0
Others	643,6	685,8	485,9
<b>Total: Other international organisations</b>	<b>1 309,7</b>	<b>1 264,9</b>	<b>1 075,9</b>
<b>TOTAL: UN and OTHER INTERNAT. ORGANISAT.</b>	<b>3 207,5</b>	<b>4 115,9</b>	<b>4 309,9</b>

In comparison with 2002, the outcome for UN agencies and other international organisations increased by SEK 139.3 million. The basic grants for UN agencies were disbursed in 2003 by the Ministry for Foreign Affairs. There was an increase of UN 44.8 million to other international organisations.

## Appendix 5. Global

Appendix 5. Global, expenditure in SEK '000			
	2003	2002	2001
Global contrib. excl. UN grants	1 741 068	1 748 172	1 826 349
Annual grants to the UN	–	1 092 500	1 337 500
Other countries/regions	–	–	28 163
<b>Total</b>	<b>1 741 068</b>	<b>2 840 672</b>	<b>3 192 012</b>
Administrative costs	67 150	91 857	99 349
<b>Total costs</b>	<b>1 808 217</b>	<b>2 932 528</b>	<b>3 291 361</b>
<b>Operational areas</b>			
Democratic governance and human rights	178 275	198 343	157 352
Social sectors	243 337	205 648	392 441
Infrastructure, private sector dev., urban dev. and financial systems	160 669	182 860	148 932
Natural resources	197 291	212 203	268 834
Economic reforms	22 000	9 086	–
Research cooperation	378 382	362 749	384 457
Humanitarian assistance and conflict prevention	96 840	132 693	221 957
Non-Governmental Organisations	203 410	170 807	196 066
Other operational areas	260 865	1 366 283	1 421 972
<b>Total</b>	<b>1 741 068</b>	<b>2 840 672</b>	<b>3 192 012</b>
<b>Forms of support</b>			
Project support	629 185	1 825 234	1 983 466
Sector programme support	39 767	32 283	32 586
Technical assistance incl. contract-financed technical coop.	176 512	113 488	129 558
International training programmes	109 231	114 677	125 519
Credits	13	–29	109
Guarantees	26	194	171
Economic reforms	22 000	9 086	–
Humanitarian assistance	96 681	132 162	216 473
Research	378 382	362 749	384 457
Grants to NGOs	289 270	250 828	319 674
<b>Total</b>	<b>1 741 068</b>	<b>2 840 672</b>	<b>3 192 012</b>
<b>Channels</b>			
Multilateral organisations	450 777	1 550 826	1 928 202
Swedish organisations	823 031	820 040	850 325
Organisations in partner countries	36 588	108 550	27 494
Organisations in other countries	92 000	85 317	112 577
International and local NGOs	338 673	275 939	273 415
<b>Summa</b>	<b>1 741 068</b>	<b>2 840 672</b>	<b>3 192 012</b>
<b>Total number of contributions</b>	<b>1204</b>	<b>1273</b>	<b>1314</b>
<i>Of which:</i>			
Agreements >SEK 15 million	97	72	58
Number of new contributions	482	480	551

All activities that cannot be referred to a specific land or to cooperation in a region are reported under *Global*. Global includes, for example, support to international organisations and networks (IPPF, WHO, IUCN etc), the international training programmes provided by Sida, pilot projects in the IT field, methods development and learning activities, and the *Junior Professional Officer* (JPO) Programme.

In 2001 and 2002, Sida had the responsibility for the annual grants to the UN agencies UNDP, UNFPA, UNICEF, UNAIDS and UNDCP. The Ministry for Foreign Affairs took over the responsibility once again for these organisations in 2003. Therefore, the total outcome for *Global* decreased during the year. This also led to a considerable reduction in *Other operational areas*, in the form of support *Project support*, and in the channel *Multilateral organisations*. The outcome for other contributions under *Global* is relatively unchanged.

## Appendix 6. Sida's human resource management

### REPORT REQUIRED

*Sida shall submit a report on the extent to which the agency's objectives for human resource management in 2003 have been achieved, and the goals of the agency's human resource management in 2004 and for 2005–2006 respectively.*

Sida's overall human resource management goals are presented below together with a follow-up of the sub-goals for 2003. In connection with each sub-area the goals for the periods 2004 and 2005–2006 are given.

### Overall goals 2003–2006

By recruiting, developing and retaining skilled staff, Sida will always have the right expertise to perform its mission

### Recruitment

Goals for 2003:

- Start a review of Sida's recruitment process and develop more efficient and more professional recruitment methods.
- Obtain adequate information for recruitment purposes about the advertised posts.

In 2003 Sida started a development project that is intended to lead to a more efficient and appropriate recruitment process. Driving forces behind this work are the fact that many employees will retire in the next few years; there is greater competition on the labour market; and the new requirements in respect of skills and qualifications made by Sida's activities. In order to meet this challenge, it is necessary to have better strategic planning and new methods for recruiting the right staff. During the year Sida's recruitment process was surveyed and evaluated.

The number of applications for vacancies at Sida is high, which can partly be explained by the high level of unemployment. Another explanation is that Sida markets itself as an employer. It does this with the aid, for example, of visits and lectures on labour market days at universities, university colleges and other educational events. The large number of Swedes who work or participate in Sida-financed resource base programmes also contribute to giving Sida publicity as an employer. Sida has also participated in a marketing campaign which appeared in a supplement to a daily newspaper.

Several external surveys have placed Sida in a high position on the lists of students and young professional workers of Sweden's most attractive workplaces.

Sida is in ninth position of the list of students of economics, and in 14<sup>th</sup> position on the lists of professionally active economists up to the age of 40.

Sida's organisation survey made in March 2003 showed a very good result, which naturally influences Sida's reputation as an employer.

Goals for 2004:

- Complete the review of Sida's recruitment process and develop recruitment methods.
- Further develop the marketing material for use on labour market days etc.
- Keep up Sida's good name among job applicants.

Goal for 2005–2006:

- Administer and refine the new recruitment process with the objective that Sida is well prepared for the increase in staff turnover that will occur when a large part of Sida's staff retire in the years 2006–2009.

### Sida as a learning organisation

Goals for 2003:

- Create continuous learning in the everyday work.
- Start a project that gives Sida a strategy for its learning: the learning strategy project.
- Develop and implement a leadership programme for the staff.
- Increase the focus on human resource development for staff in the field.
- Make good use of the funds that have previously been allocated for changing skills.

Opportunities for learning in the daily work are created at Sida through the use of new working methods, for example working in project form, in groups and under supervision.

The learning strategy project has produced a project description and established goals for its work. These are partly overall goals: improve the organisation's learning with the aim of strengthening Sida's capacity to contribute to improving its focus on poverty, and partly goals to be achieved in stages: formulate a common approach to learning at Sida, provide proposals for pedagogical methods and structures that promote formal and informal learning; and produce models for the management and control of Sida's learning.

Three training programmes in leadership were

held for staff during the year. The aim is to give members of staff with leading functions self-knowledge and greater understanding of management theories. Staff that have undergone training of this type are added to Sida's resource base for future managerial appointments. In addition several departments have started their own development programmes for managers and staff.

A seminar with a partial focus on management was held for administrative managers in Asia. A development process that concerns both seconded and locally employed staff has been started at the embassy in Vietnam. Subjects taken up include roles, organisational forms, working methods and group work.

Sida has developed a digital training programme on HIV and Aids in development cooperation. Hitherto, a web-based course on HIV and Aids has been implemented in cooperation with the other Nordic donor organisations. The course is directed towards programme officers at the Nordic embassies in Lusaka, Hanoi and New Delhi. If the trials are successful, this type of training will be implemented in other subject areas during the forthcoming three-year period. Web-based training is an efficient tool for Sida staff stationed abroad.

Funds have been made available for retraining employees, in accordance with a local agreement with the trade unions. Training programmes have been held in IT and accounting etc.

#### *Goals for 2004:*

- Finalise the learning strategy project.
- Start an annual systematic control of Sida's learning.
- Increase awareness of and forms for informal learning.
- Produce new tools for planning and development talks with members of staff which lead to development plans for all members of staff.
- Make strategic use of the funds available for retraining purposes.
- Continue to focus on the human resource development of Sida staff at embassies and field offices, particular the locally employed staff.

#### *Goals for 2005–2006:*

- Subject Sida's controls and systems for learning to a quality assurance process.
- Produce a data-based method for skills analysis and skills inventories.
- Find systems to measure the long-term learning effects of training programmes.

### **Working environment**

#### *Goals for 2003:*

- Reduce absence due to sickness.
- Increase awareness of stress in working life and prevent stress.
- Produce tools for systematic work on the working environment and implement them in all departments.
- Start production of a policy on ethics for staff working at embassies.

The year's organisation survey and the agency-wide health checks show that many members of staff at Sida suffer from stress. All management staff have therefore undergone a half-day training programme on stress and stress prevention. In addition to this, all departmental management groups have been visited by Sida's human resource division in order to raise awareness of stress and ways in which it can be prevented. Greater awareness of the problem has now been noted among the staff and management. A survey has also been made of the working environment in order to discover risks at an early stage.

During the year Sida trained all trade union representatives in working environment issues, in cooperation with the occupational health service, Feelgood.

In cooperation with other organisations, for example the National Migration Board, the National Rescue Services Agency, the National Police Board and the Red Cross, Sida has produced guidelines for ethical behaviour for persons serving abroad. The following areas have been identified as of central importance from an ethical perspective: abuse of positions of power; discrimination; organised crime: corruption; sex trade; sexual harassment; pornography; alcohol and narcotic substances.

#### *Goals for 2004:*

- Reduce absence due to sickness, particularly among female staff.
- Further increase awareness of stress and take requisite measures to prevent stress, for example through targeted management training programmes where the responsibility of management is clearly defined.
- Improve the physical working environment in respect of computer screens, light, air, climate and noise.
- Further improve the tools for systematic work on the working environment.
- Implement the agency-wide action plan based on the results of the organisation survey.
- Finalise the policy on ethics for staff serving abroad and gain acceptance and support for the policy.

Goals for 2005–2006:

- Follow up the systematic work on the working environment and take requisite action.
- Implement a new organisation survey.

### **Diversity**

Goals for 2003:

- Produce a new gender equality plan.
- Increase awareness of matters relating to diversity.
- Develop tools for making surveys of differences in pay and for analysing whether the differences are based on objective grounds.
- Eliminate pay differences that are not based on objective grounds in connection with the pay negotiations for 2003.

Sida's gender equality plan defines the importance of increasing the gender balance in each working group, increasing the number of women managers – particularly at embassies and field offices – and ensuring that opportunities for development and working conditions are gender neutral.

To achieve a more appropriate pay structure and to eliminate unobjective differences in pay, Sida has started a project to eliminate unjustifiable differences in pay. The goal in the 2003 pay negotiations – of eliminating differences that are not based on objective grounds – has almost been fulfilled. Sida has taken up matters relating to diversity at management training programmes and in preparatory training programmes prior to service abroad. Staff at Sida's Human Resource Department have participated in a number of training programmes on the theme of diversity.

Goals for 2004:

- Produce a diversity plan with an action plan for 2004 and 2005.
- Establish a “diversity council” in order to give further prominence to issues of diversity in the organisation.
- Further improve the analytical tools for making surveys and analyses of pay.

Goals for 2005–2006:

- Establish a system for measuring and moni-

toring the composition of the staff from a diversity perspective.

- Consolidate the tools for making surveys and analyses of pay.
- It shall be possible to state at the pay negotiations in 2005 that Sida has no differences in pay that are not based on objective grounds.

### **Pay policy**

Goals and follow-up for 2003:

- See the pay policy goals under “Diversity” above.
- Reduce differences in pay between Sida and levels of pay in Sida's comparable external environment in the pay negotiations for 2003.
- Produce instruments for assessing qualifications and performance.
- Have pay talks with the staff on a trial basis.

The pay negotiations for 2003 have not yet been evaluated, but preliminary statistics show that differences in pay between women and men in the same posts have been reduced and that Sida's pay levels have approached the pay levels at other similar organisations.

In connection with the pay negotiations in 2003, Sida produced and tested new instruments for making assessments of qualifications and performance. The instruments have functioned satisfactorily. During the year all management staff have attended a half-day seminar. Three departments have tested pay negotiations in accordance with the model for pay talks with the staff.

Goals for 2004:

- See “Diversity” above, in respect of the survey and analysis of differences in pay.
- Evaluate the pay negotiations of 2003 and, on the basis of the results of the evaluation, take requisite action in respect of Sida's pay policy.

Goals for 2005–2006:

- Consolidate Sida's pay policy.
- Ensure, in the pay negotiations in 2005, that Sida's pay levels are comparable with those of other similar organisations.

## Appendix 7. Internal efficiency

*In its annual report for 2003, 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 transformation of resources that takes place 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 with an evaluation of the agency's performance and an evaluation of the total amount of resources used.

The indicators that Sida has chosen show trends in Sida's activities in relation to goals for the process of change. These have the aim of increasing the value of Sida's performance in development cooperation.

The aim is to give information on how Sida develops over time. The indicators are therefore measured in the form of annual time series. Two different types of indicators are presented: trends in the contributions portfolio and the breakdown of staff time by operational areas and regions.

In order to follow the size of the contributions portfolio, Sida has selected the following indicators: average outcome per contribution, average agreed amount per contribution and average duration of agreement per contribution. Where new contributions are concerned, the above-mentioned indicators are used with the exception of the average outcome per new contribution, since this would not give a correct picture. This type of indicator is affected by each

year's appropriations, any ceilings on expenditure and so on. In general the outcome for 2003 is lower than in previous years. Among other things the responsibility for grants to UN agencies has returned to the Ministry for Foreign Affairs which has had an effect on Other operational areas and Global. From the overall table (7:1), it can be seen that Sida's priorities for new contributions have had the desired effect. Both agreed amounts and duration of agreements increased during the period 2001 to 2003. The number of new contributions has fallen. The table shows similar trends for all Sida's contributions. One exception is the average outcome per contribution, which decreased in 2003.

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 for three consecutive years in which working time has been distributed to operational area and country. The figures are influenced by the fact that the methods of making measurements have been improved over the years. In 2001 and 2002, locally employed programme officers at embassies were not included consistently in the measurements of number of full-time posts. However, from 2003 these programme officers will be included in the measurements.

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 the different operational areas and regions.

Table 7:1. Report required: Internal efficiency, overview

All Sida's contributions	2003	2002	2001
Number of contributions	5 986	6 224	6 511
Average outcome per contribution, SEK '000	1 804	1 865	1 859
Average agreed amount per contribution, SEK '000	7 474	6 877	6 048
Average duration of agreement per contribution, months	34	33	31
<b>Sida's new contributions</b>			
Number of new contributions	1 902	2 052	2 146
Average agreed amount per new contribution, SEK '000	6 658	5 605	5 194
Average duration of agreement per new contribution, months	19	19	17

Table 7.2. Report required: Internal efficiency for new contributions

Operational area	Average agreed amount per new contribution, SEK '000			Average duration of agreement per new contribution, months		
	2003	2002	2001	2003	2002	2001
Democratic governance and human rights	4 119	2 561	3 418	21	18	17
Social sectors	10 928	5 186	3 440	20	21	16
Infrastructure, private sector dev., urban dev. and financial systems	8 097	4 399	8 197	19	19	19
Natural resources	8 059	6 196	4 544	23	18	17
Economic reforms	88 005	25 000	53 135	17	18	13
Research cooperation	9 667	6 949	6 644	27	24	26
Humanitarian assistance and conflict prevention	7 751	5 887	5 706	19	19	16
NGOs	14 363	29 264	10 566	19	18	19
Other operating areas	944	4 801	10 143	13	12	11
<b>Average total*</b>	<b>7 296</b>	<b>6 040</b>	<b>5 794</b>	<b>20</b>	<b>18</b>	<b>17</b>

\* A contribution can refer to two or more operational areas. On this line no contributions have been included twice.

Table 7.3. Report required: Internal efficiency for all contributions

Operational area	Average outcome per contribution, SEK '000		
	2003	2002	2001
Democratic governance and human rights	1 165	1 110	985
Social sectors	2 095	1 636	1 731
Infrastructure, private sector dev., urban dev. and financial systems	1 732	1 586	2 017
Natural resources	1 697	1 531	1 551
Economic reforms	22 433	24 497	26 263
Research cooperation	2 374	2 364	2 225
Humanitarian assistance and conflict prevention	2 962	2 858	2 795
NGOs	6 580	8 216	7 239
Other operating areas	865	3 057	3 610
<b>Average total*</b>	<b>1 972</b>	<b>2 025</b>	<b>2 089</b>

\* A contribution can refer to two or more operational areas. On this line no contributions have been included twice.

Table 7.4. Estimated annual full-time posts for each operational area, costs in SEK million

Operational area	Annual full-time posts 2003	Outcome 2003	Outcome 2002	Outcome 2001	Outcome/annual full-time posts 2003	Outcome/annual full-time posts 2002	Outcome/annual full-time posts 2001	Outcome/annual full-time posts 2002/2003	Outcome/annual full-time posts 2001/2002
Democratic governance and human rights	91,6	1 765	1 726	1 520	19,3	21,4	24,2	-10,2	-11,4
Social sectors	76,0	1 590	1 366	1 504	20,9	25,0	26,3	-16,1	-5,1
Infrastructure, private sector dev., urban dev. and financial systems	79,5	1 662	1 551	2 035	20,9	20,7	31,0	1,0	-33,2
Natural resources	48,4	869	902	929	18,0	19,9	23,4	-9,6	-15,1
Economic reforms	14,9	561	514	499	37,6	54,4	48,4	-30,9	12,5
Research cooperation	37,2	791	846	828	21,3	25,8	24,4	-17,5	5,6
Humanitarian assistance and conflict prevention	27,7	1 665	1 601	1 666	60,1	65,2	65,2	-7,8	0
NGOs	12,9	902	896	876	69,9	75,3	67,4	-7,1	11,7
Other operating areas	27,5	424	1 525	1 581	15,4	25,2	26,8	-38,8	-6,0
Not distributed	87,3	-	-	-	-	-	-	-	-
<b>Total</b>	<b>503,0</b>	<b>10 228</b>	<b>10 927</b>	<b>11 437</b>	<b>20,3</b>	<b>24,6</b>	<b>27,4</b>	<b>-17,3</b>	<b>-10,2</b>

Table 7.5. Report required: Internal efficiency for new contributions

Region	Average agreed amount per new contribution, SEK '000			Average duration of agreement per new contribution, months		
	2003	2002	2001	2003	2002	2001
Sub-Saharan Africa	9 391	6 258	4 894	19	20	19
Asia incl. North Africa	9 766	5 416	5 746	23	19	19
Latin America	8 253	4 740	4 407	21	20	16
Europe	4 492	2 726	2 894	18	17	16
Global	3 529	5 677	4 926	18	15	14
<b>Average total*</b>	<b>7 296</b>	<b>6 040</b>	<b>5 794</b>	<b>20</b>	<b>18</b>	<b>17</b>

\* A contribution can refer to two or more operational areas. On this line no contributions have been included twice.

Table 7.6. Report required: Internal efficiency for all contributions

Region	Average outcome per contribution, SEK '000		
	2003	2002	2001
Sub-Saharan Africa	2 068	1 946	1 686
Asia including North Africa	2 497	2 060	2 473
Latin America	1 969	1 900	1 981
Europe	1 482	1 528	1 816
Global	1 446	2 232	2 431
<b>Average total*</b>	<b>1 972</b>	<b>2 025</b>	<b>2 089</b>

\* A contribution can refer to two or more operational areas. On this line no contributions have been included twice.

Table 7.7. Estimated annual full-time posts per region, costs in SEK million

Region	Annual full-time posts 2003	Outcome 2003	Outcome 2002	Outcome 2001	Outcome/annual full-time posts 2003	Outcome/annual full-time posts 2002	Outcome/annual full-time posts 2001	Outcome/annual full-time posts 2002/2003	Outcome/annual full-time posts 2001/2002
Sub-Saharan Africa	171,8	4 020	3 906	3 515	23,4	27,7	26,4	-15,6	5,0
Asia including North Africa	112,5	2 402	2 064	2 416	21,3	20,7	27,1	3,0	-23,6
Latin America	53,2	1 132	1 233	1 407	21,3	23,0	32,0	-7,3	-28,2
Europe	39,0	934	884	908	23,9	27,5	43,5	-13,0	-36,7
Global	53,9	1 741	2 841	3 192	32,3	46,4	46,0	-30,4	1,0
Not distributed	72,6	-	-	-	-	-	-	-	-
<b>Total</b>	<b>503,0</b>	<b>10 228</b>	<b>10 927</b>	<b>11 437</b>	<b>20,3</b>	<b>24,6</b>	<b>27,4</b>	<b>-17,3</b>	<b>-10,2</b>

Table 7.8. Report required Internal efficiency for new contributions

Operational area	Average agreed amount per new contribution, SEK '000			Average duration of agreement per new contribution, months		
	2003	2002	2001	2003	2002	2001
Common security	1 136	1 528	1 578	20	13	16
Deepening the culture of democracy	1 547	1 892	1 559	16	17	18
Economic transition	2 256	1 439	1 261	17	20	17
Social security	2 806	3 570	3 176	17	18	18
Environment	2 930	4 044	3 730	18	16	20
<b>Average total*</b>	<b>2 203</b>	<b>2 578</b>	<b>2 215</b>	<b>18</b>	<b>18</b>	<b>18</b>

\* A contribution can refer to two or more operational areas. On this line no contributions have been included twice.

Table 7.9. Report required: Internal efficiency for all contributions

Operational area	Average outcome per contribution, SEK '000		
	2003	2002	2001
Common security	481	616	622
Deepening the culture of democracy	533	669	564
Economic transition	488	447	428
Social security	990	1 196	1 270
Environment	1 117	1 311	909
<b>Average total*</b>	<b>715</b>	<b>815</b>	<b>680</b>

\* A contribution can refer to two or more operational areas. On this line no contributions have been included twice.

Table 7.10. Estimated annual full-time posts for each operational area, costs in SEK million

Operational area	Annual full-time posts 2003	Outcome 2003	Outcome 2002	Outcome/annual full-time posts 2003	Outcome/annual full-time posts 2002	Outcome/annual full-time posts 2002/2003
Common security	0,7	13	27	19,2	24,1	-20,1
Deepening the culture of democracy	3,5	147	154	42,0	38,5	9,1
Economic transition	2,6	114	121	43,8	45,0	-2,7
Social security	2,5	110	130	44,0	35,2	24,7
Environment	5,5	172	230	31,3	30,6	2,2
Not distributed	4,2	-	-	-	-	-
<b>Total</b>	<b>19,0</b>	<b>556</b>	<b>662</b>	<b>29,3</b>	<b>28,5</b>	<b>2,6</b>

\* Central and Eastern Europe was not included in the time study in 2001.

# Abbreviations and acronyms

2003

## Abbreviations and acronyms

AMANET	African Malaria Network Trust
AMS	Swedish National Labour Board
AU	African Union
BAAP	Baltic Agricultural Run Off Program
BBE	Bilateral Associate Expert
CNA	Consejo Nacional Anticorrupción (Honduras)
CHF	Cooperative Housing Foundation
CORDIO	Coral Reef Degradation in the Indian Ocean
CPRGS	Comprehensive Poverty Reduction and Growth Programme
DAC	Development Assistance Committee
DRPI	Disability Rights Promotion International
EAC	East African Community
EBRD	European Bank for Reconstruction and Development
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
EFA	Education for All
EMVI	European Malaria Vaccine Initiative
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FAO	Food and Agriculture Organisation
FIRST	Financial Sector Reform and Strengthening Initiative
FTI	Fast Track Initiative
GWP	Global Water Partnership
HELCOM	Helsinki Committee – Action Programme for the Baltic Sea
HIP	Harmonization in Practice
HIPC	Heavily Indebted Poor Countries
HURINET	Human Rights Information Network
IADB/IDB	Inter American Development Bank
IAPSO	Inter-Agency Procurement Services Office
ICCB	International Catholic Child Bureau
ICIPE	International Center for Insect Physiology and Ecology
ICRAF	World Agroforestry Centre
ICRC	International Commission of the Red Cross
ICTP	International Centre for Theoretical Physics
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Office
IMF	International Monetary Fund

IOM	International Organisation for Migration
IP	International Programme Office
IPPF	International Planned Parenthood Federation
ITC	International Trade Centre
IUCN	World Conservation Union
JPO	Junior Professional Officer
LGRP	Local Government Reform Programme
LTTE	Liberation Tigers of Tamil Elam
MDG	Millennium Development Goals
MENA	Middle East and North Africa
MFS	Minor Field Study
MIM	Multilateral Initiative on Malaria
MRDP	Mountain Rural Development Programme
NALEP	National Agriculture and Livestock Extension Programme
Nato	North Atlantic Treaty Organisation
NCP	National Contact Point
NDEP	Nordic Dimension Environmental Partnership
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
NIB	Nordic Investment Bank
NPEP	National Poverty Eradication Programme
NPRS	National Poverty Reduction Strategy
OAS	Organisation of American States
OCHA	Office for the Cooperation of Humanitarian Affairs
ODIHR	Office for Democratic Institutions and Human Rights
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the High Commissioner for Human Rights
OPEC	Organisation of Petroleum Exporting Countries
OSDP	Office of the Status of Disabled Persons in South Africa
PA	Palestinian Authority
PAHO	Pan American Health Organisation
Phare	EU's programme for Cooperation with Central Europe and the Baltic States
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Papers
QAM	Quality Assurance Mechanism
RELMA	Regional Land Management Unit
SAA	Stabilisation and Association Agreement
SADC	Southern African Development Community
SANDEE	South Asian Network for Development and Environmental Economics
SARS	Severe Acute Respiratory Syndrome
SCAPA	Soil and water Conservation Programme in Arusha Region
SEM	Strengthen Environment Management
SENSA	Swedish Environment Secretariat for Asia

SPA	Strategic Partnership with Africa
TAIEX	Technical Assistance Information Exchange Office
UMP	Urban Management Programme
UN	United Nations
UNAIDS	Joint United Nations Programmes on HIV/Aids
UNCHR	United Nations Commission on Human Rights
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTA	United Nations Country Team Appeal
UNCTAD	United Nations Conference on Trade and Development
UN-DHA	United Nations Department of Humanitarian Affairs
UNDCP	United Nations Drug Control Programme
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
Unesco	United Nations Educational, Scientific and Cultural Organisation
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
UNIDO	United Nations Industrial Development Organisation
UNISDR	United Nations International Strategy for Disaster Reduction
UNMAS	United Nations Mina Action Service
UNMIK	United Nations Mission in Kosovo
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
UNTCA	United Nations Technical Cooperation Activities
UNV	United Nations Volunteers
WFP	World Food Programme
WHO	World Health Organisation
WIDER	World Institute for Development Economics Research
WIOMSA	Western Indian Ocean Marine Sciences Association
WIPO	World Intellectual Property Organization
WMU	World Maritime University
WSP	Water and Sanitation Programme
WTO	World Trade Organization
WV	World Vision

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## **The objectives of Swedish international development cooperation**

The overall objective of Swedish development cooperation is to improve the living standards of poor people. Six development cooperation sub-goals have been laid down by Parliament that interact to achieve the overall goal. Development cooperation shall contribute to

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

The objective of cooperation with Central and Eastern Europe is to promote sustainable development, deeper integration and partnership in the Baltic Sea region, on the basis of the needs in the partner countries and by utilising the Swedish resource base.

## Do you want to know more?

Visit Sida's website **[www.sida.se](http://www.sida.se)**

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