

South Caucasus

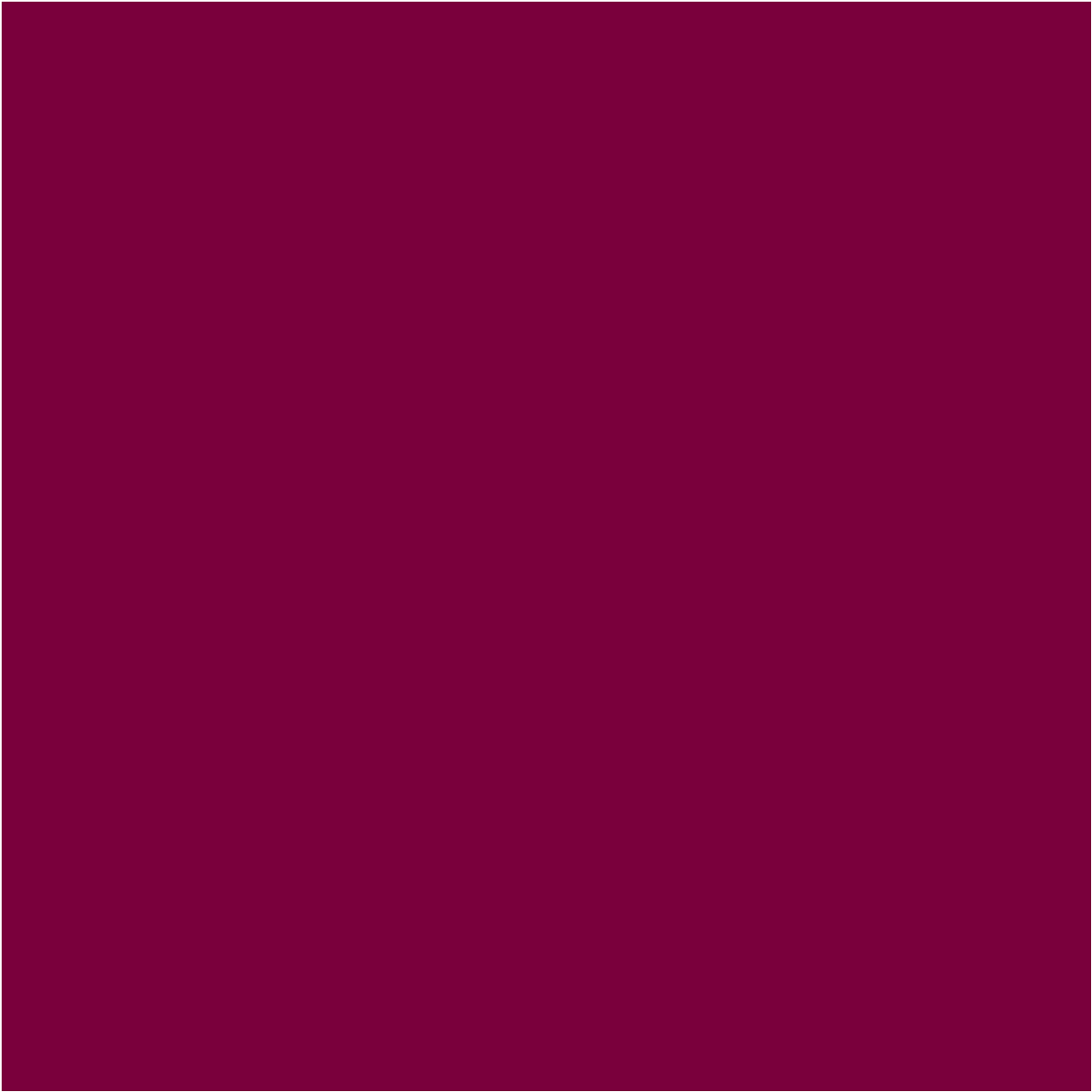


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List of Abbreviations/ Acronyms

AYLU	Azerbaijan Young Lawyers Union
BP	British Petroleum
CIDA	Canadian International Development Agency
DFID	UK Department for International Development
EDPRS	Economic Development and Poverty Reduction Strategy
ENP	European Neighbourhood Policy
ENP AP	ENP Action Plan
ENPI	European Neighbourhood and Partnership Instrument
HR	Human Rights
IATA	International Air Transport Association
IDP	Internally Displaced Person
IRC	International Rescue Committee
KTK	Kvinna till Kvinna
MDG	Millennium Development Goals
MTEF	Medium-Term Economic Framework
NGO	Non-Governmental Organisation
NL	The Netherlands
NRC	Norwegian Refugee Council
OSCE	Organisation for Security and Cooperation in Europe
PFM	Public Financial Management
PRS	Poverty Reduction Strategy
SDC	Section for Development Cooperation
SLU	Sveriges Lantbruksuniversitet
TC	Technical Cooperation
UNDP	United Nations Development Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Fund for Women

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1. Summary

2006 was the first year of implementation of the new Swedish strategy for cooperation with Southern Caucasus. In Georgia and Azerbaijan, the programmes are already rather well aligned with the overall objectives of the strategy. In Armenia, the portfolio still reflects the priorities of the earlier strategy and it will take some years for it to comply with the strategy's aim to contribute to enhanced democracy and greater respect for human rights. In Georgia, positive results are achieved in many projects and at the sector level, in particular in the HR and gender area. The impact of the programme at an aggregated level is still difficult to assess, and consideration should be given to further concentration of the programme within the sector of democratic governance. The Armenian programme has had some impact at the policy and sector levels in the areas of forestry and labour. The current programme, however, is too limited in size and spreads over too many areas to be able contribute substantially to results other than at project level. The Azerbaijani programme reaches large groups of people, including IDPs, with HR training and information, but wider impact cannot be expected due to its limited size.

2. Political, Economic and Poverty Development

2.1 Georgia

The year was to a large extent marked by the poor relations between Georgia and Russia. Russia introduced the embargo on imports of wine and water in the spring and later severed communications and ceased issuing visas and work permits to Georgian nationals. Attempts were made to stop remittances from Russia and some Georgian immigrants working in Russia were thrown out. The price of Russian gas doubled, up to the level paid by Western European importers. The agricultural sector was severely hit, in particular small-scale grape growing farmers and wine makers with production geared towards the Russian taste for sweeter wine than that favoured elsewhere.

Still, the Georgian Government refused to give in to Russian pressure. The measures were publicly described as a blessing in disguise, which advanced the “independence” from Russia and forced Georgian exporters to diversify and find new markets. Overall the Russian sanctions had little impact on the Georgian economy as a whole. The negative effect was offset by increased foreign direct investments and increased tourism. The estimated growth in 2006 was 9%¹. Compared to 2005, the total amount of remittances increased by 35%². The net inflow through official channels amounts to just over 5% of GDP in 2006³.

The main political priorities for the Georgian Government are EU integration and membership in NATO. In particular, it looks to the Baltic countries for experience and seeks to replicate the development that took place there. It has continued to demonstrate its commitment to reforms and consolidation of achievements. Reforms in education, of the police and liberalization of the economy have been particularly successful. Georgia was named best business climate reformer in 2005–06 in the WB report “Doing Business 2007”. To further improve the economic climate, a decision to create a single revenue service was taken 2006, merging the former tax and customs services and the financial police as of April 2007. Some progress has been made in addressing corruption as shown by the improved lower score in the Corruption Perception Index, down to 99th place from 130 in 2005⁴. Civil service is one area where comprehensive reform is lacking, due to diverging opinions in the Gov-

¹ IMF Fifth review under the Poverty Reduction and Growth Facility

² World Bank Global Economic Prospects Report 2006, The Economic Implication of Remittances and Migration and the National Bank of Georgia

³ National Bank of Georgia

⁴ <http://www.transparency.org>

ernment on which way to go. Meanwhile considerable down-sizing continues in ministries and other public bodies, creating insecurity among staff. Lack of capacity due to among other things limited delegation continues to be a general problem.

The Government has been criticized for not living up to its initial commitments to the protection of human rights (HR). Some concrete measures to address the HR situation were taken in 2006, including increased funding for the improvement of conditions in prisons and pre-trial facilities. The zero tolerance policy of the police has at the same time contributed to a very large number of new inmates. This has partly offset improvements and in fact made matters worse in some overcrowded institutions. The judiciary is frequently mentioned as in need of further reform. While some progress has been made, notably towards rooting out financial corruption, there is limited trust in the court system and judges are reported to feel pressure from Government.

Commercial TV-stations are controlled by their investors and journalists often receive informal directions from the owners who recognize that keeping a good relationship with the government may be good for business. Printed media and all media in the regions are considered freer to be openly critical.

Several pieces of legislation as well as a policy to improve gender equality and the protection of women's rights in Georgia were adopted during 2006. A National Action Plan on gender equality was also developed during the year and submitted to the State Minister's for reform consideration. A survey⁵ of gender based violence conducted in 2006 shows that it is a significant, but hidden problem in Georgia. Almost half of the Georgian population believes that the problem has increased during the last three years.

While the Georgian Government officially adheres to the MDGs and the Economic Development and Poverty Reduction Strategy (the Georgian equivalent of a PRS), commitment to poverty reduction is not obvious. The overall strategy is to address poverty through overall economic development combined with social assistance to the most needy, rather than implementation of policies aimed at alleviation of the underlying causes of poverty. Official poverty data for 2006 were not available at the time of writing. Government figures for the first quarter of the year showed a decrease in poverty levels compared to the same quarter in 2005 (33,6 instead of 39,7%⁶) but data remains debatable due to changes in the calculation method⁷. A majority of the population remain around the poverty threshold and are thus vulnerable to external shocks. Inflation was single digit in 2006, but increases in prices on gas and food products have affected the poor population. Preliminary data for the third quarter 2006 indicates that poverty levels have increased again to around 40%⁸. Among the poorest are more than 200,000 IDPs living under harsh conditions.

A fundamental reform of the social protection system started in 2006 aiming at replacing the Soviet system of supporting certain categories (e.g. disabled and veterans of war) by protection of the most vulnerable households. The major tool is the cash-based targeted social assistance system introduced in September. Some 430,000⁹ households, mainly in villages or small towns, have been found eligible for support. In an effort

⁵ Central European and Eurasian Law Initiative (CEELI)

⁶ Economic Development and Poverty Reduction Program, Progress report 2006

⁷ The change was agreed upon by the WB

⁸ Department of Statistics

⁹ Ministry of Labour, Health, and Social Welfare, February 2007

to alleviate poverty and create jobs, the Government initiated a scheme through which wages were paid for 50,000 unemployed during three months internships in different businesses. The outcome of the scheme is not yet known.

47% of the population participated in the local elections held in October. The elections were assessed by OSCE as generally fair and transparent, with some reservations. In particular, the blurred distinction between the authorities and the governing party reinforced the advantage of the incumbent. The United National Movement won close to 90% of all seats, including all but two of the 37 seats in Tbilisi.

Following the elections, a new territorial division became effective which decreased the number of self-governing bodies from around 1000 to 69. The new self-governing bodies correspond to the former districts (or rayons). They will be in a better position from a resource point of view to meet the wider responsibilities introduced by new decentralization legislation and to promote economic and social development. The concentration will, among other things, mean the layoff of around half of all local government staff. An estimated 2/3 of all elected councilors are new to their positions. Substantial training and other support will be required to local councils and administrations.

In spring 2006 the sides in the Abkhaz conflict resumed talks within the UN-led Coordinating Council for the first time since January 2001, which spread some optimism. But the Abkhaz pulled out of all negotiations after Georgia launched a Special Forces operation in the Kodori valley in July. There are currently very few incentives to restart the frozen diplomacy.

There is also no solution in sight in South Ossetia. Rather, the situation continues to intensify with mutual accusations of agreement violations and unwillingness to hold a meaningful dialogue. In November two parallel referendums and presidential elections took place in South Ossetia. One was held by the de facto – Ossetian – authorities in areas controlled by them, the other by alternative authorities on Tbilisi-controlled territories. None of the elections are recognised by Georgia or the international community. Both territories and population are roughly the same size and both elected “Presidents” claim to represent the people of South Ossetia. The alternative “President” Sanakoev was a former Prime Minister in the de facto Government, who now advocates for creation of federal state within Georgia.

2.2. Armenia

Armenia showed strong economic growth of over 13%¹⁰ in spite of the Russian embargo against Georgia which also affected Armenia as the most direct routes to one of its main trading partners were cut off. Armenia continues to be the main Russian ally in South Caucasus, but at the same time has aspirations towards EU integration as shown by the signing of the ENP AP in November. Priority areas one and two for action under the ENP AP are to strengthen democratic structures and rule of law, and the respect for HR and fundamental freedoms, respectively.

Reform so far has primarily been aimed at the economic sector and the “Doing Business 2007” report commended Armenia for reforms in the business environment. The Government has started an ambitious public sector reform aimed at improved service delivery and division of competences between ministries and agencies. Long overdue reform in

¹⁰ www.mfe.gov.am

the judicial sector was initiated in 2006, including some steps towards a more independent and professional judiciary.

2006 was marked as a year of preparation for the 2007 National Assembly (Parliamentary) elections, which were on top of the agenda of organisations involved in HR and democracy. The pace of democratic reforms is slow and in many instances, Armenia still falls short of internationally accepted democratic principles. There is an increasing risk of instability, stemming from the lack of progress in democratization. This was one of the reasons for the departure of one of the coalition parties from the government in June. Women's participation in the political life is marginal. In May, the first female minister in the present Government was appointed.

Little has been done so far by the Armenian Government to address HR violations. Torture and ill-treatment remain serious problems in places of detention. Media freedom continued to be threatened in 2006, as more journalists faced harassment and attacks. Broadcasted media remains largely pro-government. In January, the ombudsman was dismissed, allegedly for criticizing the government.

Armenia continues to show its commitment to the PRSP process and PRSP objectives are duly reflected in the Armenian MTEF. The main tool for addressing poverty is a Family Allowance System. No poverty data for 2006 was available at the time of writing, but there is a steady trend of decreasing poverty levels. At the same time, however, there is a fast growing inequality in the society.

2.3 Azerbaijan

Azerbaijan is, thanks to its oil revenues, one of the fastest growing economies in the world with a GDP growth rate of 26%¹¹. Still, approximately 37% of the population is estimated to live under the poverty threshold. The growth in the oil sector to a very limited extent benefits the poor people, since significant parts of the economy are in the hands of corrupt elite. There is little growth in other sectors of the economy.

Officially Azerbaijan is pursuing a reform agenda to develop democracy and market economy, though the pace of reforms, in as far as there are any, is very slow. The Government has however stated its commitment to using the ENP Action Plan as a tool to promote reforms¹². To manage oil revenues effectively, administrative reform addressing widespread corruption is necessary. Corruption and inefficiency remains a huge problem in the judiciary.

Arbitrary arrest and detention are common, particularly for members of the political opposition. Detainees are often held for long periods before trial, and their access to lawyers is restricted. Police abuse of suspects during arrest and interrogation reportedly remains common. Prior to the November 2005 parliamentary elections, authorities arrested a number of high-profile government officials, businessmen, and opposition politicians on allegations of attempting to overthrow the government. Most of them are still in pre-trial custody, more than a year after their arrests.

In January 2006 the Council of Europe challenged the credentials of the Azerbaijani delegation in response to violations in the November 2005 parliamentary elections. The Council of Europe ultimately confirmed the credentials, but set out a list of urgently needed reforms.¹³

¹¹ <http://www.imf.org/external/country/AZE/index.htm>

¹² ENPI Azerbaijan Country Strategy Paper 2007–2013

¹³ <http://assembly.coe.int/> see Doc 10807, 24 January 2006

In May OSCE observed the repeat elections in 10 constituencies, since the results of the November 2005 parliamentary elections had been annulled on account of fraud. The OSCE found progress in some areas, better representation of candidates and unimpeded campaigning, but also observed interference by local authorities.

Increased oil revenues in combination with the current geopolitical situation has made Azerbaijan authorities more self-confident and less attentive towards the reactions from the international community regarding HR. Freedom of speech is guaranteed by the constitution and the media is theoretically free. But intimidation and violence against regime critical journalists and media outlets occur every so often and increasingly so during the last two years. In November 2006, a private TV broadcaster was closed down by the authorities for more than two weeks.

Traditional societal norms and poor economic conditions continue to restrict women's lives and options. Domestic violence is not recognized as a problem and legislation is lacking. Azerbaijan is both a country of origin and a transit point for the trafficking of women for prostitution. In line with the national programme to combat human trafficking, the first women shelters opened 2006.

Azerbaijan has approximately 600,000 IDPs¹⁴ as a result of the conflict with Armenia over the Nagorno Karabakh enclave. Although high-level talks in 2005 and early 2006 provided some of a settlement process nothing was achieved. In December 2006 the authorities of Nagorno Karabakh held a referendum that approved a new constitution and referred to Karabakh as a sovereign state. The following day the OSCE Minsk Group declared that the international community does not recognize the region as an independent state.

2.4 Southern Caucasus

Regional cooperation between Georgia and Azerbaijan intensified in 2006 as reflected by a number of joint projects to which Turkey was also party (e.g. oil and gas pipelines, railway connection between Azerbaijan and Turkey via Georgia). Negotiations were held regarding increased Azerbaijani export of gas to Georgia in replacement for Russian gas. One result of the stepped up cooperation is the increasingly isolated position of Armenia, which has been particularly lamented in connection with the planning of a new railway line.

The Southern Caucasus is a low-prevalence region for HIV (0.1%). The risk of the infection spreading rapidly among high risk groups is however considerable due to widespread injected drug use and intensive movement of certain population segments to and from higher-prevalence countries, primarily Ukraine and the Russian Federation.

¹⁴ <http://www.unhcr.org/protect/3b84c7e23.html>

3. Swedish Development Cooperation – Overall Assessment of the Country Programme

3.1 Georgia

The new strategy for 2006–2009, and subsequently the Country Plan for 2006, defines two principle aims for Sida activities in Georgia a) enhanced democracy and greater respect for HR and b) promoting sustainable economic development. Projects would be concentrated in the two sectors of democratic governance and HR and agriculture to achieve these aims. In addition, the strategy mentions the possibility of environmental projects to be funded through the EBRD.

There are no deviations from the strategy or Country Plan in terms of sector focus. The previously scattered programme has been concentrated in line with the strategy. Increasingly, initiatives are more programme-oriented as well as co-financed and closely coordinated with other donors. The impact at an aggregated level is still difficult to assess and consideration should be given to further concentration within the area of democratic governance and HR.

As funding for 2007 will be more limited than envisaged earlier in the year, efforts to develop further programmes with civil society and in the agricultural sector were discontinued. Two limited proposals for support received in 2006 remain open for consideration for funding in 2007. Both proposals, concerning cooperation between parliaments and enforcement agencies, respectively, refer to tripartite cooperation involving Baltic partners. Decisions are pending Swedish counterparts' confirmation of capacity.

Tripartite Cooperation

There is currently one tripartite project in Georgia, the prison training centre (see below). There is a great interest in drawing on experiences of other Eastern European countries, in particular the Baltic States. The only two proposed projects currently being considered for funding in 2007 are tripartite initiatives involving Baltic partners.

Conflict management

The strategy pays great attention to conflict management and the Country Plan indicated that conflict management perspectives in the programme would be strengthened in 2006. This was mainly done in the selection of projects and/or target areas within projects. Several projects include activities in the conflict areas (South Ossetia, Abkhazia) or in

potentially volatile areas with large minority groups (Samtskhe Javakheti, Kvemo Kartli). A community participation/conflict expert has been included in one of the agricultural projects to facilitate implementation and interaction between different target groups. It is anticipated that this person could also serve to build links between different programmes within South Ossetia and Kvemo Kartli. Further efforts will be undertaken by the office in 2007 to sensitize staff to conflict aspects.

Gender

Sida is one of the few donors in Georgia with a portfolio where gender plays a prominent role. There are signs of positive changes resulting from Sida's intervention (e.g. new gender legislation, an increased number of female politicians and women being more visible in other contexts). Still, the need for a comprehensive gender impact assessment was discussed and confirmed in 2006. It will be undertaken in the first half of 2007.

European Neighbourhood Policy

The strategy indicates that the Swedish development cooperation must be harmonised with the European Neighbourhood Policy. The ENP Action Plan (2007–2013) for Georgia agreed upon late 2006, outlines priority areas which to a large extent correspond with the strategy as well as the existing country programme (see annex 2). The various ministries are due to present detailed ENP AP implementation plans in February 2007. A strategy will be developed during 2007 for how to align future Swedish support to the Government's implementation plans and with the ENPI. Some initial coordination with the ENPI preparations did take place in 2006, mainly in the field of public financial management.

Coordination/Dialogue

The coordination of donor activities continued to be poor during 2006 with little government involvement or leadership. With the exception of criminal justice reform, donor coordination was limited mainly to exchange of information. The Ministry of Finance responsible for aid coordination, however, claims to be satisfied with present arrangement. Towards the end of the year, the Ministry of Finance initiated attempts to get their aid database up and running after some period of inactivity. One of the aims is to establish to what extent funds have been provided as pledged in 2004. Some limited support towards coordination may be provided through the Sida-financed Capacity Building Programme in 2007–2008 should the Government request it. Regular donor framework coordination was revived in the last quarter 2006, after half a year's interruption. The Prime Minister has been invited to participate, but the Government has so far not been present at these meetings.

A close partnership has been formed with the like-minded donors present in Georgia (NL and DFID) to lobby for increased Government dialogue and coordination and for keeping poverty on the agenda. The multilateral agencies tasked with overall responsibility for poverty dialogue, in particular the WB, have been approached and encouraged to pursue this agenda more actively. It is hoped that the Government's commitment to the implementation of the ENP AP will facilitate dialogue in the future. The EC has indicated that it plans to establish a follow-up mechanism for the implementation of the ENP AP with participation by the EU member states. As Georgia has not signed the Paris Declaration this cannot naturally serve as a platform for dialogue.

During the last years, several donors, including Sida, have nevertheless increasingly aligned their programmes with the intentions of the Paris declaration when it comes to financing mechanisms. The Sida programme includes co-financing and/or pooling of resources with like-minded donors, the WB, the EBRD, UNDP and OSCE as well as with private sector contributors. The conditions for providing budget support were looked into in 2006 and a thorough assessment will be made in 2007 following the completion of a PEFA to be undertaken by the WB.

3.2 Armenia

The strategy for 2006–2009 identifies enhanced democracy and greater respect for HR as the main objective for Sida support to Armenia. In addition, there is scope for a) activities in the sectors of forestry and land-use planning which complement WB initiatives and b) activities to phase-out ongoing statistics and employment cooperation. A number of decisions for rather large initiatives were taken in 2006, some spanning over several years. Only one of these refers to democracy and HR, which is why it will take some time before the programme will comply with the main intention of the strategy. The programme has had some impact at the policy and sector levels in the forestry and labour areas, where support has been ongoing for some time. Apart from that, however, the current programme can hardly be expected to have any real impact other than at project level as it too limited in size and spread over too many areas.

The five year ENP AP was signed late 2006 and includes a large number of priority areas, including democracy and HR. Most of the present activities fall within priorities in the AP and any new initiatives will be aligned with the plan. Armenia has not signed the Paris declaration. Due to the lack of field presence, opportunities for dialogue were limited to discussions relating to ongoing and potential projects during two field visits.

Tripartite Cooperation

There are currently two tripartite projects in Armenia (see below). The development of rescue services is a “true” tripartite cooperation with funding also from the Baltic, in this case, Estonian side. The Labour project uses Lithuanian subcontractors.

3.3 Azerbaijan

The objective of Swedish cooperation with Azerbaijan in 2006–2009 is enhanced democracy and greater respect for HR. With the exception of a final phase of statistics cooperation, the limited programme is entirely focused on HR. Even a highly concentrated programme is however too limited to have any substantial impact other than at a project level.

The ENP Action Plan was signed late 2006. It will serve as the primary framework guiding EU-Azerbaijani relations for the next five years and also guide Swedish cooperation. The absence of presence in the field limited the opportunity for dialogue in 2006 to discussions related to ongoing and potential projects during one field visit in the spring. Azerbaijan has not signed the Paris declaration.

Tripartite Cooperation

There are no tripartite projects in Azerbaijan.

3.4 Regional Programme

The new strategy puts less emphasis on regional activities. A third phase of the Kvinna till Kvinna (KtK) NGO support programme which has some regional aspects was approved during the year. No new regional initiatives were taken in 2006.

Tripartite Cooperation

Estonian Air Navigation Services were subcontractors to the Swedish part in the civil aviation cooperation which ended in 2006 (see below).

4. Specific Country Programme Overview of the Swedish Development Cooperation

4.1. Georgia

Enhanced democracy and greater respect for human rights

Sida funds two initiatives supporting the implementation of the Criminal Justice Reform Action Plan, the long-running support to the Public Defender's Office (PDO) and a new penitentiary project. During the last year of the current project phase, the Raoul Wallenberg Institute (RWI) continued to conduct HR and capacity building training for PDO staff. Subsequently, the PDO (supported by RWI) provided HR training to the police, judges and prosecutors. As a result of the project, PDO staff ability to review legislation and drafting recommendations to the Parliament has increased and the PDO has become more active in rapidly reacting to HR violations. Improvements in conditions following monitoring of psychiatric clinics, penitentiary/probation institutions and orphanages are emphasized as major achievements by the PDO. An external evaluation carried out in September 2006 found that the most important and tangible impact of the PDO's work was a sharp reduction in the use of excessive force against detainees in police custody. While according to the police, improvements are due to the ongoing police and penitentiary reforms, a common assessment is that the PDO interventions are crucial to furthering the reform process. The evaluation still pointed to the need for increased monitoring and management skills. A decision on the forms for future support is pending. The Swedish Board of Prison and Penitentiary, together with Estonian and Lithuanian counterparts, cooperates with the Ministry of Justice in the development of a penitentiary training centre¹⁵. Some initial delays were experienced as a replacement to the originally envisaged building had to be found. The full amount needed for its renovation was allocated from the budget. Main activities during the year were study visits/ training in Baltic countries and Sweden. Based on the acquired experience, training for penitentiary staff was held locally.

Sida joined other donors (WB, DFID and NL) in a major project to support the Government's Public Financial Management Reform. Donors pool resources and transfer their contributions over the Government budget. The project has been substantially delayed due to insufficient capacity in the Ministry of Finance and the lack of a coherent civil service policy. Nevertheless, the preliminary assessment by Swedish

¹⁵ The Swedish Board of Prison and Penitentiary also manages a related EC funded penitentiary programme

expertise is that the overall PFM reform is proceeding satisfactorily and that there are no fiduciary reasons against providing budget support. Progress has been made in the introduction of the MTEF, streamlining the submission of line ministry budgets, use of a single treasury account and the adoption of an overall accounting reform strategy. Swedish participation in the project review missions is planned in 2007 in response to the identified need for more support. Sida also plans to contribute, as silent partner, funds to a related DFID-managed project to promote government transparency and PFM watchdog capacity of the civil society. An agreement within the Nordic+ framework between Sida and DFID remains outstanding.

The International School of Economics at Tbilisi State University (ISET) is the first regional economics school in the Caucasus, modelled after similar schools in Kyiv and Moscow. Sida is the major donor together with BP. Close to 60 students commenced their studies in October. The dropout rate during the first semester has been relatively low (ca 10%). The Government has contributed a building, which is currently being refurbished. In the meanwhile ISET is housed with the University. In addition to what was agreed to at the outset, a considerable number of computers have been contributed from the local side. Sustainability is a primary concern and a number of steps have been taken in particular in generating research products and acquiring additional research funding. In line with its character, students are enrolled from entire region, thus contributing to confidence building. Various outreach activities are conducted in Armenia and Azerbaijan to attract a higher number of students from these countries in the future.

Sweden is one of several donors to the National Agency for Public Registration (NAPR), tasked with registration of real estate ownership. Positive developments and improved prospects of sustainability have been noted following the appointment of a new head in 2006. The new head has demonstrated abilities to lead processes in NAPR coordinate donor supported projects and clearly articulate priorities and needs from the Georgian side. Transparency International made a Government efficiency study of the NAPR in the end of 2005 which revealed a number of problems relating to access and efficiency. In a follow-up study a year later, substantial improvements were observed though there are still capacity problems resulting in long queues at the office in Tbilisi.

In 2006, Sida initiated a dialogue with UNDP with the aim to develop a more focused, programmatic approach to democratic governance aligned with the Government reform agenda. The initial proposal from UNDP was in addition to being far too costly also not very well construed. After lengthy negotiations and active participation in the development of the programme by the field office, a satisfactory programme proposal was received. The agreement was signed late 2006 for start 1 January 2007. Several of the seven projects included in the programme are follow-ups to existing activities assessed as successful, including two funded by Sida: the Capacity Building Fund (CBF) and the Gender and Politics Programme (GAP). CBF provided support to five smaller projects in 2006 selected on a competitive basis from proposals from various Government institutions. A Civil Service Code was developed and presented to the Government as an input in the ongoing reform discussions. CBF analysed 15,000 normative regulations for consistency with new legislation, which resulted in the abolishment of 800 regulations. This mechanism for provision of support, limited in time and scope, is much appreciated by the Government, which request-

ed the extension. The policy (State Concept) and national action plan on gender equality were both developed in 2006 with the assistance of GAP. To promote gender equality among stakeholders and a wider public, the Gender Advisory Council and GAP organised a Gender Week with various events in conjunction with the International Women's Day.

The Country plan envisaged concrete projects to support local elections and government efforts in decentralization. Support to local elections was limited to participation by two long-term observers from Sweden in the OSCE team. Decentralization, a priority area for reform, was included in the original UNDP programme proposal, but made much more prominent at the request of Sida.

Straddling the social and governance sectors, the UNICEF initiative "Joint action on child welfare" serves as a secretariat of the inter-ministerial committee developing and implementing policy on child welfare. After a year of operation, there is increased understanding and support from the general public for the policy of de-institutionalization and prevention of placement of children in institutions. Through the implementation of the new policy 450 children were taken from institutions and reintegrated into their families or placed in foster care. It is estimated that around the same number of children were prevented from being placed in institutional care in 2006.

Together with CIDA, Sida funds a broad OSCE programme aimed at conflict prevention and integration of the Armenian minority in Samtskhe Javakheti. 2006 was the last year of full programme implementation. A sustainability review was conducted which will serve as a point of departure for phasing-out the project over the next two years. There are tangible results at project levels but an assessment of contribution to the overall objective will only be available in 2007. A survey conducted in July concluded that the main part of the Armenian population watches the Georgian news translated with support from the programme regularly and that it is an important and unique source of information. The free legal aid office supported by the programme provided consultation for some 4,500 ethnic Armenians in 2006. A wide range of language training was conducted for large groups of civil servants, teachers and students wanting to enrol in Georgian Universities.

The Norwegian Refugee Council in 2006 trained peer educators on the UN Guiding Principles on Internal Displacement and on HR, trafficking, gender-based violence, drug abuse and HIV/AIDS awareness. These trainers in turn trained a total of 3,000 children and youths in various locations, including Gali. Half of the trainers and participants were IDPs themselves. While not the main objective, the project contributes towards confidence building and integration.

In July a decision was taken to support the Media Development Loan Fund (MDLF)'s Seed Fund Programme that will assist selected independent radio and printed media to become commercially viable. The selection process was ongoing by the end of the year.

Sustainable economic development

The project supporting the milk and dairy sector set up ten small farmer's associations in the regions of Kakheti and South Ossetia in 2006 in a highly participatory and democratic process. Potential livelihoods have been created for more than 1,000 poor households with between one and ten cows. The existing associations and several of their milk collections centres set up with support from the project are operational, but at this

early stage not sustainable. A challenge for the project will be sustainability of results and to demonstrate success in order for the scheme to be replicated elsewhere through local business initiatives. Upon request by the Ministry of Agriculture, the project has started to expand to Kvemo Kartli, where the project works closely with international NGOs active in the region. The project also contributes expertise in the area of food safety, a priority of the ENP AP.

At the donors conference in Brussels, Sweden pledged one million Euro towards the OSCE South Ossetia rehabilitation programme. In line with the strategy, the contribution is earmarked for the agricultural sector. Donor funding is pooled and managed by the programme implementer OSCE. Some components have started, though agricultural activities are still in the preparatory phase. OSCE has yet to sign the agreement for Sida to be able to transfer funds. To display Swedish commitment towards peaceful conflict resolution, Sida participates on the Programme Steering Committee.

Environmental initiatives

Sida contributes to water supply system rehabilitation for the cities Kutaisi and Poti, providing grant financing towards EBRD investment projects together with the Millennium Challenge Georgia. Through these projects, citizens will get access to quality drinking water 24 hours and not just for few hours, as is currently the case in Poti. For Poti the design phase is completed and implementation will start early 2007. Kutaisi is a few months behind the schedule for Poti. The involvement of the field office in the follow-up is limited in accordance with the agreement between Sida and EBRD. In addition to these projects, Georgia benefits from a large share of the Sida-financed TC trust fund at EBRD. Sida also funds an officer working at EBRD in Tbilisi, primarily but not exclusively, with projects with some form of contribution from Sida¹⁶.

Other sectors

The second phase of the human resource development project in the health sector came to an end in 2006 after two short extensions. The implementation pace had slowed down drastically from mid-2005 due to structural reforms and unclear commitment from the Ministry of Labour, Health and Social Affairs as well as poor management on the Swedish side. A third extension, requested to complete all planned activities, was not granted as sustainability prospects at that point were weak. In the first phase of the project, health staff was trained in Sweden during longer periods (from a few weeks to a few months). Several of the participants now have prominent posts in the Georgian healthcare system. In phase two, training was carried out locally by Swedish trainers in order to reach more trainees. In the Georgian context, this approach turned out not to be as effective as the training in Sweden where trainees could see and experience how an alternative system and well-equipped medical facilities actually work. It is the general impression that short-term training sessions for civil servants in-country are not always very effective unless they are conducted in an environment away from the regular work place.

¹⁶ Covers South Caucasus, Central Asia and Moldova

4.2 Armenia

Enhanced democracy and greater respect for human rights

The Armenian part of the UNDP-programme “Gender and Politics in the Southern Caucasus” had to be put on hold due to high staff turnover at the Ministry of Labour and Social Issues. Activities did not resume until August 2006. A number of events were conducted in cooperation with other UN agencies and Armenian Ministries. The Swedish Equal Rights and Equal Opportunities Ombudsman (jämö) conducted workshops and lectures for civil servants, civil society representatives and university students on the roles and responsibilities of the ombudsman and on anti-discrimination policies. Due to the delay a nine month no-cost extension was approved.

In October 2006 a decision was taken to support a capacity building programme for the HR Defender’s Office in Armenia with the Raoul Wallenberg Institute (RWI) as the Swedish part. The project started with a three-month inception phase.

In line with the strategic focus on democracy and HR, Sida initiated a dialogue with UNDP regarding a programme for protecting and promoting HR and HR education. A proposal was received for consideration by the end of the year.

Support to develop labour market policy has been provided since 1999. The third and final phase is at mid-term. The project has made a significant contribution in the building of capacity of the State Employment Service and in shaping current labour policies reflected in the new law on employment approved by the Parliament in 2006. The component targeted at assisting vulnerable groups has been postponed due to delays in construction of a rehabilitation institution. This is a tripartite project with Lithuanian subcontracted partners contributing their experience of problems common to post-Soviet countries and how to overcome them.

Other sectors

The Forest Institutional Support Project (FISP), a bilaterally funded part of the larger WB Natural Resources Management and Poverty Reduction Project, ended in 2006. A new forestry code and other legislative documents were prepared with assistance from FISP and subsequently adopted by the Armenian parliament. An external expert recommended Sida to continue support the forestry sector but to do it through the WB project. In October 2006, resources were made available through a WB Trust Fund arrangement. A Swedish consultant was procured separately to monitor the project on behalf of Sida. Swedish support, through SLU, to forestry education contributed to the establishment of the first higher education in forestry, the forestry department of the Agrarian University in Yerevan. This second and final phase will end in 2007 after a no-cost extension expected early 2007. The project has contributed towards development of curricula and competence among staff. Special attention is given to forest management in a market economy environment.

A trilateral cooperation project between rescue services in Armenia, Estonia and Sweden, aiming at strengthening the service delivery capacity of the rescue services in Armenia was agreed upon in June. The Estonians were not able to appoint a project manager until late 2006, which delayed the start up of the project.

Final phases of Cadastre and Social Statistics projects were prepared in 2006 for start of implementation in 2007.

4.3 Azerbaijan

Enhanced democracy and greater respect for human rights

The mid-term review meeting of the programme to support the Ombudsman institution confirmed the great differences between the Swedish part, the Raoul Wallenberg Institute (RWI) and the Ombudsman. As there was no confidence left between the parties and little prospects of improvement, Sida decided to terminate the financing of the cooperation.

RWI supports the strengthening and further development of the Azerbaijan Young Lawyers Union (AYLU). With assistance from the project, a HR library was established in 2006 which has become a gathering point for the Azerbaijani HR community and academia. The library also serves as a computer centre and is extensively used as a training centre. The project's HR Legal Advice Centre saw a sharp increase in applications during 2006, with more than 1,200 applications received.

In May 2006, the HR Education Programme was transferred from the Norwegian Refugee Council (NRC) to the International Rescue Committee (IRC) for implementation through the end of the project in August 2006. The reason for the transfer was that NRC found that a project not only targeting IDPs did not fit with their humanitarian mandate. The transfer seems not to have affected the implementation of the programme negatively. During 2006, training on HR was conducted for three hundred teachers, and hundreds of children and young persons were trained on children's, refugee and IDP rights, gender and HIV/AIDS. About half of the participants were IDPs. At the end of the year IRC submitted a proposal to Sida for continuation of the project which is currently being considered. Some interest has been shown by the Ministry of Education for including HR in curricula.

A dialogue was initiated with the Council of Europe regarding training of prosecutors which resulted in a proposal being submitted to Sida in late 2006.

Other sectors

A second and final phase of statistics cooperation was initiated in 2006 aiming at consolidation of results from the previous project regarding statistical methods and the use of IT.

4.4 Regional Programme

Swedish support to Civil Aviation in South Caucasus, ended in 2006 with the completion of a third phase of the "Southgate" project. According to the Swedish part, Swedavia, the project is largely successful and has contributed substantially to the improvement of flight safety. All three Southern Caucasus countries now use three flight levels, instead of two, and technical standards are close to international level. Specific data on the extent of air traffic is not collected, but IATA estimates that air traffic has increased by approximately 5% per year during the last couple of years. Weak managerial skills in counterpart institutions, in all three countries, were identified as a remaining problem.

During the last year of the current phase, the KtK programme continued to provide grants to women's NGOs in the region, mainly in Georgia, including Kvemo Kartli and South Ossetia. Among other things, these NGOs provided access to reproductive health care for women in conflict zones and assistance to women entrepreneurs in setting up businesses and mobilised women for women's HR and gender

equality. Theme meetings for partner organizations throughout the Southern Caucasus were organized with participation of former KtK partners from the Balkans and the West Bank sharing their experiences from confidence building. These meetings have increased the level of cooperation and information exchange between women's organisations in the region including the creation of a coalition of women's NGOs from all three countries and cooperation between NGOs in areas on opposite sides of conflicts. These initiatives are getting more and more attention from the media and the respective governments. A new phase is due to start in January.

The Sida-funded project "Women for Conflict Prevention and Peace-building in the Southern Caucasus" implemented by UNIFEM ended in December. Peace-building activities continue through a number of national networks and organisations initiated within and between the three countries, and Abkhazia, with support from the project.

As many as 10,000 children of different ethnic background from more than 80 municipalities in three countries participated in 45 Open Fun Football Schools in 2006. All schools/camps are organized jointly by at least two municipalities and three football clubs representing different population groups with assistance from the project. The schools allow children from different backgrounds to get to know each other in a secure and stimulating environment. More than 400 coaches and leaders from all three countries gathered at seminars in Georgia.

Out of a total of 32 participants from Southern Caucasus in Sida's international training programmes in 2006, 17 were women and 15 men. The number of participants from each country was rather even, ranging from 9 to 13. The reason for the decrease from previous year when there were 51 Caucasian participants is not known.

The field office continues to provide information and support to applicants and participants in the exchange and Masters' programmes administered by the Swedish Institute. No data is yet available for 2006, but it is expected that masters studies for somewhere between five and ten students from the region were financed by the Swedish Institute.

5. Office and Administrative Issues

The Agreement on General Terms and Conditions on Development Cooperation was finally signed in December 2006 in connection with the visit of the Swedish Foreign Minister to Georgia. The agreement will come into effect after ratification by the Georgian parliament, expected to take place early 2007. Once effective, the agreement will facilitate project operations, in particular relating to the procurement of equipment and the status of international expertise.

Since its establishment in 2003, Sida's Coordination Office in the South Caucasus has been managed by SPM Consultants. According to the Country Strategy, the office should be converted to a regular Section for Development Cooperation in 2006. Tbilisi was included in the list of SDCs in the letter of appropriation to Sida in December. At the time of writing, diplomatic status for the office and Swedish staff is still pending.

Two staff sent out from Sida joined the office in September.

The general administration of the office remained with SPM until the end of the year, while Sida staff took over the management of the programme upon arrival. Due to limited capacity, the office was primarily involved in the preparation and implementation of the Georgian programme. The responsibility for the Armenian and Azerbaijani programmes remained to a large extent in Stockholm.

Recruitment of three local staff was undertaken in the autumn for start in January 2007. The three posts included a replacement of one National Programme Officer who left the office in November, an administrator and an English-speaking driver. Beginning 2007, the office is thus fully staffed with eight employees, including the Head of Office.

Some consideration was given to moving to more modern and practical premises. As it proved hard to find better as well as affordable offices in a convenient location, a decision to remain in the current offices was taken. Some adaptations and improvements, including to security, were undertaken. With the departure of the SPM Consultant/Honorary Consul in early 2007, more space would also be available.

Annex 1: Strategic Documents Received

EDPRS of Georgia – Progress report 2006

ENP Action Plan 2007–2013 for Armenia

ENP Action Plan 2007–2013 for Azerbaijan

ENP Action Plan 2007–2013 for Georgia

Implementation Plan for the Strategy on Criminal Justice Reforms in Georgia

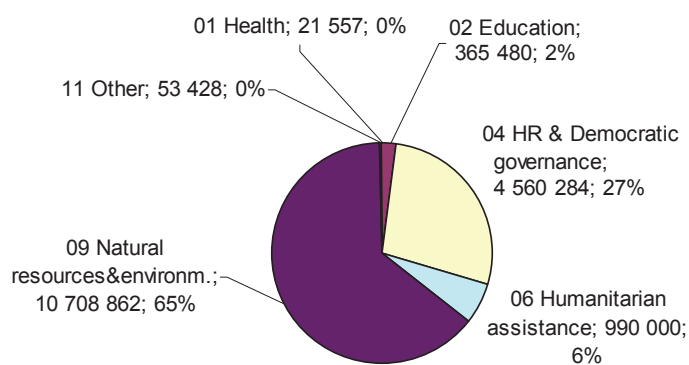
PDO Review of Situation with Human Rights in Georgia and Development of Human Rights 2006

Annex 2: Charts

Outcome Armenia 2006

Main Sector	Outcome 2006
01 Health	21 557
02 Education	365 480
04 HR & Democratic governance	4 560 284
06 Humanitarian assistance	990 000
09 Natural resources&environm.	10 708 862
11 Other	53 428
Grand Total	16 689 418

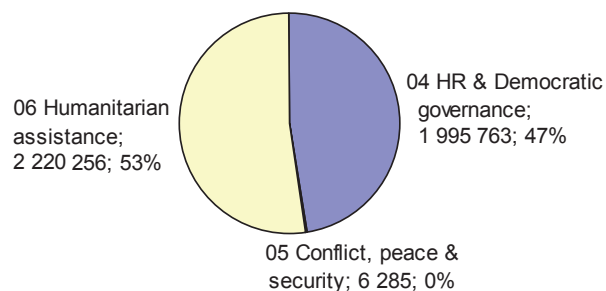
Armenia Outcome 2006



Outcome Azerbaijan 2006

Main Sector	Outcome 2006
04 HR & Democratic governance	1 995 763
05 Conflict, peace & security	6 285
06 Humanitarian assistance	2 220 256
Grand Total	4 222 304

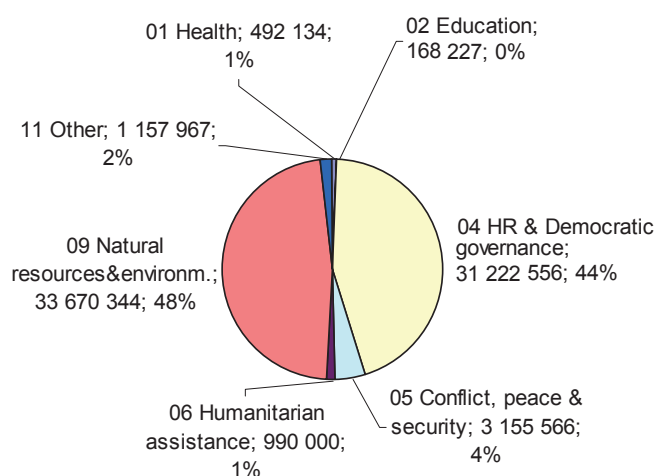
Azerbaijan Outcome 2006



Outcome Georgia 2006

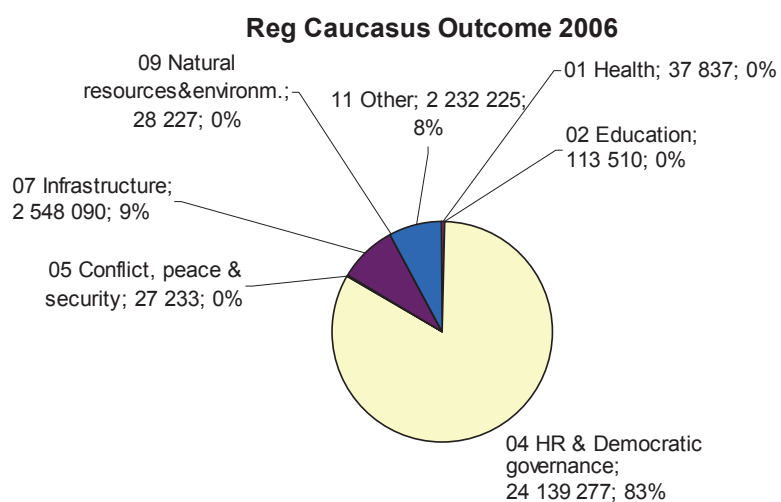
Main Sector	Outcome 2006
01 Health	492 134
02 Education	168 227
04 HR & Democratic governance	31 222 556
05 Conflict, peace & security	3 155 566
06 Humanitarian assistance	990 000
09 Natural resources&environm.	33 670 344
11 Other	1 157 967
Grand Total	70 854 326

Georgia Outcome 2006



Outcome Regional South Caucasus 2006

Main Sector	Outcome 2006
01 Health	37 837
02 Education	113 510
04 HR & Democratic governance	24 139 277
05 Conflict, peace & security	27 233
07 Infrastructure	2 548 090
09 Natural resources&environm.	28 227
11 Other	2 232 225
Grand Total	29 132 405



Annex 3: ENP Action Plan

ENP Action Plan Priority Area	Action	Relevant Sida programme
1. Strengthen rule of law especially through reform of the judicial system, including the penitentiary system, and through rebuilding state institutions. Strengthen democratic institutions and respect for human rights and fundamental freedoms in compliance with international commitments of Georgia	Reform of the whole judicial system in line with European standards notably through the implementation of the reform strategy for the criminal justice system including: – improvement of training of judges, prosecutors, and officials in judiciary, Ministry of Justice administration, police and prisons, in particular with regard to the human rights issues and judicial internal cooperation – penitentiary and probation service	Penitentiary Training Centre Support to Public Defenders Office
	Finalise and implement a strategy and programme for local government reform	UNDP Governance Programme
	Adopt a public service reform strategy and legislation for the civil service in order to improve good governance and transparency.	Capacity Building Fund
	Develop a functioning civil register (by end 2009)	PSFMR Support Project
	Ensure the local (2006), parliamentary (2008) and presidential (2009) elections in Georgia are conducted in accordance with international standards, through implementation of OSCE/ODIHR and Council of Europe recommendations, notably regarding the need for a reliable voter registry and a functioning and transparent electoral commission;	Participation in Election Monitoring
	Ensure implementation of the Optional Protocol to the UN Convention Against Torture	Support to Public Defenders Office
2. Improve the business and investment climate, including a transparent privatisation process, and continue the fight against corruption	Ensure active participation of civil society in monitoring implementation of national anti-corruption strategy	Pipeline programme: PFM Civil Society Programme (silent partner with DFID)
3. Encourage economic development and enhance poverty reduction efforts and social cohesion, promote sustainable development including the protection of the environment; further convergence of economic legislation and administrative practices	Conduct a systematic review and revision of the government's reform strategy document, with particular emphasis on poverty reduction	UNDP Governance Programme
	Continue reforms in public financial management, including implementation a comprehensive Medium Term Expenditure Framework consistent with the Georgian Government strategy	PSFMR Support Project
	Co-operate in the area of food safety	Milk and Dairy Project
6. Promote peaceful resolution of internal conflicts	Enhanced efforts at confidence building	OSCE Rehabilitation programme Kvinna till Kvinna Milk and Dairy project
	Consideration of further economic assistance in light of the progress in the conflict settlement process	Milk and Dairy project OSCE Rehabilitation programme

Annex 4: Current Planning Overview

Country report - Armenia

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome <> 0)

Region/Country: Armenia

Other:

Responsible Unit (All)

			Data			
Allocation Frame	Allocation Account	Main Sector	Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	15561 Non-governmental organisations	01 Health	22		0	
		02 Education	163		0	
		04 HR & Democratic governance	47		0	
		05 Conflict, peace & security	-10		0	
		07 Infrastructure	-2		0	
		08 Trade, business & fin. syst	2		0	
		09 Natural resources&environm.	2		0	
		11 Other	53		0	
		15561 Non-governmental organisations Total		277		0
	15571 Humanitarian assistance	06 Humanitarian assistance	990	1 020	2 040	
	15571 Humanitarian assistance Total		990	1 020	2 040	
	15680 Joint ODA Europe	05 Conflict, peace & security	0	225	800	
	15680 Joint ODA Europe Total		0	225	800	
	15682 Caucasus	01 Health	0		0	
		04 HR & Democratic governance	0		0	
		06 Humanitarian assistance	0		0	
		08 Trade, business & fin. syst	0		0	
		09 Natural resources&environm.	2 679		0	
	15682 Caucasus Total		2 679		0	
	156822 Armenia	04 HR & Democratic governance	4 514	3 295	12 458	8 797
		06 Humanitarian assistance	0		3 100	3 051
		09 Natural resources&environm.	8 027		10 143	1 898
	156822 Armenia Total		12 541	3 295	25 701	13 746
	156829 Regional Southern Caucasus	05 Conflict, peace & security	0	600	1 000	1 000
	156829 Regional Southern Caucasus Total		0	600	1 000	1 000
	15689 Regional Southern OSS	02 Education	203		131	
	15689 Regional Southern OSS Total		203		131	
	15794 Conditional loans Start Bosnia	08 Trade, business & fin. syst	0		0	
	15794 Conditional loans Start Bosnia Total		0		0	
Outside country allocation Total			16 689	5 140	29 672	14 746
Grand Total			16 689	5 140	29 672	14 746

Country report - Azerbaijan

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome <> 0)

Region/Country: Azerbaijan

Other:

Responsible Unit	(All)
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			Data			
Allocation Frame	Allocation Account	Main Sector	Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	15561 Non-governmental organisations	01 Health	0		0	
		02 Education	0		0	
		04 HR & Democratic governance	210		0	
		05 Conflict, peace & security	6		0	
		08 Trade, business & fin. syst	0		0	
		09 Natural resources&environm.	0		0	
		11 Other	0		0	
		15561 Non-governmental organisations Total	217		0	
	15571 Humanitarian assistance	06 Humanitarian assistance	1 980	1 020	2 040	
	15571 Humanitarian assistance Total	1 980	1 020	2 040		
15682 Caucasus	04 HR & Democratic governance	106		0		
15682 Caucasus Total	106		0			
156823 Azerbajdzjan	04 HR & Democratic governance	1 680		4 547	2 810	
	06 Humanitarian assistance	240		0		
	(blank)	0		1 500	1 000	
156823 Azerbajdzjan Total	1 920		6 047	3 810		
156829 Regional Southern Caucasus	05 Conflict, peace & security	0	600	1 000	1 000	
156829 Regional Southern Caucasus Total	0	600	1 000	1 000		
Outside country allocation Total			4 222	1 620	9 087	4 810
Grand Total			4 222	1 620	9 087	4 810

Country report - Georgia

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome <> 0)

Region/Country: Georgia

Other:

Responsible Unit	(All)
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			Data			
Allocation Frame	Allocation Account	Main Sector	Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	155341 Global Dev. Programs, PEO	04 HR & Democratic governance	0		0	
	155341 Global Dev. Programs, PEO	Total	0		0	
	15561 Non-governmental organisations					
		01 Health	-19		0	
		02 Education	-34		0	
		04 HR & Democratic governance	761	288	751	760
		07 Infrastructure	0		0	
		08 Trade, business & fin. syst	-2		0	
		09 Natural resources&environm.	-26		0	
		11 Other	-28		0	
	15561 Non-governmental organisations	Total	651	288	751	760
	15571 Humanitarian assistance	06 Humanitarian assistance	990	1 020	2 040	
	15571 Humanitarian assistance	Total	990	1 020	2 040	
	15680 Joint ODA Europe	05 Conflict, peace & security	894	6	0	
	15680 Joint ODA Europe	Total	894	6	0	
	15682 Caucasus					
		01 Health	0		0	
		04 HR & Democratic governance	567		0	
		09 Natural resources&environm.	0		0	
	15682 Caucasus	Total	567		0	
	156821 Georgia					
		01 Health	511		300	
		04 HR & Democratic governance	29 861		23 020	35 183
		09 Natural resources&environm.	33 696	513	35 883	25 435
		11 Other	1 186	709	3 100	3 360
		(blank)	0		2 000	3 500
	156821 Georgia	Total	65 254	1 222	64 303	67 479
	156829 Regional Southern Caucasus	05 Conflict, peace & security	0	4 200	7 000	7 000
	156829 Regional Southern Caucasus	Total	0	4 200	7 000	7 000
	15689 Regional Southern OSS					
		02 Education	203		131	
		04 HR & Democratic governance	34		666	
	15689 Regional Southern OSS	Total	237		796	
	15733 Peace-promotion activities, spec. p	04 HR & Democratic governance	0		0	
	15733 Peace-promotion activities, spec. p	Total	0		0	
	23497 Settlement, MfFA EU-missions	05 Conflict, peace & security	2 262	602	2 900	
	23497 Settlement, MfFA EU-missions	Total	2 262	602	2 900	
Outside country allocation Total			70 854	7 339	77 790	75 239
Grand Total			70 854	7 339	77 790	75 239

Country report - Reg Kaukasus

Outcome and forecast in TSEK

Delimitation:

Status: I, P, A and C (agr end > 200600 or Outcome <> 0)

Region/Country: Reg Kaukasus

Other:

Responsible Unit	(All)
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			Data			
Allocation Frame	Allocation Account	Main Sector	Outcome 2006	Outcome 2007	Forecast 2007	Forecast 2008
Outside country allocation	15561 Non-governmental organisations	01 Health	38		0	
		02 Education	114		0	
		04 HR & Democratic governance	980		0	
		05 Conflict, peace & security	27		0	
		07 Infrastructure	0		0	
		08 Trade, business & fin. syst	6		0	
		09 Natural resources&environm.	28		0	
		11 Other	46		0	
		15561 Non-governmental organisations Total		1 239		0
	15571 Humanitarian assistance	06 Humanitarian assistance	0		0	
	15571 Humanitarian assistance Total		0		0	
	15680 Joint ODA Europe	04 HR & Democratic governance	1 074		20	
		09 Natural resources&environm.	0		595	
		15680 Joint ODA Europe Total		1 074		615
	15682 Caucasus	04 HR & Democratic governance	0		0	
		09 Natural resources&environm.	0		0	
		11 Other	0		0	
		15682 Caucasus Total		0		0
	156829 Regional Southern Caucasus	04 HR & Democratic governance	22 085	1 000	4 000	
		05 Conflict, peace & security	0	600	1 000	1 000
		07 Infrastructure	2 548		486	
		09 Natural resources&environm.	0		198	
		11 Other	2 186		0	
		(blank)	0		1 000	
		156829 Regional Southern Caucasus Total		26 819	1 600	6 684
	15689 Regional Southern OSS	04 HR & Democratic governance	0	-40	0	
	15689 Regional Southern OSS Total		0	-40	0	
Outside country allocation Total			29 132	1 560	7 299	1 000
Grand Total			29 132	1 560	7 299	1 000

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



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