

Annual Report
on Norwegian Bilateral
Development Cooperation

2006



Foreword

Total Norwegian development assistance (including chapter item 167¹⁾) by type of assistance in 2006

Type of assistance	NOK 1000	Per cent
Bilateral	8 487 754	44,8 %
Multi-bilateral	4 141 461	21,9 %
Multilateral	5 268 045	27,8 %
Administration	1 052 655	5,6 %
Total	18 949 915	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) by main region, 2006

Region	NOK 1000	Per cent
Africa	4 813 111	39,4 %
Asia and Oceania	2 111 077	17,3 %
Latin America	605 939	5,0 %
Middle East	851 267	7,0 %
Europe	776 318	6,3 %
Global	3 072 721	25,1 %
Total	12 230 433	100,0 %

1) Including multi-bilateral assistance
2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Breakdown of bilateral assistance¹⁾ (excl. chapter item 167²⁾) for the 35 main recipient countries, 2006

Recipient country	NOK 1000
1 Sudan	682 797
2 The Palestinian Area	562 948
3 Tanzania	482 551
4 Zambia	416 190
5 Afghanistan	415 463
6 Mozambique	412 137
7 Uganda	320 140
8 Malawi	314 577
9 Ethiopia	254 766
10 Sri Lanka	232 372
11 The Federal Republic of Yugoslavia	190 980
12 Lebanon	173 422
13 Nicaragua	161 804
14 Somalia	158 638
15 Nepal	158 534
16 Angola	146 713
17 Bangladesh	136 686
18 DR Congo	124 336
19 Bosnia-Herzegovina	118 774
20 Pakistan	117 872
21 India	116 843
22 Mali	109 039
23 Madagascar	103 249
24 Vietnam	97 162
25 Guatemala	95 832
26 Croatia	95 738
27 East Timor	93 121
28 South Africa	90 379
29 China	87 479
30 Eritrea	86 125
31 Kenya	78 489
32 Macedonia	78 332
33 Laos	73 203
34 Burundi	71 866
35 Zimbabwe	70 937

1) Including multi-bilateral assistance
2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Norwegian development assistance in 2006 totalled NOK 18.9 billion. Of this, bilateral assistance (including multi-bilateral assistance) amounted to NOK 12.6 billion.

Table 1 shows a breakdown of total Norwegian assistance in 2006 between bilateral assistance, multi-bilateral assistance (contributions through multilateral organisations earmarked for specific projects and programmes), multilateral assistance and administrative costs charged against the development assistance budget. Norway complies with the rules of the OECD Development Assistance Committee (DAC) for reporting official development assistance (countries and purposes). Only bilateral assistance and multi-bilateral assistance can be specified by country and region.

Table 2 shows a breakdown of total bilateral assistance (including multi-bilateral assistance) by continent. Table 3 shows the 35 countries that received the most assistance from Norway. In 2006, 114 countries received bilateral assistance from Norway. This assistance was channelled through national authorities, civil society organisations (Norwegian, local and regional) and multilateral institutions (earmarked contributions). These funds have been spent on long-term development cooperation, humanitarian aid, peace-building measures, cooperation on research, and cooperation with the private sector.

This report provides a detailed account of bilateral development cooperation between Norway and 25 of the countries in Africa, Asia, Latin America and the Middle East that received the most assistance in 2006. The report focuses on the results achieved in the priority areas for cooperation and general development trends in the countries concerned, and describes Norway's contribution in this context.

None of the results that are described here are a consequence of Norwegian assistance alone. Norway's contribution is always only one of several that supplement the most important effort, that of the countries themselves.

Norad's first annual report on results will be published in autumn 2007. In this report, information from reviews, evaluations and research reports will be collated and Norwegian development assistance will be placed in a wider context.



Photography: Eva Bratholm, Ken Opprann, Lillian Prestegard, Gunvor Skancke, Jan-Petter Holtedal, Arve Norheim, Gerd Stensby, Tone Bratteli, Gøril Trondsen Booth, Turid K. Lilleng, Sørvis, Petter Bauck, Shutterstock.

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Content

Indicators of developmental level

The country pages contain different indicators for a general view of the developmental level in each country. The numbers are taken from international sources such as UN, The World Bank and OECD, but are not always accurate. They depend on definitions and methods for calculation and might differ from the numbers given by the country and must therefore be read in relation to other information about the country.

Read more: Word and concepts page 44

Sources

UN: Millennium Development Goals indicators:

www.mdgs.un.org

OECDs Developmental Committee DAC

Statistical Tables: www.oecd.org/dac

The World Bank: World Development Indicators:

www.worldbank.org/data

Transparency International:

www.transparency.org

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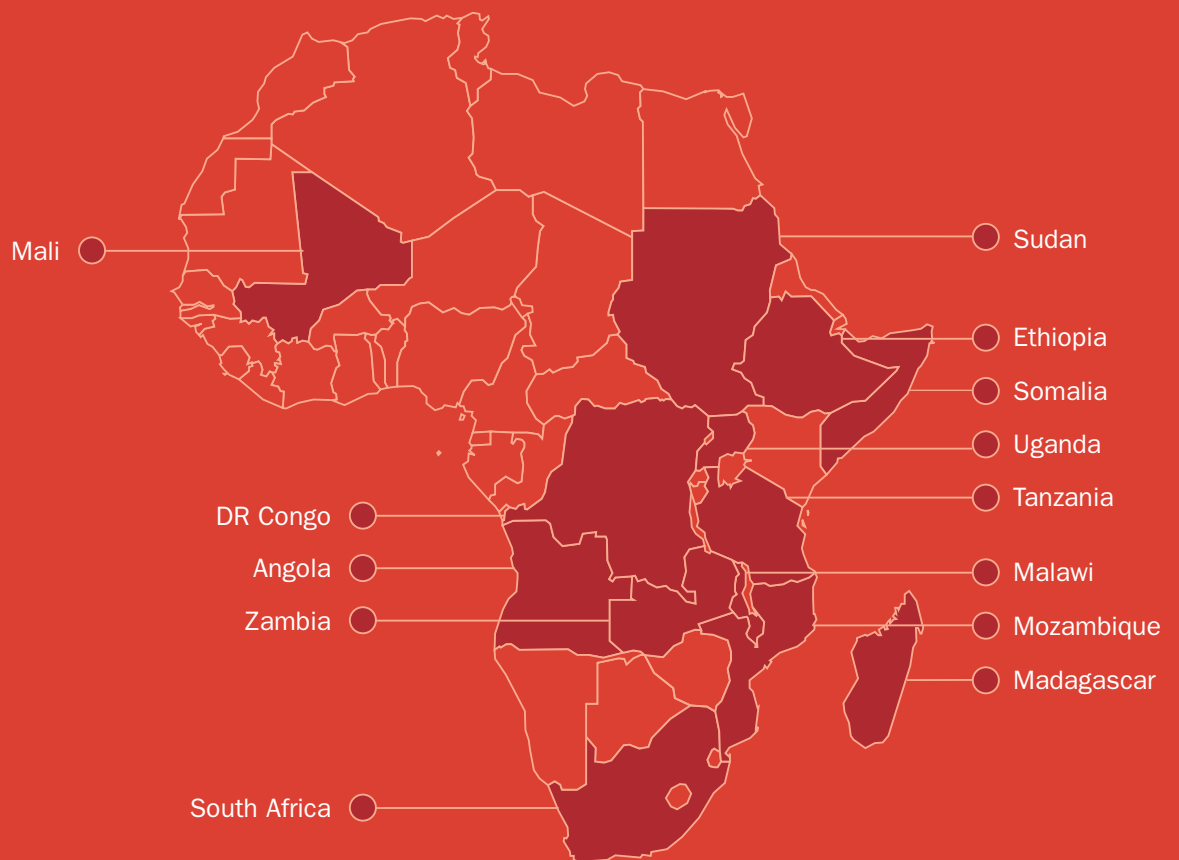
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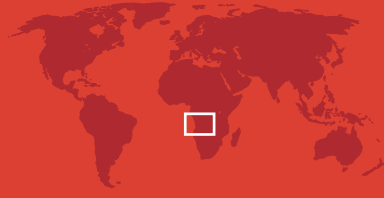
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Africa



Angola



The main priorities in cooperation between Norway and Angola in 2006 were sustainable management of energy resources, good governance and human rights, and education. More than half of Norway's assistance was channelled through Norwegian and Angolan non-governmental organisations (NGOs).

Energy



A government-to-government agreement was signed concerning the continuation of institutional cooperation between the Angolan Ministry of Petroleum and Norwegian expertise, coordinated by the Norwegian Petroleum Directorate. No disbursements were made to the energy sector during the year. The lessons learned from previous support for the energy sector were reviewed with a view to possible further involvement.

Governance and human rights



Support for human rights was focused on social and economic rights, improved living conditions, focusing on water supplies and sanitation, and education on civil rights and land rights provided through NGOs. This cooperation resulted in the establishment of a micro-financing institution for women. More than

13,000 loans were approved. 895 persons received legal aid to bring complaints before the police and legal system and seven cases were brought before the Supreme Court. Courses were held for central judicial authorities. Financial assistance from Norway also contributed towards human rights education in the police force, the establishment of a legal reform commission and the release of several hundred persons who had been imprisoned without due legal process. Support was provided for civil rights education in connection with the coming election, for mine clearance, and for a household survey.

Education



Norwegian assistance focuses especially on the quality of education and, in 2006, was spent primarily on supplementary education for all first grade teachers, primary school directors and directors of education, section heads and inspectors. A study of gender differences in schools was carried out as a contribution towards increasing the proportion of girls in the educational system. Norwegian funding also helped to provide education for more than 28,000 pupils who had fallen outside the ordinary educational system due to war and unrest. 44.5 per cent of these pupils

were girls. Funding also supported the construction of four new primary schools and 41 classrooms.

HIV and AIDS



Assistance was given through UNICEF for treatment and advice and for the preparation of strategies and guidelines.

Reducing child mortality

UNICEF received NOK 10 million for a vaccination programme for children.

Facts

Estimated population (2005): 15.9 million

Gross national income per capita (2005): USD 1,410 (LDC)

Average annual economic growth (GDP) 2000-05: 9.1%

Economic structure, as a percentage of GDP (2005): Agriculture 7%, industry 74%, services 19%

Malnutrition among children under 5 years of age (2001): 31%. Figures above 30 % are regarded as extremely high and a strong indicator of poverty

Human Development Index (HDI) Level 2004: 0.439. The index ranges from 0 to 1 and a country with an HDI level of less than 0.500 is regarded as having a low quality of life. Figures for the change from 2000-2005 are unavailable

Child mortality rate per 1000 (2005): 260
Change 1990-2005: 0

Maternal mortality rate per 1000 births (2000): 17

HIV infection rate, 15-49 age group (2005): 3.7%

Children in primary education (2005): Unavailable
Illiteracy rate 15-24 age group (2004): 27.8%

Ratio of girls to 100 boys in education: Unavailable
Percentage of women in parliament (2006): 15%

Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): 3%

Area protected to conserve biological diversity (2005): 12.1%

Corruption Perception Index (TI) (2006): 2.2.

The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt.

Fragile state, according to OECD/DAC (2006): Yes
Defence spending as a percentage of GDP (2005): 5%

Aid per capita (2005): USD 28

Aid as a percentage of GDP: 1.5%

Total amount of aid from Norway: NOK 146.713 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:
www.noruega.ao

Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Angola, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	15 766	10,7 %
Norwegian NGOs	66 360	45,2 %
Local NGOs	12 875	8,8 %
Regional NGOs	1 750	1,2 %
Nordic research institutions/foundations	800	0,5 %
Multi-bilateral assistance ³⁾	49 162	33,5 %
Total	146 713	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

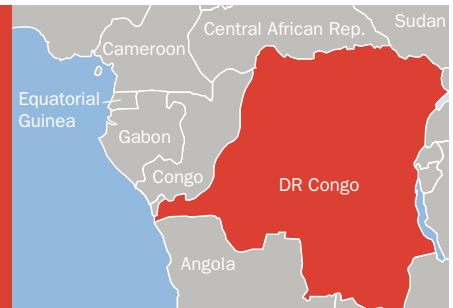
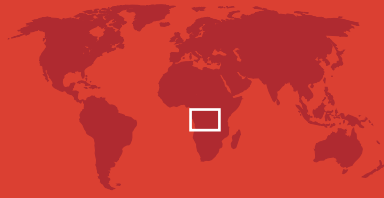
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Angola, by priority area, 2006 (NOK 1000)


Priority area	Total	Percentage of total
Health, education and other social sector areas	57 846	39,4 %
HIV/AIDS	8 000	5,5 %
Economic development and trade	9 087	6,2 %
Good governance	59 930	40,8 %
Environment and energy	404	0,3 %
Emergency relief and other unspecified	11 446	7,8 %
Total	146 713	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

The Democratic Republic of Congo (DR)



 In 2006, after many years of armed conflict, the Democratic Republic of Congo (DRC) held its first democratic elections in four decades and Joseph Kabila was appointed as popularly elected president in December 2006. The humanitarian situation in the DRC is still very serious, particularly in Eastern Congo.

The DRC has great economic potential with substantial natural and human resources. Mining and industry have traditionally accounted for 75 per cent of the country's export revenues and around 25 per cent of GDP. Since the DRC's formal economy has virtually collapsed, agriculture now accounts for close to half of the country's GDP. The inflation target for 2006 was 10 per cent, but at year-end inflation was around 20 per cent.

Development cooperation

In 2006 Norway provided approximately NOK 124.3 million in assistance for the DRC, in collaboration with UN agencies and Norwegian non-governmental organisations. Many of the programmes targeted women and children.

Around NOK 71 million came from the allocation for humanitarian assistance and was largely spent on health, education

and legal counselling programmes for internally displaced persons and on programmes for victims of sexual violence. Norway also provided funding for election monitoring and the reintegration of child soldiers and Rwandan refugees.

Approximately NOK 11 million was spent on measures to promote dialogue under the auspices of religious leaders and religious communities with a view to preventing the flare-up of conflict.

About half of the NOK 40 million allocation for transitional aid was spent on the elections. A large part of the funding was also used to support the reintegration of child soldiers and projects to promote peace, reconciliation and reconstruction/rehabilitation.

A total of NOK 10 million was channelled through the Norwegian Interdenominational Office for Development Cooperation to Norwegian religious organisations in 2005. Most of this funding went to organisations with local church partners in the DRC who have run projects in fields such as health and education, as well as some special projects targeting women and the environment.

Facts

Estimated population (2005): 57.6 million

Gross national income per capita (2005): USD 120 (LDC)

Average annual economic growth (GDP) 2000-05: 4.4%

Economic structure, as a percentage of GDP (2005): Agriculture 46%, industry 25%, services 29%

Malnutrition among children under 5 years of age (2001): 31.1%. Figures over 30% are considered to be extremely high and are a strong indicator of poverty

Human Development Index (HDI) Level 2004: 0.391. A country with an HDI level of less than 0.500 is regarded as having a low quality of life. The HDI level of the DRC declined 0.031 points from 1990 to 2004. From 2003 to 2004, however, there was a slight improvement of 0.006

Child mortality rate per 1000 (2005): 205
Change 1990-2005: 0

Maternal mortality rate per 1000 births (2000): 9.9

HIV infection rate, 15-49 age group (2005): 3.2%

Children in primary education (2005): 44.8%

Illiteracy rate 15-24 age group (2004): 29.6%

Ratio of girls to 100 boys in education (2004), primary/secondary/tertiary: 93/84/Unavailable

Percentage of women in parliament (2006): 12%

Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -5%

Area protected to conserve biological diversity (2005): 8.4%

Corruption Perception Index (TI) (2006): 2.2. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt

Fragile state, according to OECD/DAC (2006): Yes

Defence spending as a percentage of GDP: 2.1%

Aid per capita (2005): USD 32

Aid as a percentage of GDP: 26.9%

Total amount of aid from Norway: NOK 124.336 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy: www.noruega.ao

Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for the Democratic Republic of Congo, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	3 374	2,7 %
Norwegian NGOs	72 501	58,3 %
Multi-bilateral assistance ³⁾	48 461	39,0 %
Total	124 336	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

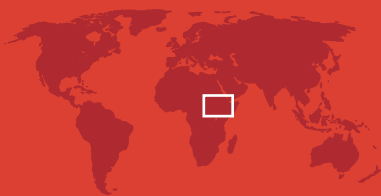
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for the Democratic Republic of Congo, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	22 284	17,9 %
Economic development and trade	5 628	4,5 %
Good governance	41 188	33,1 %
Emergency relief and other unspecified	55 236	44,4 %
Total	124 336	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Ethiopia




 Norway's development cooperation with Ethiopia is based on a desire to strengthen Ethiopia's ability to play a positive role in national and regional political, social and economic development, including reconciliation with Eritrea. Cooperation is concentrated on peace and reconciliation, human rights, democracy and good governance, agriculture and combating HIV and AIDS.

Peace, reconciliation and stability

 Significant diplomatic efforts have been made to re-establish political dialogue on the border dispute with Eritrea and on other regional security issues. Norway supports the national demining programme through the UN Development Programme (UNDP) and Norwegian People's Aid and has contributed to a 25 % increase in national demining capacity. The common use of resources in the Nile basin has great potential for promoting the economic and political integration of countries bordering the River Nile. Norway has supported feasibility studies relating to regional power trading, environmental protection and agriculture in the Nile basin.

Human rights, democracy and governance


 Assistance was provided for voter education and capacity-building

for the national Election Commission. In 2006, support for human rights education for judges, the prosecuting authority and the police reached more than 80 per cent of all judges at regional level. Ethiopia is a pilot country for the Norwegian Government's International Action Plan for Combating Female Genital Mutilation.

Agriculture

 Norway is chef de file for the United Nations Convention to Combat Desertification (UNCCD) in Ethiopia and has taken the initiative for the establishment of a broad-based group of authorities and donors to coordinate efforts relating to the Convention at the national level. In this connection, Norway has supported the Ethiopian authorities through the World Food Programme and, with other donors, has contributed to the rehabilitation/protection of more than 300,000 hectares of agricultural land, the planting of 317 million trees and the training of 30,000 farmers in sustainable land use.

HIV and AIDS

 Norway collaborates with the UN Children's Fund, UNICEF and the UN Population Fund (UNFPA) on programmes to combat HIV and AIDS, focusing

on the reproductive rights of women and girls. Efforts have been made to integrate the HIV/AIDS dimension into other programme activities.

The African Union

Dialogue was initiated with the AU on support for peace-keeping operations and on a convention to reduce the prevalence of hand guns. Norway assumed the role of civilian liaison between NATO and the AU in connection with the AU's operation in Darfur.

Facts

Estimated population (2005): 71.3 million
Gross national income per capita (2005): USD 160 (LDC)
Average annual economic growth (GDP) 2000-05: 4.2%
Economic structure, as a percentage of GDP (2005): Agriculture 48%, industry 13%, services 39%
Malnutrition among children under 5 years of age (2001): 38%. Figures over 30% are considered to be extremely high and are a strong indicator of poverty.
Human Development Index (HDI) Level 2004: 0.371
 A country with an HDI level of less than 0.500 is regarded as having a low quality of life. The index level for Ethiopia rose 0.060 points in the period 1990-2004
Child mortality rate per 1000 (2005): 127
 Change 2000-2005: -49
Maternal mortality rate per 1000 births (2000): 98.5
HIV infection rate, 15-49 age group (2005): 4.4%
Children in primary education (2005): 69.5%
Illiteracy rate 15-24 age group (2004): 68.7%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 88/69/32
Percentage of women in parliament (2006): 21%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -14%
Area protected to conserve biological diversity (2005): 16.9%
Corruption Perception Index (TI) (2006): 2.4.
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 3.1%
Aid per capita (2005): USD 27
Aid as a percentage of GDP: 17.4%
Total amount of aid from Norway: NOK 254.776 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.et
 Norad's homepage: www.norad.no

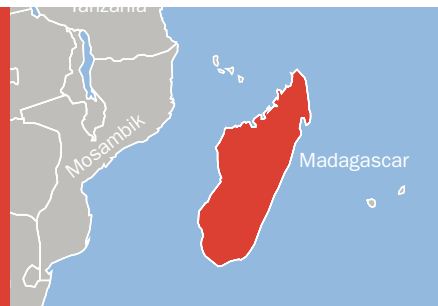
Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	47 185	18,5 %
Norwegian NGOs	100 120	39,3 %
Local NGOs	5 257	2,1 %
International NGOs	-6	0,0 %
Nordic research institutions/foundations	5 543	2,2 %
Multi-bilateral assistance ³⁾	96 668	37,9 %
Total	254 766	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

Priority area	Total	Percentage of total
Health, education and other social sector areas	61 317	24,1 %
HIV/AIDS	9 047	3,6 %
Economic development and trade	44 146	17,3 %
Good governance	46 666	18,3 %
Environment and energy	31 943	12,5 %
Emergency relief and other unspecified	61 647	24,2 %
Total	254 766	100,0 %


1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Madagascar



 Development cooperation between Norway and Madagascar is based on and is a continuation of long-term efforts by Norwegian non-governmental organisations. In accordance with the Memorandum of Understanding signed by the two countries in March 2004, cooperation is concentrated on governance and education. Support is also provided for agricultural and petroleum management programmes.

Governance

 Combating corruption is one of the goals of Madagascar's new poverty reduction strategy, which was launched in November 2006. Norway is actively involved in anti-corruption efforts in Madagascar and is considered to be one of the country's main allies in this fight. Assistance is provided for the Independent Anti-Corruption Bureau (BIANCO) and for efforts to establish a special unit to combat money-laundering. Madagascar's ranking on Transparency International's list of corrupt countries recently improved, which suggests that its efforts have borne fruit. Norway has also funded measures to increase transparency in public administration, draw up guidelines for political party financing and reform the National Judicial Council.

Education

 Although primary education is free of charge, many children do not complete their schooling. Norway supports the authorities' Education for All programme, which aims at providing all children with a good education by 2015. Norwegian assistance has primarily been spent on improving teacher training and developing teaching materials. More than 57,000 teachers received on-the-job training in 2006, while 21,000 teachers received other kinds of teacher training.

The proportion of children who complete compulsory schooling rose by around 3 per cent last year. French has traditionally been the language of instruction. Since most children and many teachers speak little French, this has largely resulted in low-quality education and a high failure rate. Technical assistance provided by Norway to help formulate a language policy has contributed to the Government's decision to introduce Malagasy as the language of instruction in primary school.

In addition to education and good governance, Norway supports FIFAMANOR, a centre for rural development and applied

research in the field of agriculture and animal husbandry. In 2006, funding was also provided for a number of individual projects to strengthen Madagascar's petroleum resource management.

Facts

Estimated population (2005): 18.6 million
Gross national income per capita (2005): USD 290 (LDC)
Average annual economic growth (GDP) 2000-05: 2.0%
Economic structure, as a percentage of GDP (2005): Agriculture 28%, industry 16%, services 56%
Malnutrition among children under 5 years of age (2004): 42%
Human Development Index (HDI) Level 2004: 0.509. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Madagascar's HDI level rose 0.063 points in the period from 1990 to 2004
Child mortality rate per 1000 (2005): 119
 Change 2000-2005: -18
Maternal mortality rate per 1000 births (2000): 5.5
HIV infection rate, 15-49 age group (2005): 0.5%
Children in primary education (2005): 92.7%
Illiteracy rate 15-24 age group (2004): 29.8%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 96/Unavailable/89
Percentage of women in parliament (2006): 7%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -6%
Area protected to conserve biological diversity (2005): 2.6%
Corruption Perception Index (TI) (2006): 3.1
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): Unavailable
Aid per capita (2005): USD 50
Aid as a percentage of GDP: 18.7%
Total amount of aid from Norway: NOK 103.249 million (except chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.amb-norvege.mg
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167²⁾) for Madagascar, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	57 322	55,5 %
Norwegian NGOs	7 540	7,3 %
Regional NGOs	70	0,1 %
International NGOs	218	0,2 %
Nordic research institutions/foundations	83	0,1 %
Multi-bilateral assistance ³⁾	38 018	36,8 %
Total	103 249	100,0 %

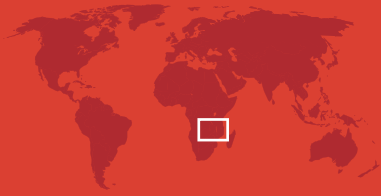
- 1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
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 3) Earmarked assistance channelled through multilateral organisations


Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Madagascar, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	77 485	75,0 %
Economic development and trade	7 355	7,1 %
Good governance	16 983	16,4 %
Environment and energy	649	0,6 %
Emergency relief and other unspecified	778	0,8 %
Total	103 249	100,0 %


- 1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Malawi



 Malawi is one of the poorest countries in the world, with 46 per cent chronically undernourished children and a dramatically high maternal mortality rate. However, the country has recently achieved a significant reduction in child mortality, a large increase in the number of children attending primary school, stabilisation of the HIV epidemic, improved macro-economic stability and extensive debt cancellation. The priority areas for Norway's cooperation with Malawi in 2006 were governance and human rights, economic reforms/budget support, health, HIV and AIDS, and agriculture.

Governance and human rights

 Malawi's constitution has been revised with the support of Norway and other donors. There has been broad-based participation in the process and it has received a great deal of press coverage. The proposed new constitution will now be debated in Parliament. Norway has helped ensure that constitutional bodies, such as the Human Rights Commission, the Ombudsman and the Anti-Corruption Bureau continued to operate, in accordance with Malawi's new strategy for growth and development. Good progress was made in dealing with corruption, with the exception of certain high-profile cases.


Economic reforms/budget support

 Norwegian budget support has been important for macro-economic stability. With the support of Norway, the Central Bureau of Statistics has produced annual statistics for areas such as health, education, gender differences and poverty. The audit of the national accounts continued and an extensive census of agriculture was initiated. Norway has played an active role in auditing activities in Malawi, especially in the field of training and improving auditing standards. Support for Malawi's central bank was initiated in 2006.



With 1,1 doctors and 25,5 nurses per. 100 000 inhabitants, the lack of health personell in Malawi is serious. Photo: Ken Opprann

Health, HIV and AIDS

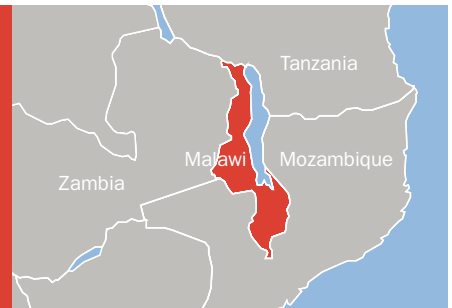
 Norway part-finances the sector programme for health and the national AIDS commission. Good results have been achieved in both areas. Figures for 2004-2006 show that the number of patients receiving antiretroviral treatment has increased from 40,000 to 60,000 and child mortality (under the age of 5) has dropped from 133 to 118 per 1000. The infant mortality rate dropped from 104 to 69 per 1000 from 2000 to 2006.

Malawi has very few health personnel, even by African standards, with 1.1 doctors and 25.5 nurses per 100,000** inhabitants in 2004. Norway's emphasis on health education has helped ensure that the Malawi College of Medicine has almost achieved its target of tripling the number of trained doctors to 60 per year. 60 per cent remain in Malawi after completing their education and many of the rest return as doctors and teachers after receiving further training abroad. Cooperation has been established with the University of Oslo on research, and with the University of Tromsø on telemedicine.

Through Norwegian Church Aid and the Christian Health Association of Malawi (CHAM), technical cooperation has been established between Norwegian and Malawian nursing colleges to improve the quality of education and increase training capacity. As a result of the construction/rehabilitation of halls of residence, teacher housing, classrooms and laboratories, the number of graduates has already increased from 338 in 2005 to 463 in 2006.

Agriculture

 The national Fertilizer and Seed Subsidy Programme, which is supported by Norway, resulted in a better maize harvest than before. Malawi exported maize for the first time in many years. Support for the National Smallholder Farmers Association of Malawi has strengthened farmers' negotiating power with respect to product prices. The organisation reports increased access to the international market and a change from exclusive focus on tobacco to the inclusion of other crops, such as groundnuts. The authorities have asked the



organisation to increase their activities. As head of the donor group for agriculture, Norway has a special role in dialogue with the authorities on long-term agricultural development.

Women and gender equality, environment

 The Norwegian Embassy collaborates with Norwegian Church Aid on efforts to combat human trafficking in Malawi. The women's perspective in agricultural research is improved through good gender distribution in the governing bodies of projects supported by Norway. Gender equality indicators for budget support show, among other things, that the percentage of women in leading positions in the public sector has increased slightly since 2005. Among medical students, the percentage of women is now 36 % compared with 15 % in 2001. In connection with the health programme, Norway focused especially on maternal health services, where the results have been particularly poor.

The environment and sustainable development have been central issues in dialogue on the agricultural sector. In accordance with the first priority in Malawi's Action Plan on Climate Change, two new partnerships were established in 2006 with emphasis



Questions concerning sexuality and preservatives are still difficult in many countries. On this poster in Malawi young people are encouraged to abstain from sexual relations to avoid the spread of hiv/aids. Photo: Ken Opprann

on sustainable natural resource management, irrigation and water management. In connection with the national Agricultural Research and Development Programme, which is supported by Norway, there is strong focus on the environmental aspect when projects are selected.

Facts

- Estimated population** (2005): 12.9 million
- Gross national income per capita** (2005): USD 160 (LDC)
- Average annual economic growth** (GDP) 2000-05: 3.4%
- Economic structure**, as a percentage of GDP (2005): Agriculture 35% industry 19% services 46%
- Malnutrition among children** under 5 years of age (2001): 22%
- Human Development Index** (HDI) Level 2004: 0.400. A country with an HDI level of less than 0.500 is regarded as having a low quality of life. The index level for Malawi rose 0.029 points in the period 1990-2004
- Child mortality rate** per 1000 (2005): 125
Change 2000-2005: -63
- Maternal mortality rate** per 1000 births (2000): 18
- HIV infection rate**, 15-49 age group (2005): 14.1%
- Children in primary education** (2005): 95.2%
- Illiteracy rate** 15-24 age group (2004): 24%
- Ratio of girls to 100 boys in education** (2005), primary/secondary/tertiary: 102/81/54
- Percentage of women in parliament** (2006): 14%
- Forested area** (change 1990-2005, negative numbers indicate deforestation as a percentage): -13%
- Area protected to conserve biological diversity** (2005): 16.4%
- Corruption Perception Index** (TI) (2006): 2.7. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
- Fragile state**, according to OECD/DAC (2006): No
- Defence spending** as a percentage of GDP (2005): Unavailable
- Aid per capita** (2005): USD 45
- Aid as a percentage of GDP**: 28.4%
- Total amount of aid from Norway**: NOK 314.577 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy: www.norway.mw
Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Malawi, by channel, 2006(NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	188 901	60,0 %
Norwegian NGOs	87 460	27,8 %
Local NGOs	18 036	5,7 %
International NGOs	2 000	0,6 %
Multi-bilateral assistance ³⁾	18 181	5,8 %
Total	314 577	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

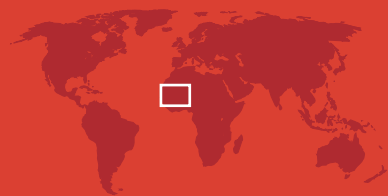
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Malawi, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	133 347	42,4 %
HIV/AIDS	13 871	4,4 %
Economic development and trade	125 466	39,9 %
Good governance	35 231	11,2 %
Environment and energy	3 418	1,1 %
Emergency relief and other unspecified	3 244	1,0 %
Total	314 577	100,0 %

1) Incl. multi-bilateral assistance


2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Mali




 Mali has been receiving aid from Norway since the 1970s. Aid was increased in connection with the drought in the 1980s, when several Norwegian non-governmental organisations (NGOs) were working in the country. Today, approximately 38 per cent of Norwegian assistance for Mali is channelled through Norwegian NGOs, CARE Norway, Norwegian Church Aid and the Strømme Foundation being the main Norwegian partners. In 2005, Norway entered into cooperation with Sweden on delegated administration of development cooperation in Mali. The priority sectors are education, natural resource management, democratic development and human rights.

Education

 Norway supports Mali's national programme for development of the education sector. So far, the programme has focused mainly on primary education. In phase two there will be stronger focus on secondary education and decentralisation reforms. Through this programme, the number of schools has increased significantly. The same applies to the number of children who start school, but the difference between the school attendance of girls and boys has increased. Approximately 40 per cent of registered pupils complete their primary education. One of the main challenges is to increase this percentage.

Natural resource management

 In 2006, aid funds were spent on a programme run by the World Conservation Union (IUCN) to promote coherent and decentralised natural resource management in the Inner Delta. Efforts were made to ensure that the local community has greater influence over its own resources and investments. The local community is strongly involved.

Democracy and human rights

 Norway supports the UNICEF programme for children's rights which, among other things, contributed to the establishment of a birth registration database and to an alliance to eliminate child marriage and establish family legislation. This has led to several child marriages being annulled. Guidelines on the protection of children have been distributed in five languages to a large number of municipalities and districts. Norway also supported a programme to improve decision-making processes in local democracy, which has raised awareness of women's and children's rights. The authorities have focused more attention on land issues and the participation of women. The administration of local NGOs has been strengthened. Living conditions have improved, especially for women.

Facts

Estimated population (2005): 13.5 million
Gross national income per capita (2005): USD 380 (LDC)
Average annual economic growth (GDP) 2000-05: 5.8%
Economic structure, as a percentage of GDP (2005): Agriculture 37%, industry 24%, services 29%
Malnutrition among children under 5 years of age (2001): 33%
Human Development Index (HDI) Level 2004: 0.338. A country with an HDI level of less than 0.500 is regarded as having a low quality of life. The index level for Mali rose 0.055 points in the period 1990-2004
Child mortality rate per 1000 (2005): 218
 Change 2000-2005: -6
Maternal mortality rate per 1000 births (2000): 12
HIV infection rate, 15-49 age group (2005): 1.7%
Children in primary education (2005): 50.9%
Illiteracy rate 15-24 age group (2004): 75.8%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 80/62/47
Percentage of women in parliament (2006): 10%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -10%
Area protected to conserve biological diversity (2005): 2.1%
Corruption Perception Index (TI) (2006): 2.8. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): Unavailable
Aid per capita (2005): USD 51
Aid as a percentage of GDP: 13.9%
Total amount of aid from Norway: NOK 109.039 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:
www.norvege.ci
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Mali, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	63 668	58,4 %
Norwegian NGOs	41 737	38,3 %
Nordic research institutions/foundations	3 635	3,3 %
Total³⁾	109 039	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

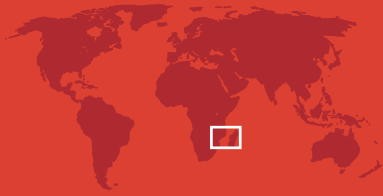
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Mali by priority area, 2006 (NOK 1000)


Priority area	Total	Percentage of total
Health, education and other social sector areas	13 339	12,2 %
HIV/AIDS	1 787	1,6 %
Economic development and trade	77 269	70,9 %
Good governance	16 766	15,4 %
Emergency relief and other unspecified	-122	-0,1 %
Total	109 039	100,0 %

1) Incl. multi-bilateral assistance


2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Mozambique




 Norwegian assistance to Mozambique in 2006 was concentrated on energy, fisheries and health as well as budget support. Support was also provided for economic development and civil society. Norway's goal is also to promote human rights, especially women's rights, contribute to democratic development and facilitate economic growth in the private sector.

Norwegian budget support – for poverty reduction and good governance

 Mozambique achieved good annual growth of 7 per cent and this trend is expected to continue. Nevertheless, it is one of the ten countries with the lowest score on the UNDP Human Development Index. In 2006, 65.1 per cent of total budget funds were spent on areas that had priority in the poverty reduction strategy. Taxes accounted for 14.2 per cent of GNP in 2006, somewhat lower than the 14.8 per cent target. Reforms in the area of financial management made progress. The situation in the judicial sector is still poor and there were few concrete results in the fight against corruption. The prerequisites for measuring poverty trends, an area on which both the authorities and donors focus strongly, were strengthened through Norway's assistance for the Institute of Statistics.

Health, HIV and AIDS

 Almost all of Norway's assistance for the health sector was provided through the established donor funds. The number of consultations and the number of health clinics continued to increase. 23 new clinics were completed and the number of advisory clinics for young people increased from 89 to 149. At the end of 2006, 44,100 persons were receiving antiretroviral treatment at 150 clinics, which is a substantial increase compared with 2005. Nevertheless, growth was weaker than




Norway has supported well boring in Mozambique through the Norwegian Church Aid.
Photo: Lillian Prestegard

expected and only 20 per cent of the people who qualify receive treatment.


In 2006 a plan was adopted to train 2,000 new health workers by 2010. The goal of the vaccination programme, which was to vaccinate 95 per cent of all children, was achieved. Norway contributed through the UNFPA towards ensuring that the topics of reproductive health, HIV and AIDS were included in the secondary school curriculum.

Energy

 In 2006 the emphasis was on increasing access to electricity for domestic use. Norway supported the development of the power grid and capacity-building at the Ministry of Energy. By the end of the year, 8.5 per cent of the population had access to electricity and the target of reaching 10 per cent by 2009 is realistic. Rural electrification in Gurue, Cuamba, Lichinga and Namacurra was completed and the rural electrification programme continues. Preparations were made to start providing support for the

weak Ministry of Energy in 2007, with Norway as the lead donor. Norway's assistance for the petroleum sector went to the Ministry of Finance (revenue management) and the Ministry of the Environment (environmental impacts). A major evaluation of Norwegian assistance for the petroleum sector found that assistance for Mozambique is extremely important in connection with the development of framework conditions for this sector. Gas production increased by 15 per cent and offshore exploration licences (for oil) were granted for seven blocks. Norsk Hydro is one of the companies that has a licence in Mozambique.

Fisheries

 Cooperation between the Mozambican fishery authorities and the Centre for Development Cooperation in Fisheries at the Institute of Marine Research in Bergen led to positive results for research-based resource management. An integrated rural development programme for small-scale fishermen, administered by the Mozambican




fishery authority, made good progress in 2006. Mozambique continued its work on quality control and on the rehabilitation of ports. Improved resource management led to a 2 per cent rise in value and fisheries contributed 10 per cent of GDP. Fish accounts for as much as 60 per cent of the population's protein intake and consumption is increasing. High oil prices have led to a slight decline in industrial fishing, while production from small-scale fisheries was up 8 per cent compared with 2005.

Anti-corruption efforts and quality assurance

Norway followed up the Government's anti-corruption strategy by, among other things, providing professional assistance to monitor tendering processes in connection with a major electricity project.


Environment

 Natural resource management is one of the main pillars in connection with Norway's support for fisheries, and environmental issues are integrated into support for the petroleum sector. Work began on shedding light on potential conflicts between oil production, fisheries and environmental considerations.



Farming constitutes for 22 percent of Mozambique's gross domestic product (GDP). Photo: Lillian Prestegard

Women and gender equality

 Norway continued its efforts to increase awareness of and knowledge about human trafficking among national NGOs. Agreements were entered into with several new organisations working in the field of women and gender equality.

Facts

- Estimated population** (2005): 19.8 million
- Gross national income per capita** (2005): USD 310 (LDC)
- Average annual economic growth** (GDP) 2000-05: 8.6%
- Economic structure**, as a percentage of GDP (2005): Agriculture 22%, industry 30%, services 48%
- Malnutrition among children** under 5 years of age (2001): 24%
- Human Development Index** (HDI) Level 2004: 0.390. A country with an HDI level of less than 0.500 is regarded as having a low quality of life. The index level for Mozambique rose 0.079 points in the period 1990-2004
- Child mortality rate** per 1000 (2005): 145
Change 2000-2005: -33
- Maternal mortality rate** per 1000 births (2000): 10
- HIV infection rate**, 15-49 age group (2005): 16.1%
- Children in primary education** (2005): 77.2%
- Illiteracy rate** 15-24 age group (2004): Unavailable
- Ratio of girls to 100 boys in education** (2005), primary/secondary/tertiary: 97/69/49
- Percentage of women in parliament** (2006): 35%
- Forested area** (change 1990-2005, negative numbers indicate deforestation as a percentage): -4%
- Area protected to conserve biological diversity** (2005): 8.6%
- Corruption Perception Index** (TI) (2006): 2.8. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
- Fragile state**, according to OECD/DAC (2006): No
- Defence spending** as a percentage of GDP (2005): 1.4%
- Aid per capita** (2005): USD 65
- Aid as a percentage of GDP**: 20.7%
- Total amount of aid from Norway**: NOK 412.137 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.mz
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Mozambique, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	326 860	79,3 %
Norwegian NGOs	43 612	10,6 %
Local NGOs	9 572	2,3 %
International NGOs	2 460	0,6 %
Multi-bilateral assistance ³⁾	29 633	7,2 %
Total	412 137	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

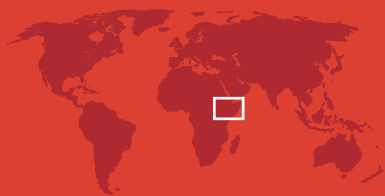
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Mozambique by priority area, 2006 (NOK 1000)


Priority area	Total	Percentage of total
Health, education and other social sector areas	93 128	22,6 %
HIV/AIDS	13 724	3,3 %
Economic development and trade	178 263	43,3 %
Good governance	66 775	16,2 %
Environment and energy	59 554	14,5 %
Emergency relief and other unspecified	693	0,2 %
Total	412 137	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Somalia



 In 2006 Somalia entered its 15th year with no central government in Mogadishu, the country's capital. The Transitional Federal Government (TFG) was located in Baidoa, while Mogadishu and large parts of the country were still dominated by various warring clan leaders and/or the Islamic Council Union. The regions of Somaliland and Puntland were peaceful, on the whole. The conflict affected the rest of the country to varying degrees throughout the year, reaching its peak at the end of December 2006 when TFG and Ethiopian forces drove the ICU out of Mogadishu.

Peace, reconciliation and stability

 Despite the turmoil, the process of implementing the Interim Charter and strengthening the Somali government has continued with broad-based international support. Norway has contributed actively by providing funding for the United Nations Development Programme (UNDP) and in other ways. In tandem with this process, the TFG and a number of opposition groups have engaged in efforts to achieve reconciliation, but limited progress has been made. Norway helped to launch the International Contact Group for Somalia, which has played a leading role in international peace and reconciliation efforts.

Humanitarian aid and reconstruction

The lack of an effective central government since 1991 has exacerbated the serious humanitarian situation in Somalia. Substantial Norwegian humanitarian assistance was channelled through the UN system and non-governmental organisations (NGOs) to provide water and sanitation, health services, shelter, education, nutrition and protection. Funding was also provided for various projects and programmes to promote stability, human rights and democracy.

The situation in Somaliland in northwestern Somalia has been relatively stable, unlike the rest of the country. In this area, Norway has provided transitional aid through the UN and NGOs for long-term health and education projects and for the reintegration of returned refugees. Norway also contributed to efforts to improve security in the port of Berbera to comply with international standards. Elsewhere in Somalia, assistance was channelled through NGOs to long-term programmes in the fields of health, education, water, gender equality and employment, and measures to combat female genital mutilation.

Besides granting aid to meet immediate needs, Norway contributed to the comple-

tion of a joint needs assessment carried out by the World Bank, the UN system and the EU Commission with a view to the longer-term development of all of Somalia.

Facts

Estimated population (2005): 8.2 million
Gross national income per capita (2005): Unavailable (LDC)
Average annual economic growth (GDP) 2000-05: Unavailable
Economic structure, as a percentage of GDP (2005): Unavailable
Malnutrition among children under 5 years of age (1999): 25.8%
Human Development Index (HDI) Level 2004: Unavailable
Child mortality rate per 1000 (2005): 225
 Change 2000-2005: 0
Maternal mortality rate per 1000 births (2000): 11
HIV infection rate, 15-49 age group (2005): 0.9%
Children in primary education (2004): Unavailable
Illiteracy rate of 15-24 age group (2004): Unavailable
Ratio of girls to 100 boys in education (2004), primary/secondary/tertiary: Unavailable
Percentage of women in parliament (2006): 8%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -14%
Area protected to conserve biological diversity (2005): 0.7%
Corruption Perceptions Index (TI) (2006): Unavailable
Fragile state, according to OECD/DAC (2006): Yes
Defence spending as a percentage of GDP (2005): Unavailable
Aid per capita (2005): USD 29
Aid as a percentage of GDP: Unavailable
Total amount of aid from Norway: NOK 158.638 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.or.ke
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Somalia, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	3 982	2,5 %
Norwegian NGOs	47 510	29,9 %
Local NGOs	1 000	0,6 %
International NGOs	3 775	2,4 %
Multi-bilateral assistance ³⁾	102 370	64,5 %
Total	158 638	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

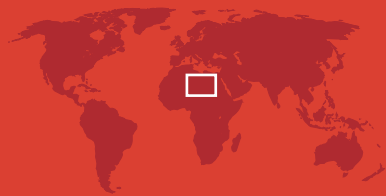
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Somalia, by priority area, 2006(NOK 1000)


Priority area	Total	Percentage of total
Health, education and other social sector areas	39 403	24,8 %
Economic development and trade	1 836	1,2 %
Good governance	13 512	8,5 %
Emergency relief and other unspecified	103 887	65,5 %
Total	158 638	100,0 %

1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"



Sudan




 Sudan as a whole has experienced strong economic growth in recent

years, but South Sudan is still one of the least developed regions in the world and there are enormous differences in income and access to social services. 90 per cent of South Sudan's income consists of transfers of oil revenues from the North and the situation is fragile. Development cooperation is limited by the fact that the peace treaty for Darfur, which was signed in 2006, has not been complied with. While several hundred thousand refugees and internally displaced persons have returned, many others have chosen to wait due to the lack of health and education services. The South Sudanese government has taken important steps to ensure transparency and prevent corruption but the risk of corruption is significant due to the weak public administration in the war-torn areas.

Norway's development cooperation with Sudan

The main goals of development cooperation with Sudan are to promote peace and help reduce poverty. Approximately 35 per cent of Norway's assistance for Sudan in 2006 was provided through multi-donor funds administered by the World Bank. The implementation of measures financed by these funds has been slower than anticipated, due to both weaknesses at the World Bank and the lack of capacity of the Sudanese authorities. The UN and Norwegian NGOs are also important channels for Norwegian assistance. In South Sudan, Norway works closely with Sweden, Denmark, the Netherlands, the UK and Canada.

Education


 While average school attendance is 53 per cent for the country as a whole, it varies from over 90 per cent in central areas around the capital to 4 per cent in the most disadvantaged areas in the South. The possibility of educating their children is an important factor when



Sudan received more economic assistance from Norway than any other country in 2006, amounting to about 682 million kroner. Photo: Gunvor Skancke. Photo on opposite page: Jan-Petter Holtedal

refugees and internally displaced persons decide whether or not to return home. The multi-donor fund for South Sudan has delivered one million textbooks and 40,000 packages of school materials. Through Norwegian NGOs, Norway has contributed to school buildings and educational materials in the areas of South Sudan and the Nuba Mountains to which refugees have returned. Norway has also provided advisers for the Ministry of Education in Juba and study grants for women from South Sudan. Through UNICEF, Norway has supported primary education in war-torn areas in North Sudan.

Health



 The proportion of births that take place in the presence of trained health personnel varies from 100 per cent in parts of North Sudan to just over 20 per cent in parts of South Sudan. The multi-donor fund for South Sudan has provided 21 months' supplies of medicines and other medical consumer goods to

840 health clinics and hospitals. Through Norwegian NGOs, Norwegian assistance has been provided for the operation of several district hospitals in South Sudan and for medicines and clean drinking water in the Nuba Mountains. Norway has also supported a successful campaign against the guinea worm.

Food security

Food security in South Sudan improved significantly in 2006. The rehabilitation of roads has given farmers access to markets and the local economy has grown strongly in many areas. Through Norwegian NGOs, Norway has supported the construction of corn silos, the organisation of sales outlets and the production of simple tools.

Peace and good governance

  Responsible use of its oil resources is essential if Sudan is to be able to reduce poverty, and the distribution of oil revenues is an important element in the peace agreement between



the North and the South. Norway has cooperated with the Ministry of Petroleum in Khartoum and the authorities in South Sudan to ensure greater transparency in the administration and build trust between the parties on these issues. In 2006 Norway also contributed to competence-building at South Sudan's Bureau of Statistics to enable it to carry out a population census prior to the elections in 2009. Assistance was provided for the participation of Norwegian civilian police in the UN Mission in Sudan (UNMIS) and civilian police stations for the African Union's peace-keeping force in Darfur. Norway has contributed to the peace processes for both Darfur and East Sudan, which includes providing assistance for the participation of women. Priorities also include media development and various reconciliation projects for the civilian population.

Humanitarian assistance

Despite the efforts of the international community, the situation for the civilian population in Darfur worsened in the last half of 2006. Assistance to meet acute humanitarian needs therefore had



Sudan as a whole has had a strong economic growth the last years, but Southern Sudan is still one of the less developed regions. Photo: Gunvor Skancke

high priority. Norway provided funding for emergency relief and a minimum of protection for the more than two million internally displaced persons. Humanitarian assistance was also provided for Sudanese refugees in Chad. In early 2006, Norway provided a substantial contribution to the UN Humanitarian Fund for Sudan. Assistance was also provided through the International Red Cross, various UN agencies and Norwegian NGOs. These funds were spent on water, food and health services, and mine clearance.

Facts

Estimated population (2005): 36.2 million
Gross national income per capita (2005): USD 640 (LDC)
Average annual economic growth (GDP) 2000-05: 6.1%
Economic structure, as a percentage of GDP (2005): Agriculture 34%, industry 30%, services 37%
Malnutrition among children under 5 years of age (2000): 41%. This is a strong indicator of poverty and hunger. All figures above 30% are extremely high
Human Development Index (HDI) Level 2004: 0.516. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. The index level for Sudan rose 0.088 points in the period 1990-2004
Child mortality rate per 1000 (2005): 90
 Change 2000-2005: -7
Maternal mortality rate per 1000 births (2000): 5.9
HIV infection rate, 15-49 age group (2005): 1.6%
Children in primary education (2005): Unavailable
Illiteracy rate 15-24 age group (2004): 22.8%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 87/94/unavailable
Percentage of women in parliament (2006): 15%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -12%
Area protected to conserve biological diversity (2005): 4.7%
Corruption Perception Index (TI) (2006): 2.0. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): Yes
Defence spending as a percentage of GDP (2005): Unavailable
Aid per capita (2005): USD 50
Aid as a percentage of GDP: 7.1%
Total amount of aid from Norway: NOK 682.797 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:
www.norway-sudan.org
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Sudan, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	15 305	2,2 %
Norwegian NGOs	232 024	34,0 %
Local NGOs	525	0,1 %
Regional NGOs	2 200	0,3 %
International NGOs	-964	-0,1 %
Nordic research institutions/foundations	6 000	0,9 %
Multi-bilateral assistance ³⁾	427 707	62,6 %
Total	682 797	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

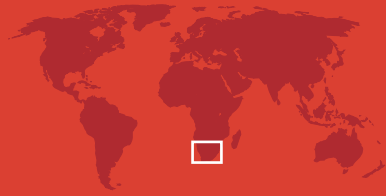
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Sudan, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	80 411	11,8 %
HIV/AIDS	1 382	0,2 %
Economic development and trade	257 742	37,7 %
Good governance	110 911	16,2 %
Environment and energy	3 075	0,5 %
Emergency relief and other unspecified	229 276	33,6 %
Total	682 797	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

South Africa



Norway's assistance to South Africa totalled NOK 90.4 million in 2006.

Governance and human rights



Norwegian assistance has helped local communities and individuals to achieve their right to housing and improved sanitation. The legal process in cases relating to sexual abuse of children has been improved. An Act against sexual crime is currently being drafted. Training has been provided for personnel who come into contact with the victims of violence. Advisory centres to promote the rights of AIDS patients have been strengthened.

Environment and natural resource management



Norway contributed towards strengthening the capacity of the South African environmental administration. Decision-makers were given new tools, such as environmental impact assessments, to protect endangered species. Institutional cooperation on genetically modified organisms was facilitated. A national environmental status report was prepared. Training was provided on the use of strategic environmental analyses at provincial level, with Norwegian support.

Plans were prepared for waste management in two urban municipalities. The competence of the Directorate of Fisheries and Coastal Affairs relating to the formulation of policies and legislation was improved. Cooperation also focused on studying and testing species with commercial potential.

Research and higher education



Recruitment to South African universities increased by 17 per cent from 2001 to 2005. Non-white students account for 65 per cent of this increase. More than half the students are women. In all groups, more students completed their courses in 2005 than in 2001. Partnership agreements have been established between universities in Malawi, Namibia, Zambia and the Western Cape in South Africa to combat HIV and AIDS. A joint committee was established comprising representatives of the research councils of South Africa and Norway to select projects based on applications received.

Energy



An action plan for renewable energy was formulated with Norwegian support. Five studies of alternative energy sources were carried out. A Strategy for Clean Development Mechanisms (CDM) in South Africa was formulated. Discussions

on cooperation on the preparation of a national, integrated energy plan were initiated. Cooperation between Norwegian and South African institutions was strengthened.

Facts

Estimated population (2005): 46.9 million
Gross national income per capita (2005): USD 4,770
Average annual economic growth (GDP) 2000-05: 3.7%
Economic structure, as a percentage of GDP (2005): Agriculture 3%, industry 30%, services 67%
Malnutrition among children under 5 years of age (1999): 12%.
Human Development Index (HDI) Level 2004: 0.653.
 A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. The index level for South Africa dropped 0.082 points in the period 1990-2004
Child mortality rate per 1000 (2005): 68
 Change 2000-2005: +5
Maternal mortality rate per 1000 births (2000): 2.3
HIV infection rate, 15-49 age group (2005): 18.8%
Children in primary education (2005): 92%
Illiteracy rate 15-24 age group (2004): 6.1%
Ratio of girls to 100 boys in education (2004), primary/secondary/tertiary: 97/107/122 (2006)
Percentage of women in parliament (2006): 33%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): 0%
Area protected to conserve biological diversity (2005): 6.1%
Corruption Perception Index (TI) (2006): 4.6.
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 1.4%

Aid per capita (2005): USD 15

Aid as a percentage of GDP: 0.3%

Total amount of aid from Norway: NOK 90.379 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:

www.norway.org.za

Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167²⁾) for South Africa, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	47 712	52,8 %
Norwegian NGOs	26 071	28,8 %
Local NGOs	335	0,4 %
Nordic research institutions/foundations	13 528	15,0 %
Multi-bilateral assistance ³⁾	2 734	3,0 %
Total	90 379	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

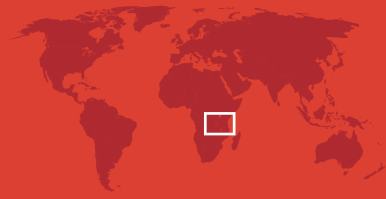
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for South Africa, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	29 353	32,5 %
HIV/AIDS	4 588	5,1 %
Economic development and trade	17 675	19,6 %
Good governance	24 039	26,6 %
Environment and energy	13 993	15,5 %
Emergency relief and other unspecified	730	0,8 %
Total	90 379	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Tanzania



Norway's development cooperation with Tanzania

Cooperation between the two countries is currently based on Tanzania's strategy for economic growth and poverty reduction (MKUKUTA). Tanzania has made considerable progress in implementing its reform programme and coordinating development assistance. In December 2006, Norway and 18 other donors signed the Joint Assistance Strategy. The main priority areas for Norway have been budget support, governance, infrastructure, environment and education.

Budget support



Tanzania generally satisfies the most important criteria for budget support.

The country also reports that the new system of donor coordination saves time for the authorities and increases aid effectiveness. In 2006, Norway contributed NOK 211 million towards implementation of the national poverty reduction strategy. Cooperation on budget support offered good opportunities for dialogue on women and gender equality.

Governance and human rights



Efforts were concentrated on reforming local government and on a tax reform project carried out jointly with the Norwegian Ministry of Finance. The work of civil society organisations to combat corruption and promote human rights was an important supplement.

Norwegian assistance helped to ensure better audit reporting in connection with the national budget, greater transparency and parliamentary participation in the control process, general progress in the financial management reform, a positive start to the inclusion of Zanzibar in the reforms, updated tax legislation, a new law enacted in 2006 prohibiting gifts to voters during elections and a new law generally prohibiting corruption, which was enacted in



In 2006 Norway contributed with around 211 million kroner in budget support to Tanzania. Budget support strengthens the country's public budget and helps the government perform its tasks with in the health sector and other prioritized areas. Photo: Eva Bratholm

2007. The Human Rights Report for 2006 shows that the human rights situation has generally improved, for instance as regards police violence and freedom of the press.

Infrastructure



Technical assistance was provided by the Norwegian road authorities. 35 kilometres of rural roads and 70 kilometres of trunk roads were upgraded. 45,000 households on Zanzibar, 12 percent more than planned, were linked to the electricity grid. The supply of electric power to schools and health institutions improved. An undersea cable to supply Pemba with electricity from the mainland is currently being planned. A revised, more sustainable electricity tariff is now being introduced and will be important for securing long-term supplies.

Environment



Forest resource management improved in several districts in Tanzania. Norway supported measures

to ensure a better climate by promoting afforestation and the development of more efficient wood stoves for household use and charcoal production. The local population in the project areas was provided with alternative sources of income in order to ensure the sustainable exploitation of natural resources. Norway financed a study that focused attention on corruption in connection with timber exports from Tanzania.

Women and gender equality



Priority is given to promoting women's interests and gender equality in all the sectors in which Norway is involved. One example of this is the preparation of an action plan which is now being implemented by the Ministry of Local Government. A project is being carried out, with support from Norway, which focuses on coordination and collaboration at municipal level on projects targeting women's health.



Other programmes and projects

Assistance for efforts to combat HIV and AIDS helped to expand a blood bank, train and deploy specially-trained health personnel and support measures run by civil society organisations through cooperation with other development partners. The support provided for Haydom Hospital helped to provide health services for over 400,000 people, increase the number of births under medical supervision and curtail the number of HIV-infected persons and AIDS victims in rural areas. Life-saving surgery (over 3,000 operations) was also carried out and 3,000 newborn babies were delivered in hospitals. The national HIV infection rate fell from 8.7 per cent in 1999 to 7 per cent in 2004. 60,000 HIV-positive persons were given life-prolonging medicines.

The main recipients of support for higher education were the University of Dar es Salaam (USDM), Sokoine University of Agriculture (SUA) and Mzumbe University. Reviews of support for higher education give a mostly positive impression of this collaboration. Norway's support has gradually been reoriented to focus on qualitative aspects of research and knowledge dissemination. A marked increase in the number



Norwegian aid has made electricity available to 45 000 homes in Tanzania. This is twelve percent more than what was expected. Photo: Eva Bratholm

of students has also been registered in the past few years. Approximately 40 per cent of students are now women.

Facts

- Estimated population** (2005): 38.3 million
- Gross national income per capita** (2005): USD 340
- Average annual economic growth** (GDP) 2000-2005: 6.9%
- Economic structure**, as a percentage of GNP (2005): Agriculture 45%, industry 18%, services 38%
- Malnutrition among children** under 5 years of age (2002): 29%
- Human Development Index** (HDI) Level 2004: 0.430. A country with an HDI level of under 0.500 has a low quality of life. Tanzania's HDI level fell 0.008 points in the period from 1990 to 2004. The index showed an improvement of 0.012 points in the period from 2003 to 2004
- Child mortality rate** per 1000 (2005): 122
Change 2000-2005: -19
- Maternal mortality rate** per 1000 births (2000): 15
- HIV infection rate**, 15-49 age group (2005): 6.5%
- Children in primary education** (2005): 98.2%
- Illiteracy rate** of 15-24 age group (2004): 21.6%
- Ratio of girls to 100 boys in education** (2005), primary/secondary/tertiary: 97/Unavailable/48
- Percentage of women in parliament** (2006): 30%
- Forested area** (change 1990-2005, negative numbers indicate deforestation as a percent): -15%
- Area protected to conserve biological diversity** (2005): 38.4%
- Corruption Perception Index (TI)** (2006): 2.9.
The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt.
- Fragile state**, according to OECD/DAC (2006): No
- Defence spending** as a percentage of GDP (2005): 1.1%
- Aid per capita** (2005): USD 39
- Aid as a percentage of GDP**: 12.5%
- Total amount of aid from Norway**: NOK 482.551 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.go.tz
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167²⁾) for Tanzania, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	411 446	85,3 %
Norwegian NGOs	55 376	11,5 %
Local NGOs	11 182	2,3 %
International NGOs	2 920	0,6 %
Nordic research institutions/foundations	140	0,0 %
Multi-bilateral assistance ³⁾	1 487	0,3 %
Total	482 551	100,0 %

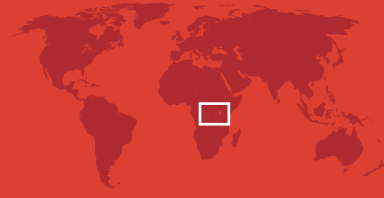
1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Tanzania, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	77 060	16,0 %
HIV/AIDS	6 200	1,3 %
Economic development and trade	287 388	59,6 %
Good governance	57 444	11,9 %
Environment and energy	49 925	10,3 %
Emergency relief and other unspecified	4 534	0,9 %
Total	482 551	100,0 %

1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Uganda




Norway's development cooperation with Uganda

Uganda was one of the first countries to receive development aid from Norway. Norway's cooperation with Uganda was terminated during Idi Amin's regime but was resumed at the end of the 1980s. Uganda has been one of Norway's main partner countries since 1996. Around 20 Norwegian NGOs receive aid funds for their activities in Uganda and the country is one of the largest recipients of assistance through Norwegian NGOs. Their activities focus particularly on governance, education and other social development.


Goals and results

The main goal of Norway's assistance for Uganda is to support the country's own efforts to reduce poverty and to contribute towards a peaceful solution of internal conflicts. Within the framework of a joint donor response to Uganda's own poverty reduction plan, Norwegian assistance is concentrated on budget support earmarked for the Poverty Action Fund, good governance, North Uganda, energy, the environment and gender equality.

Budget support

 In Uganda's 2006-2007 budget year, Norway reduced its planned budget support from NOK 75 million to NOK 65 million. The cutbacks were due to Uganda's handling of the transition to a multi-party system, anti-corruption activities and excessive public administration costs. The results of the annual budget support review show that progress in the service delivery sectors, to which Norway contributes, were considered to be generally satisfactory.

Governance

 In recent years there has been a worrying development with respect to economic and political governance. However, attempts to tighten political controls and undermine the rule of law



Orphaned children are given the chance to learn a handicraft. Photo: Gerd Stensby

have been met with strong opposition from civil society, the media, politicians from both the opposition and the governing party, and government agencies. The 2006 election was carried out satisfactorily from a technical point of view, but many undemocratic elements were reported. Nevertheless, the opposition increased its influence through the election. Even though the regime has demonstrated several negative trends, there is room for opposition. Norway has helped strengthen

important public institutions working to promote good governance and improve their ability to fulfil their mandates, even under political pressure. In the field of anti-corruption activities, support was provided for a financial management programme, Uganda's Auditor General, the justice sector and the media.



North Uganda

The negotiations that have begun between the authorities and the Lord's Resistance Army (LRA) on peace in North Uganda offer cautious hope of an end to the long conflict and the human suffering it has caused. However, this is an extremely fragile and difficult process. As well as supporting efforts to find a peaceful solution to the conflict in North Uganda, which includes providing financial support through a fund administered by the UN, Norway provides substantial humanitarian assistance for the many internally displaced persons in North Uganda.

Gender equality

♀ Efforts are made to integrate the empowerment of women and gender equality into all cooperation with Uganda. However, there is also stronger focus on special measures targeting women. They include the cooperation that has been taking place for many years with Makerere University, where units have been established in each faculty to promote the integration of women and gender equality. Focus on this area is also a stated goal in the University's strategic plan. Norway has also supported UNIFEM's efforts to

increase the participation and awareness of women in the peace negotiations in North Uganda.

Environment

✿ Uganda has relatively good legislation for natural resource management. However, the authorities' activities and actions in the environmental sector are somewhat limited. Work on an investment plan for the sector has been seriously delayed, despite strong evidence of soil degradation and deforestation. The environmental destruction is usually due to over-exploitation of land/soil and the felling of trees due to the lack of other sources of income. Norway has provided financial and political support for the National Forestry Authority to help improve public management of the forestry sector.

Energy

💡 Uganda's goal to provide sufficient reliable electricity supplies for economic growth has still not been achieved, partly due to delays in the construction of two thermal power plants and the development of the Bujagali waterway. However, rural electrification has increased from 3 per cent in 2002-03 to 8 per cent in

2005-06, which indicates very good progression. In 2006, Norway provided support for a capacity-building programme for the Uganda Electricity Transmission Company Ltd and for the Petroleum Exploration and Production Department at the Ministry of Energy.

Facts

Estimated population (2005): 28.8 million
Gross national income per capita (2005): USD 280 (LDC)
Average annual economic growth (GDP) 2000-05: 5.4%
Economic structure, as a percentage of GDP (2005): Agriculture 33%, industry 24%, services 43%
Malnutrition among children under 5 years of age (2001): 23%
Human Development Index (HDI) Level 2004: 0.502. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. The index level for Uganda rose 0.093 points in the period 1990-2004 but declined by 0.006 points in the period 2003-2004
Child mortality rate per 1000 (2005): 139
 Change 2000-2005: -9
Maternal mortality rate per 1000 births (2000): 8.8
HIV infection rate, 15-49 age group (2005): 6.7%
Children in primary education (2005): Unavailable
Illiteracy rate 15-24 age group (2004): 23.4%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 100/81/62
Percentage of women in parliament (2006): 24%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -26%
Area protected to conserve biological diversity (2005): 26.3%
Corruption Perception Index (TI) (2006): 2.7. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 2.5%
Aid per capita (2005): USD 42
Aid as a percentage of GDP: 14%
Total amount of aid from Norway: NOK 320.140 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.go.uk
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Uganda, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	133 004	41,5 %
Norwegian NGOs	116 830	36,5 %
Local NGOs	3 960	1,2 %
Regional NGOs	3 253	1,0 %
Nordic research institutions/foundations	1 794	0,6 %
Multi-bilateral assistance ³⁾	61 299	19,1 %
Total	320 140	100,0 %

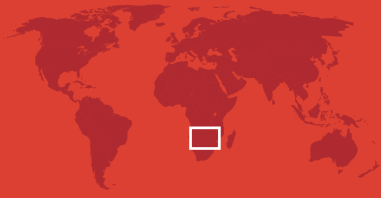
- 1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations


Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Uganda, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	71 959	22,5 %
HIV/AIDS	8 300	2,6 %
Economic development and trade	127 769	39,9 %
Good governance	47 413	14,8 %
Environment and energy	15 348	4,8 %
Emergency relief and other unspecified	49 351	15,4 %
Total	320 140	100,0 %


- 1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Zambia



 The election that was held in Zambia in September 2006 was declared free and fair by international and national observers. The turnout was 71 per cent. In 2006, Zambia achieved economic growth of 6 per cent, mainly in the capital-intensive sectors and the copper sector. The mechanisms for the administration and distribution of resources are weak. Zambia has experienced a strong decline in life expectancy due to the HIV/AIDS epidemic. According to the latest survey of living conditions, the national poverty rate was reduced from 73 per cent in 1998 to 68 per cent in 2004. In 2006, Norway's cooperation with Zambia was concentrated on governance, environment, natural resource management and food security, education and budget support. Substantial support was provided for civil society.

Governance

 Norway has provided assistance for the Office of the Auditor General, where quality and capacity have improved and the organisation has been decentralised. Nine new provincial offices were established. Institutional cooperation between the Norwegian and Zambian Auditors General contributed to training and planning for improved auditing. In the field of anti-corruption activities, 81 corruption cases were brought before the courts. Norway has supported Zambia's anti-corruption efforts, which have led to the confiscation of foreign assets worth several hundred million kroner. Information about corruption has been provided through studies, investigations, legal prosecution of individual cases, and reports and information in the national media.

Support for the justice sector has led to more than 40,000 persons applying to local centres that provide information and advice on rights and assistance in the resolution of disputes. Legal aid was provided for 1,500 new cases for people with low incomes.



Norway supports the national educational programme in Zambia. In 2006 more than seven thousand teachers were employed. Photo: Tone Bratteli

Popular awareness of rights has increased as a result of information and education through the national media. Waiting times have been reduced in the Lusaka court as a result of a new court complex. Nevertheless, there are still serious challenges in the judicial sector. Corruption is a major problem, the prisons are overfilled and prisoners' rights are abused.


Prior to the election, the Electoral Commission was augmented by international experts provided through cooperation with NORDEM on election observation. Information was provided on democracy and elections at both national and local levels through theatre, discussion groups and the media. Observers were present at almost all the polling stations. At the 2001 election, 55 per cent of people with voting rights were registered. Prior to the 2006 election, four million voters were registered, bringing the percentage of registered voters to over 70 per cent.

Environment, natural resource management and food security

 In the South Luangwa national park, Norway has helped to reduce poaching and the wildlife herds are growing. Revenues from increased tourism in the park provided an income for about 1,000 households. In the Kafue national park, Norwegian assistance helped to reduce poaching. A programme for economic development that conserves natural resources provided an improved income base for approximately 40,000 farmers and reduced their need to make a living from poaching. In the field of food security and agriculture, Norway continued to provide agricultural assistance in cooperation with the Netherlands and signed a new cooperation agreement with Sweden. A larger number of smallholders participate more actively than before in a more market-oriented agricultural sector. Extensive support for the establishment of more environmentally and climatically adapted agriculture has been initiated.



Budget support

 A review of budget support shows that it has contributed to solid progress in areas such as the macro-economy, public financial management, education and health. Zambia has experienced low inflation, increased growth, a balance of payments surplus and low state budget deficits. Transfers of funds to the state budget for education and health have increased.

Education

 Through institutional cooperation with the Norwegian Ministry of Education, Norwegian aid contributed to the appointment of 7,100 teachers and the completion of 151 schools with 250 new classrooms. In 2006 Norway participated in an effort to trace the flow of public funding in the education system. Through Save the Children Norway and Norwegian Church Aid, assistance was provided for classrooms and improved competence in church and community schools.

Regional measures

Through support for the Zambezi Action Plan Project, the complicated process of establishing a common administration for the Zambezi waterway continued. Nordic support was provided for a gene bank



Norway has continued its support of the food-security for the population in Zambia. Photo: Turid K. Lilleng

network. Cooperation was established with the Svalbard Seed Bank. In 2006, Norway started supporting a regional programme for locally-based natural resource management under the auspices of the World Wildlife Fund (WWF).

Facts

- Estimated population (2005):** 11.7 million
- Gross national income per capita (2005):** USD 500 (LDC)
- Average annual economic growth (GDP) 2000-05:** 4.7%
- Economic structure, as a percentage of GDP (2005):** Agriculture 19% industry 25%, services 56%
- Malnutrition among children under 5 years of age (2001):** 23%.
- Human Development Index (HDI) Level 2004:** 0.407. A country with an HDI level of less than 0.500 is regarded as having a low quality of life. The index level for Zambia declined 0.068 points in the period 1990-2004 but rose 0.013 points in the period 2003-2004
- Child mortality rate per 1000 (2005):** 182
Change 2000-2005: 0
- Maternal mortality rate per 1000 births (2000):** 7.4
- HIV infection rate, 15-49 age group (2005):** 17%
- Children in primary education (2005):** 90.1%
- Illiteracy rate 15-24 age group (2004):** 30.5%
- Ratio of girls to 100 boys in education (2004), primary/secondary/tertiary:** 95/82/unavailable
- Percentage of women in parliament (2006):** 13%
- Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage):** -14%
- Area protected to conserve biological diversity (2005):** 41.5%
- Corruption Perception Index (TI) (2006):** 2.6. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
- Fragile state, according to OECD/DAC (2006):** No
- Defence spending as a percentage of GDP (2005):** Unavailable
- Aid per capita (2005):** USD 81
- Aid as a percentage of GDP:** 13.9%
- Total amount of aid from Norway:** NOK 416.190 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy: www.norway.org.zm
Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Zambia, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	300 818	72,3 %
Norwegian NGOs	54 658	13,1 %
Local NGOs	48 224	11,6 %
International NGOs	11 567	2,8 %
Multi-bilateral assistance ³⁾	924	0,2 %
Total	416 190	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
2) Including public institutions, ministries, consultants, private sector, etc.
3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Zambia, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	150 932	36,3 %
HIV/AIDS	28 620	6,9 %
Economic development and trade	149 522	35,9 %
Good governance	61 357	14,7 %
Environment and energy	25 536	6,1 %
Emergency relief and other unspecified	223	0,1 %
Total	416 190	100,0 %


1) Incl. multi-bilateral assistance
2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Asia



Afghanistan



 Norway is a strong advocate of coherent, intensified and better coordinated international development assistance in Afghanistan. The importance of Afghan ownership of efforts is heavily stressed. The overarching objective is to promote lasting, stable peace in a country where the political and security situation is still very volatile.

Despite the significant progress that has been made since the fall of the Taliban regime in autumn 2001, there is an enormous, long-term need for reconstruction and development. Even before being invaded by the Soviet Union in 1979, Afghanistan was one of the poorest countries in the world. Today, more than half of the country's population is impoverished, the food security of one fifth of Afghans is poor and every day a large number of Afghans who fled to neighbouring countries are returning. In the autumn of 2006, the humanitarian situation was exacerbated by drought. The presence of the ISAF force has helped to stabilise the situation somewhat in parts of the country, but security continues to pose a major challenge. The Taliban and other rebel groups are still capable of inflicting suffering on the civilian population, as was demonstrated by heavy skirmishes between Afghan and international security forces and the Taliban in the summer and autumn of 2006, particularly in the south of the country. The drug economy is flourishing, corruption is a serious problem and the judicial system is weak. This limits the population's confidence in the Afghan authorities and undermines the possibilities for improvement with regard to human rights, gender equality and the investment climate.

General comments on development cooperation

Norway continues to provide substantial emergency relief and humanitarian assistance, which account for around 25 % of all Norwegian aid. Long-term Norwegian



Afghanistan is one of the largest receivers of Norwegian bilateral assistance. Long-term Norwegian development cooperation is concentrated on good governance/nation-building and good public management, education and rural development. Photo: Petter Bauck

development cooperation is concentrated on good governance/nation-building and good public management, education and rural development. There is emphasis on strengthening women's rights and participation in society. Measures to improve governance and poverty reduction are seen in conjunction with efforts to combat the drug economy, and associated criminal networks whose consequences reach as far as Norway. All of Norway's aid activities are guided by Afghan plans and Afghan priorities.

Good governance and human rights



Strengthening and enhancing the Afghan authorities' ability to meet the population's needs is one of the main objectives of Norwegian development assistance. Norway has helped to establish a training institute for management staff in the civil service, and other measures to upgrade expertise of the public administration. A programme has also been launched through the UNDP to increase the expertise of the provincial

authorities. In 2006, Norway entered into a three-year agreement to continue to provide budget support through the Afghan Reconstruction Trust Fund, which is run by the World Bank. Money from this fund is spent in accordance with Afghan priorities. In the field of human rights, Norway provides NOK 3 million each year to support the Afghan Independent Human Rights Commission (AIHC). Through its funding for the United Nations Development Fund for Women (UNIFEM), Norway has contributed towards ensuring that women participate increasingly in decision-making processes at all levels of society. Norway has also supported vocational training projects and projects to provide psychosocial assistance for women who are victims of violence.

Education



Six million children attend school in Afghanistan today, which is 1.1 million more than in 2005. Two million of these school-children are girls, which is a significant increase since the fall of





the Taliban. All support provided for education must be in accordance with national education plans. The budget support provided through ARTF has helped to pay teachers' salaries all over Afghanistan. Norway has also helped to build 70 new schools and to ensure that another 246 schools are ready for use. Furthermore, 26,000 teachers, 10,300 of whom are women, have undergone training programmes. Funds for this training are channelled through a multi-donor fund for education. Through Norwegian non-governmental organisations (NGOs), Norway has helped to build a further 11 schools, including eight schools in the northern province of Faryab where Norway has a significant presence. Assistance provided through UNICEF ensured that 50,000 more children received schooling, 62,000 teachers were given training and school materials were distributed to 2.7 million children.

Rural development



Norway contributes to the National Solidarity Programme for rural development. The programme has supported the creation of around 16,500 local community committees, which have drawn up around 16,000 locally based development plans. The programme focuses



Norway contributes to the establishment of local community committees and local development plans. The work has as special focus on agricultural development and poverty reduction. Photo: Petter Bauck

particularly on rural development and poverty reduction in rural areas. Returned refugees face major challenges and Norway has funded the construction of 500 shelters in Faryab Province. In addition, projects in the field of agriculture, infrastructure, market access, microfinance and animal husbandry were carried out through NGOs. Increased drug production is a serious problem in Afghanistan. Norway provides assistance in various ways to enable farmers to find alternative legal livelihoods. Vocational training in agriculture and animal husbandry are key components of this aid. Norway also funds projects to produce simple, solar-cell-based energy in three provinces.

Facts

- Estimated population:** 29.9 million
- Gross national income per capita (2005):** Unavailable (LDC)
- Average annual economic growth (GNP) 2003-05:** Unavailable
- Economic structure,** as a percentage of GDP (2005): Agriculture 36%, industry 24%, services 39%
- Malnutrition among children** under 5 years of age (2004): 39%. Figures over 30% are considered to be extremely high and are a strong indicator of poverty
- Human Development Index (HDI) Level 2004:** Unavailable
- Child mortality rate,** per 1000 (2004): 165
Change 1990-2004: -3
- Maternal mortality rate,** per 1000 births (2000): 19
- HIV infection rate,** 15-49 age group (2005): 0.1%
- Children in primary education:** Unavailable
- Illiteracy rate** 15-24 age group (2004): 65.7%
- Ratio of girls to 100 boys in education (2005),** primary/secondary/tertiary: 59/33/28
- Percentage of women in parliament (2006):** 27.3%
- Forested area** (change 1990-2005, negative numbers indicate deforestation as a percentage: -35%)
- Area protected to conserve biological diversity (2005):** 0.3%
- Corruption Perception Index (TI) (2006):** Unavailable for 2006. 2005: 2.5 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
- Fragile state,** according to OECD/DAC (2006): Yes
- Defence spending** as a percentage of GDP: Unavailable
- Aid per capita (2005):** Unavailable
- Aid as a percentage of GDP:** 37.8%
- Total amount of aid from Norway:** NOK 415.463 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.af
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167 ²⁾) for Afghanistan, by channel, 2006 (NOK 1000)		
Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	28 930	7,0 %
Norwegian NGOs	111 460	26,8 %
Local NGOs	3 550	0,9 %
International NGOs	19 763	4,8 %
Nordic research institutions/foundations	5 240	1,3 %
Multi-bilateral assistance ³⁾	246 520	59,3 %
Total	415 463	100,0 %


1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance ¹⁾ (excl. chapter item 167 ²⁾) for Afghanistan, by priority area, 2006 (NOK 1000)		
Priority area	Total	Percentage of total
Health, education and other social sector areas	56 557	13,6 %
Economic development and trade	182 707	44,0 %
Good governance	76 867	18,5 %
Environment and energy	1 700	0,4 %
Emergency relief and other unspecified	97 632	23,5 %
Total	415 463	100,0 %

1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Bangladesh




 Despite a protracted trend towards poverty reduction and stable economic growth on the order of 5-6 per cent per year, around 40 per cent of the population live on less than USD 1 per day and 80 per cent on less than USD 2 per day.

Development cooperation

The objective of Norway's involvement in Bangladesh is to help reduce poverty in the country by supporting measures to improve governance and promote respect for human rights, provide primary schooling for all and support private sector development and development of the energy sector.


Governance and human rights

 In general, the governance and human rights situation is difficult in Bangladesh. The weak capacity of the national authorities undermined the possibilities for effective cooperation. Much of the funding provided by Norway was therefore channelled through the United Nations system and non-governmental organisations that work to promote human rights, good governance, women's rights and gender equality.


Norway provided assistance for efforts to monitor preparations for the election scheduled to be held in January 2007. However, the election was postponed and a state of emergency was declared. Some of the activities planned were nonetheless carried out in preparation for elections at a later date.

Norway also supported the work of Transparency International in Bangladesh, which has established local offices in 32 of the country's 64 districts. Investigations and exposure of corruption have received broad media coverage.

Education

 Norway is one of the donors to Bangladesh's sector programme for basic education. In 2006 the programme made good progress, as shown by statistics for the printing and distribution of textbooks, the construction of new classrooms and latrines and the number of teachers. Statistics were compiled for the education sector, and a dialogue regarding the administration of public schools was pursued. Norway also continued to grant funding to private organisations that offer primary schooling for poor children.

Private sector development and the energy sector

 Two Norwegian-funded projects for rural electrification, which were completed in 2006, helped to connect more than 700,000 new consumers in rural areas to the electric power grid.

Facts

Estimated population (2005): 141.8 million
Gross national income per capita (2005): USD 470 (LDC)
Average annual economic growth (GDP) 2000-05: 5.3%
Economic structure, as a percentage of GDP (2005): Agriculture 20%, industry 27%, services 53%
Malnutrition among children under 5 years of age (2004): 48%. A percentage of over 30% is considered to be very high and is a strong indicator of poverty
Human Development Index (HDI) Level 2004: 0.530. A country with an HDI level of between 0.500 and 0.800 has a medium quality of life. Bangladesh's HDI level rose 0.111 points in the period from 1990 to 2004, which indicates a slight improvement
Child mortality rate per 1000 (2004): 73
 Change 2000-2004: -76
Maternal mortality rate per 1000 births (2000): 3.8
HIV infection rate, 15-49 age group (2005): 0.1%
Children in primary education (2004): 93.8%
Illiteracy rate 15-24 age group (2004): Unavailable
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 103/103/53 (2005)
Percentage of women in parliament (2006): 15%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -1%
Area protected to conserve biological diversity (2005): 1.3%
Corruption Perception Index (TI) (2006): 2.0. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 1.1%
Aid per capita (2005): USD 9
Aid as a percentage of GDP: 2.1%
Total amount of aid from Norway: NOK 136.686 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.bd
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Bangladesh, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	26 527	19,4 %
Norwegian NGOs	18 718	13,7 %
Local NGOs	44 779	32,8 %
Regional NGOs	500	0,4 %
International NGOs	27	0,0 %
Multi-bilateral assistance ³⁾	46 136	33,8 %
Total	136 686	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Bangladesh, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	93 917	68,7 %
HIV/AIDS	697	0,5 %
Economic development and trade	18 035	13,2 %
Good governance	12 102	8,9 %
Environment and energy	11 412	8,3 %
Emergency relief and other unspecified	523	0,4 %
Total	136 686	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

India



India still faces major challenges in its efforts to achieve the UN Millennium Development Goals. The main focus of Norway's policy in development cooperation with India is to contribute to the realisation of Development Goal No. 4, to reduce child mortality. India is the biggest democracy in the world and is becoming one of the world's largest economies. The service sector accounts for around 50 per cent of the country's gross domestic product (GDP), although approximately 60 per cent of the population still works in the agricultural sector. Almost 35 per cent of the country's 1.1 billion people live on less than a dollar a day.

Development cooperation

India decided to wind up its traditional government-to-government cooperation with minor donor countries in 2003 and since then cooperation between Norway and India has been reorganised. The Ministry of Foreign Affairs' Action Plan for India (2005) defines the framework for cooperation in the years ahead. There is special focus on political dialogue, economic development, environmental and climate issues, culture, research and education.

Cooperation to help achieve Millennium Development Goal No. 4 to reduce child mortality was initiated in autumn 2006. Norway will contribute NOK 500 million in the period 2006-2011. Norwegian assistance will primarily be used to strengthen the Indian government's health programme for rural areas in five states where child mortality rates are especially high. There will also be focus on vaccinating children and improving access to health services for mothers and children in general. In 2006, much of the time was spent on planning and establishing cooperative mechanisms for this programme.

Technical cooperation, environment and economic development

Norway supports cooperation between a large number of Norwegian and Indian institutions in a wide range of technical areas. They include cooperation on research in the field of health and vaccination, the impact of climate change, biological diversity, resource management, air pollution and disasters caused by geological factors. One joint project also focuses on training women who have been elected to municipal councils in India. There is significant cooperation between Norway and India in

the economic sector, with a view to developing small and medium-sized enterprises, among other things through investments from Norfund. In 2006, a bilateral agreement was signed to strengthen cooperation in the field of science and technology.

Facts

Estimated population (2005): 1,130 million
Gross national income per capita (2005): USD 730
Average annual economic growth (GDP) 2000-05: 6.9%
Economic structure, as a percentage of GDP (2005): Agriculture 23% industry 26% services 50%
Malnutrition among children under 5 years of age (2001): Unavailable
Human Development Index (HDI) Level 2004: 0.611. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Change 1990-2004 +0.096
Child mortality rate per 1000 (2005): 74
 Change 2000-2005: -20
Maternal mortality rate per 1000 births (2000): 5.4
HIV infection rate, 15-49 age group (2005): 1%
Children in primary education (2005): 94.6%
Illiteracy rate 15-24 age group (2004): 24%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 93/81/70
Percentage of women in parliament (2006): 8%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): 22.8%
Area protected to conserve biological diversity (2005): 5.4%
Corruption Perception Index (TI) (2006): 3.3
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 2.9%
Aid per capita (2005): USD 2
Aid as a percentage of GDP: 0.2%
Total amount of aid from Norway: NOK 116.843 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norwayemb.org.in
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167²⁾) for India, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	63 498	54,3 %
Norwegian NGOs	14 030	12,0 %
Local NGOs	1 904	1,6 %
International NGOs	200	0,2 %
Nordic research institutions/foundations	9 244	7,9 %
Multi-bilateral assistance ³⁾	27 967	23,9 %
Total	116 843	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for India by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	44 850	38,4 %
HIV/AIDS	1 831	1,6 %
Economic development and trade	50 210	43,0 %
Good governance	8 602	7,4 %
Environment and energy	9 793	8,4 %
Emergency relief and other unspecified	1 557	1,3 %
Total	116 843	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Nepal





 Nepal is one of the poorest countries in the world with a low level of income, but it is ranked among the countries with a medium quality of life in the UNDP Human Development Index (HDI). Although the percentage of poor people in its population has declined significantly in the past few years, Nepal will not succeed in fulfilling the Millennium Development Goal of halving the proportion of people living in extreme poverty and hunger by 2015. In November 2006, after a decade of armed conflict, the warring parties signed a peace agreement. Nepal is now undergoing a challenging peace and democratisation process, and constituent assembly elections are scheduled to be held in November 2007.

Development cooperation

Norway is a medium-sized donor in Nepal. Priority goals for development cooperation are to reduce poverty, strengthen democracy and support the peace process, and ensure the sustainable management of natural resources.


Governance and human rights

  The governance and human rights situation has improved somewhat since the peace process was initiated in Nepal. However, the country



is struggling under the burden of weak institutional capacity, widespread failure to prosecute human rights violations, and systematic discrimination and exclusion of population groups. In 2006 Norway provided support for efforts to strengthen human rights through collaboration with non-governmental organisations and the United Nations High Commissioner for Human Rights.

Norway also contributed funding for two United Nations projects to promote decentralisation. Through these projects women, low-caste groups and indigenous peoples are mobilised to participate in local politics. Over time, this will improve the population's ability to exercise an influence on their own future and even out the enormous disparities between different social groups (castes), ethnic groups and men and women.

Education

 Half of the population cannot read or write. In some districts, 80% of the women are illiterate. For several years, Norway has provided funding for the sector programme for education for all. Thanks in part to this assistance, 87% of all children are now enrolled in first grade and the percentage of women teachers has increased.

Economic development and energy

  Norway supports programmes to provide more inhabitants of rural areas with access to electric power. Norwegian interests are actively involved in exploring possibilities for increased investment in the hydropower sector and developing a system of power trading.

Facts

Estimated population (2005): 27.1 million
Gross national income per capita (2005): USD 270 (LDC)
Average annual economic growth (GDP) 2000-05: 2.6%
Economic structure, as a percentage of GDP (2005): Agriculture 38%, industry 21%, services 41%
Malnutrition among children under 5 years of age (2001): 48%. A malnutrition rate of over 30% is an indicator of widespread poverty.
Human Development Index (HDI) Level 2004: 0.527. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Nepal's HDI level rose 0.104 points in the period from 1990 to 2004, indicating a positive trend
Child mortality rate per 1000 (2005): 74
 Change 2000-2005: -21
Maternal mortality rate per 1000 births (2000): 7.4
HIV infection rate, 15-49 age group (2005): 0.5%
Children in primary education (2004): 80.1%
Illiteracy rate of 15-24 age group (2004): 29.9%
Ratio of girls to 100 boys in education (2004), primary/secondary/tertiary: 98/89/40
Percentage of women in the interim parliament (2006): 57 out of 330 representatives
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -25%
Area protected to conserve biological diversity (2005): 16.3%
Corruption Perceptions Index (TI) (2006): 2.5. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 2.0%
Aid per capita (2005): USD 16
Aid as a percentage of GDP: 5.8%
Total amount of aid from Norway: NOK 158.534 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.np
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Nepal, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	66 097	41,7 %
Norwegian NGOs	39 995	25,2 %
Local NGOs	2 708	1,7 %
International NGOs	6 886	4,3 %
Nordic research institutions/foundations	1 447	0,9 %
Multi-bilateral assistance ³⁾	41 401	26,1 %
Total	158 534	100,0 %

- 1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Nepal, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	85 086	53,7 %
HIV/AIDS	922	0,6 %
Economic development and trade	13 677	8,6 %
Good governance	35 604	22,5 %
Environment and energy	17 492	11,0 %
Emergency relief and other unspecified	5 754	3,6 %
Total	158 534	100,0 %

- 1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Pakistan



Norway has been engaged in development cooperation with Pakistan since 1969, primarily in the fields of basic education, governance and human rights. Cooperation is rights-oriented, and there is particularly strong focus on women and gender equality. Cultural cooperation is used as a means of promoting social and economic development.

Education



There is special focus on schooling for girls. Enrolment of school-age children rose from 33 to 48 per cent between 1998 and 2005, and the population's literacy rate increased from 45 per cent in 2001 to 53 per cent in 2005. Norway now also funds schooling for both girls and boys in 350 schools run by the local community in the tribal areas on the border with Afghanistan. Through these schools, more than 30,000 children have received an education in areas where no such schooling has hitherto been available. 40 per cent of the pupils are girls.

Governance and human rights



In general, there is little respect for human rights in Pakistan. Women and children are particularly vulnerable to abuse, but there is growing

awareness of women's rights. Norway supports the Pakistani authorities' decentralisation process through a fund aimed at encouraging popular participation in local community development, whereby local people form community groups. There are now more than 30,000 such groups in Pakistan. In 2006, 3,659 persons received training through the fund, with the result that 1,708 new local projects were developed and submitted for approval. A total of 5.25 million people benefit from the fund. Special projects have been established to promote the participation of women. In the district of Khaipur, for instance, aid was provided for 30 projects run by women. Norway continued to provide assistance for press unions in 23 districts and lawyers' associations in 24 districts as part of the effort to strengthen local governance.

Norway also supports a programme aimed at ensuring that greater account is taken of women's needs in budgeting. Two pilot projects in Punjab that provided training for ministry employees show a change in the budget process in the district concerned, in the sense that there is greater focus on gender at the planning stage. Courses on gender-sensitive budgeting will also be held in the other provinces.

Facts

Estimated population (2005): 155.8 million
Gross national income per capita (2005): USD 690
Average annual economic growth (GDP) 2000-05: 4.8%
Economic structure, as a percentage of GDP (2005): Agriculture 22%, industry 25%, services 53%
Malnutrition among children under 5 years of age (2001): 38%
Human Development Index (HDI) Level 2004: 0.539. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Pakistan's HDI level rose by 0.077 points in the period from 1990 to 2004.
Child mortality rate per 1000 (2005): 99
 Change 2000-2005: -9
Maternal mortality rate per 1000 births (2000): 0.9
HIV infection rate, 15-49 age group (2005): 0.1%
Children in primary education (2004): 68.1%
Illiteracy rate of 15-24 age group (2004): 34.5%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 76/74/88
Percentage of women in parliament (2006): 21%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -24%
Area protected to conserve biological diversity (2005): 9.1%
Corruption Perceptions Index (TI) (2006): 2.2. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt.
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 3.4%
Aid per capita (2005): USD 11
Aid as a percentage of GDP: 1.5%
Total amount of aid from Norway: NOK 117.872 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.pk
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Pakistan, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	58 226	49,4 %
Norwegian NGOs	17 239	14,6 %
Local NGOs	10 867	9,2 %
International NGOs	4 534	3,8 %
Nordic research institutions/foundations	167	0,1 %
Multi-bilateral assistance ³⁾	26 838	22,8 %
Total	117 872	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Pakistan, by priority area, 2006(NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	40 388	34,3 %
Economic development and trade	39 209	33,3 %
Good governance	16 696	14,2 %
Environment and energy	6	0,0 %
Emergency relief and other unspecified	21 573	18,3 %
Total	117 872	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Sri Lanka



Sri Lanka is still virtually in a state of civil war which severely hampers the country's development. The security situation seriously deteriorated in 2006. Development cooperation with Sri Lanka aims at promoting lasting, stable peace and underpinning Norway's role as facilitator in the peace process. Long-term development cooperation focuses on peace-building and economic development.

Peace-building



Besides being actively involved in the peace process, Norway has attached great importance to supporting efforts to mobilise local population groups to promote peace, reconciliation and peaceful co-existence. Assistance for this work was channelled through local non-governmental organisations. A total of 262 teachers and 115 clergy from every religious group have received training in peace brokering and taken an examination in this subject. Norway provided funding for a training programme for journalists run by the Sri Lankan Press Institute and for a press complaints commission. The National Integration Programme was concluded in 2006.

Economic development

A credit programme for small and medium-sized enterprises in eastern Sri Lanka helped to secure jobs for 669 borrowers. The capacity of the Hambantota Chamber of Commerce was increased, thereby augmenting earnings. Norway also contributed to vocational training programmes for 2,603 unemployed young people, one third of whom were women. Around 1,200 women were granted small loans to enable them to start their own income-generating activities.

Work was completed in eastern Sri Lanka on a 54-km stretch of road that is used by 150,000 inhabitants, and 15,000 acres of arable farmland were cultivated. Fifty electrification projects were completed in three different areas, providing 10,000 new connections. This represents only 62 per cent of the activities planned for 2006, but the slow progress is largely due to the conflict. In the Jaffna area, 12 lakes and 118 km of irrigation systems were rehabilitated.

Post-tsunami follow-up

Despite the difficult working conditions, Norwegian aid for tsunami victims financed the construction of 22 schools under the auspices of the Norwegian Refugee Council and 260 houses under the auspices of FORUT

in 2006. In addition, 146 small fishing boats and 1,050 fishing nets were distributed and a large number of boats and boat motors were repaired. A large number of local communities have been helped back on their feet through other projects and programmes designed to meet basic needs.

Facts

Estimated population (2005): 19.6 million
Gross national income per capita (2005): USD 1,160
Average annual economic growth (GDP) 2000-05: 4.2%
Economic structure, as a percentage of GDP (2005): Agriculture 17%, industry 26%, services 57%
Malnutrition among children under 5 years of age (2001): 30%
Human Development Index (HDI) Level 2004: 0.755. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Sri Lanka's HDI level rose 0.051 points in the period from 1990 to 2004
Child mortality rate per 1000 (2005): 14
 Change 2000-2005: -5
Maternal mortality rate per 1000 births (2000): 0.9
HIV infection rate, 15-49 age group (2005): 0.1%
Children in primary education (2004): 97.1%
Illiteracy rate 15-24 age group (2004): 4.4%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: Unavailable /100/ Unavailable
Percentage of women in parliament (2006): 5%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -18%
Area protected to conserve biological diversity (2005): 17.2%
Corruption Perceptions Index (TI) (2006): 3.1
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 2.7%
Aid per capita (2005): USD 61
Aid as a percentage of GDP: 5.1%
Total amount of aid from Norway: NOK 232.372 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.lk
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167²⁾) for Sri Lanka, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	68 812	29,6 %
Norwegian NGOs	107 520	46,3 %
Local NGOs	25 454	11,0 %
International NGOs	7 210	3,1 %
Nordic research institution/foundation	2 375	1,0 %
Multi-bilateral assistance ³⁾	21 000	9,0 %
Total	232 372	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Sri Lanka, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	22 710	9,8 %
Economic development and trade	54 061	23,3 %
Good governance	104 534	45,0 %
Environment and energy	12 992	5,6 %
Emergency relief and other unspecified	38 075	16,4 %
Total	232 372	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Vietnam



The goal of Norway's development cooperation with Vietnam is to promote poverty reduction and reform. In 2006, assistance was provided for good governance, environment, women and gender equality, economic development in the fishery and energy sectors, and education.

Governance

Through the UN Development Programme (UNDP), assistance was provided for public administration, a strategy for judicial reform and capacity development in the justice sector. In 2006 Norway contributed to a multi-donor fund to support public finance reform under the auspices of the World Bank. Assistance was provided for the International Labour Organisation's (ILO's) work on conflict resolution mechanisms in working life and, with other donors, Norway also supported anti-corruption activities. Vietnam is a pilot country for efforts to coordinate the activities of UN agencies at country level and Norway participated actively in this process.

Basic education

In 2006 Norway provided budget support for a national education programme that includes primary education, teacher training, vocational training and

education for ethnic minorities. It also contributed to co-financing a project with the World Bank and others relating to basic education for underprivileged children. Having initially made little progress, the project has subsequently achieved better results. In Dien Bien Province, four boarding schools and four local schools have been built in an ethnic minority area and teacher training has been provided. In Quang Nam Province, 12 schools have been built. In 2006, Norway cooperated with UNICEF on a project to provide bilingual education for children from ethnic minorities.

Economic development

Norway has supported health, environment and safety projects in the state oil company, Petrovietnam. A national study of the environmental and social consequences of hydropower development was completed in 2006, with the support of Sweden and Norway. A new agreement was signed with the Ministry of the Environment concerning licences for the use of water resources for power production. Cooperation on research in the field of aqua-culture resulted in an improved variety of the tilapia fish. Cooperation with Norwegian universities has strengthened the programme for aquaculture studies at Master's Degree level. The fishery legislation project has produced positive results.

Environment

Norway supported a regional programme to reduce the use of agrochemicals in vegetable production in parts of South-East Asia. The programme has achieved good results.

Women and gender equality

Norway supported a campaign to increase the percentage of women in the national assembly.

Facts

Estimated population (2005): 83.1 million
Gross national income per capita (2005): USD 620
Average annual economic growth (GDP) 2000-05: 7.5%
Economic structure, as a percentage of GDP (2005): Agriculture 21%, industry 41%, services 38%
Malnutrition among children under 5 years of age (2001): 23%
Human Development Index (HDI) Level 2004: 0.709. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. The index level for Vietnam rose 0.092 points in the period 1990-2004
Child mortality rate per 1000 (2005): 19
 Change 2000-2005: -11
Maternal mortality rate per 1000 births (2000): 1.3
HIV infection rate, 15-49 age group (2005): 0.5%
Children in primary education (2005): 87.8%
Illiteracy rate 15-24 age group (2004): 6.1%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 94/97/77
Percentage of women in parliament (2006): 27%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): 38%
Area protected to conserve biological diversity (2005): 3.6%
Corruption Perception Index (TI) (2006): 2.6
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): Unavailable
Aid per capita (2005): USD 23
Aid as a percentage of GDP: 3.7%
Total amount of aid from Norway: NOK 97.162 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.vn
 Norad's homepage: www.norad.no

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	59 509	61,2 %
Norwegian NGOs	14 780	15,2 %
Local NGOs	1 687	1,7 %
Nordic research institutions/foundations	2 095	2,2 %
Multi-bilateral assistance ³⁾	19 091	19,6 %
Total	97 162	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

Priority area	Total	Percentage of total
Health, education and other social sector areas	55 033	56,6 %
HIV/AIDS	2 267	2,3 %
Economic development and trade	27 523	28,3 %
Good governance	7 438	7,7 %
Environment and energy	4 195	4,3 %
Emergency relief and other unspecified	705	0,7 %
Total	97 162	100,0 %

1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

East Timor



Development cooperation between Norway and East Timor aims to promote long-term nation-building by assisting the authorities in their efforts to ensure good governance, reduce poverty and achieve economic growth. Norway's contribution is concentrated on good governance, the petroleum and energy sectors, the empowerment of women and gender equality, with particular focus on competence-building as a key component. The assistance provided to East Timor in 2006 was significantly affected by the political and security crisis that broke out in the spring and summer of 2006.

Budget support



Norway supports the Consolidated Support Program (CSP), a multi-donor fund. One of the goals of budget support is to improve East Timor's financial management system. Although several ministries were closed for long periods of time due to the crisis and aid expenditures remained very low, some results were achieved in the health and education sectors in 2006.

Good governance and human rights



Norway provides support for programmes and projects aimed at strengthening the justice sector and the national parliament. The justice sector was placed under further pressure

when its workload soared in the aftermath of the 2006 crisis. The parliament ceased to function during the crisis and has generally been weakened. Norway and UNICEF also jointly support a project to secure legal protection for children and birth registration.

Peace and reconciliation



Norway was asked by the East Timorese authorities to play a role in the reconciliation process after the crisis in 2006. At the request of the Norwegian authorities, Bishop Emeritus Gunnar Stålsett undertook this task.

Energy and natural resource management



There has been long-term institutional cooperation between the Norwegian Water Resources and Energy Directorate (NVE) and East Timor in the power sector since 2003. Norway is one of the main donors in the field of hydropower and electric power supply. Environmental impact assessments were prepared prior to the construction of power plants.

Norway plays a pivotal role in the petroleum sector, and financed nine advisors in 2006. Assistance was also provided for the verification process implemented under the Extractive Industries Transparency Initiative (EITI). The process of awarding offshore exploration rights proceeded as planned despite the crisis.

Humanitarian assistance

The crisis in 2006 caused major damage to the Norwegian-financed electric power system in the capital, Dili, and Norwegian aid financed the repair of the damaged grid and electric power meters. Funding was provided for temporary housing for internally displaced persons through the Norwegian Refugee Council and for the United Nations' Flash Appeal for donors.

Facts

Estimated population (2005): 1.0 million
Gross national income per capita (2005): USD 600
Average annual economic growth (GDP) 2000-05: 2.5%

Economic structure, as a percentage of GDP (2005): Agriculture, industry, services: Data unavailable

Malnutrition among children under 5 years of age (2003): 46%. This is a strong indicator of poverty and famine. Anything above 30% is considered to be extremely high

Human Development Index (HDI) Level 2004: 0.512. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Change: Unavailable

Child mortality rate per 1000 (2005): 61
 Change 2000-2005: 41

Maternal mortality rate per 1000 births (2000): 6,6
HIV infection rate, 15-49 age group (2005): Unavailable

Children in primary education (2005): 97.8%

Illiteracy rate 15-24 age group (2004): Unavailable

Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 92/100/Unavailable

Percentage of women in parliament (2006): 25%

Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): Unavailable
Area protected to conserve biological diversity (2005): 1.2%

Corruption Perception Index (TI) (2006): Unavailable. The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt

Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): Unavailable

Aid per capita (2005): USD 189

Aid as a percentage of GDP: 33.5%

Total amount of aid from Norway: NOK 93.121 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway.or.id
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for East Timor, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	45 218	48,6 %
Norwegian NGOs	18 254	19,6 %
Multi-bilateral assistance ³⁾	29 649	31,8 %
Total	93 121	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

2) Including public institutions, ministries, consultants, private sector, etc.

3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for East Timor, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	13 092	14,1 %
Economic development and trade	14 998	16,1 %
Good governance	14 482	15,6 %
Environment and energy	38 582	41,4 %
Emergency relief and other unspecified	11 967	12,9 %
Total	93 121	100,0 %

1) Incl. multi-bilateral assistance

2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Latin America




Guatemala ●
Nicaragua ●




Guatemala



 Norway's involvement in the peace process in Guatemala led to the establishment of a Norwegian embassy in the country in 1997. A programme to assist Guatemala in implementing the Peace Accords, signed in 1996, was established with the objective of promoting good governance and human rights.


Good governance

 Since the Peace Accords were signed, Norway has sought to help strengthen the constitutional state by providing support for the police and prosecuting authority and the Institute for Free Legal Aid. Despite the implementation of important reforms, the police, prosecuting authority and courts of law are still weak, ineffective and corrupt institutions. Norway has also helped to advance the institutionalisation and democratisation of political parties and the implementation of democratic elections.

Norway provided assistance for the National Land Register because the legal protection of property rights is inadequate, resulting in a formidable number of land conflicts. Norway promotes peace and reconciliation by funding conflict resolution projects. Norwegian aid for civil society has been focused on transparency in public

administration, increased access to the judicial system and peace and reconciliation. This has contributed to the emergence of a large number of outspoken human rights and social organisations. Partly as a result of this support for civil society, the problem of corruption is high on the national agenda today. Even though the Government has shown willingness to combat corruption and certain important reforms have been carried out, the challenges in this respect are still enormous.

Human rights, including indigenous rights

 Norway has for many years supported the national Human Rights Ombudsman, which has developed into a very active, well-respected institution in Guatemala.

Norway provides funding for a special programme for indigenous peoples that emphasises land rights and bilingual education. The programme focuses on women and political participation. Although they constitute a majority of the population, indigenous peoples are a highly marginalised group that scores lowest for all social indicators. Indigenous women are worst off. A certain improvement for indigenous peoples can be seen in terms of social and political participation.

Facts

Estimated population (2005): 12.6 million
Gross national income per capita (2005): USD 2400
Average annual economic growth (GDP) 2000-05: 2.5%
Economic structure, as a percentage of GDP (2005): Agriculture 23%, industry 19%, services 58%
Malnutrition among children under 5 years of age (2002): 23%.
Human Development Index (HDI) Level 2004: 0.673. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Guatemala's HDI level rose 0.087 points in the period from 1990 to 2004
Child mortality rate per 1000 (2005): 43
 Change 2000-2005: -10
Maternal mortality rate per 1000 births (2000): 2.4
HIV infection rate, 15-49 age group (2005): 0.9%
Children in primary education (2005): 95.6%
Illiteracy rate 15-24 age group (2004): 17.8%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 92/91/Unavailable
Percentage of women in parliament (2006): 8%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -17%
Area protected to conserve biological diversity (2005): 30.8%
Corruption Perception Index (TI) (2006): 2.6.
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 0.4%
Aid per capita (2005): USD 20
Aid as a percentage of GDP: 0.8%
Total amount of aid from Norway: NOK 95.832 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:
www.noruega.org.gt
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Guatemala, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	13 771	14,4 %
Norwegian NGOs	28 701	29,9 %
Local NGOs	11 871	12,4 %
Regional NGOs	3 206	3,3 %
Nordic research institutions/foundations	659	0,7 %
Multi-bilateral assistance ³⁾	37 624	39,3 %
Total	95 832	100,0 %

- 1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Guatemala, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	26 173	27,3 %
HIV/AIDS	303	0,3 %
Economic development and trade	2 243	2,3 %
Good governance	55 688	58,1 %
Environment and energy	505	0,5 %
Emergency relief and other unspecified	10 921	11,4 %
Total	95 832	100,0 %

- 1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Nicaragua



Nicaragua and Norway have been engaged in development cooperation since 1987. Efforts are focused on governance and human rights, resource management and environment, and budget support.

Governance and human rights



Norway continued to support Nicaragua's efforts to combat corruption in 2006, in part through the anti-corruption fund that was established in 2002. The assistance provided from the fund has helped to strengthen the investigative capacity of the Attorney-General's office and to establish a system for public access to information in official administrative procedures and documents. A Freedom of Information Act was drafted in 2006.

Norwegian assistance for the establishment of public procurement systems continued in 2006. Several donors, including the Inter-American Development Bank, collaborate on this project. The public procurement process largely takes place online today, thereby promoting greater transparency and confidence in the system.

Norway continued its assistance for a programme for investigative journalism

that aims at focusing more critical attention on corruption in Nicaragua.

Resource management and environment



Norway continued to provide funding for two programmes to promote the sustainable exploitation of natural resources in particularly vulnerable areas. The programmes emphasise food security and cover more than three thousand families in rural areas. Farmers' incomes have increased after they switched to organic farming. The programmes can also document good results in terms of conservation of soil, water and forest resources, and there is a high percentage of female participants. Norway signed an agreement with the authorities to support a wide-ranging sector programme for rural development.

Norwegian assistance for technical cooperation on monitoring and regulating natural resources in the fields of fishery administration and oil extraction was maintained.

Budget support



Norway has provided general budget support for Nicaragua since 2005. Budget support has proved to be an extremely important tool in the dialogue between donors and the authorities. This

dialogue has helped to ensure the implementation of crucial reforms, such as the introduction of an Act on civil servants, a new Finance and Administration Act and procedures for auditing the national budget.

Facts

Estimated population (2005): 5.2 million
Gross national income per capita (2005): USD 950
Average annual economic growth (GDP) 2000-05: 3.0%
Economic structure, as a percentage of GDP (2005): Agriculture 19%, industry 28%, services 53%
Malnutrition among children under 5 years of age (2001): 10%.
Human Development Index (HDI) Level 2004: 0.698.
 A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Nicaragua's HDI level rose 0.088 points in the period from 1990 to 2004
Child mortality rate per 1000 (2005): 37
 Change 2000-2005: -6
Maternal mortality rate per 1000 births (2000): 2.3
HIV infection rate, 15-49 age group (2005): 0.2%
Children in primary education (2004): 93.7%
Illiteracy rate 15-24 age group (2004): 13.8%
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 97/115/Unavailable
Percentage of women in parliament (2006): 21%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): -21%
Area protected to conserve biological diversity (2005): 18.2%
Corruption Perceptions Index (TI) (2006): 2.6.
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt.
Fragile state, according to OECD/DAC (2006): No
Defence spending as a percentage of GDP (2005): 0.7%

Aid per capita (2005): USD 144
Aid as a percentage of GDP: 15.4%
Total amount of aid from Norway: NOK 161.804 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:
www.noruega.org.ni
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Nicaragua, by channel, 2006 (NOK 1000)

Bistandskanal	Total	Percentage of total
Government-to-government, etc. ²⁾	37 453	23,1 %
Norwegian NGOs	36 778	22,7 %
Local NGOs	15 216	9,4 %
International NGOs	5 340	3,3 %
Multi-bilateral assistance ³⁾	67 017	41,4 %
Total	161 804	100,0 %

- 1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc..
 3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Nicaragua, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	20 612	12,7 %
HIV/AIDS	6 128	3,8 %
Economic development and trade	106 569	65,9 %
Good governance	23 818	14,7 %
Environment and energy	515	0,3 %
Emergency relief and other unspecified	4 163	2,6 %
Total	161 804	100,0 %

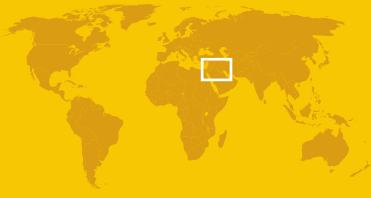
- 1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"



Middle East



The Palestinian Area



 Norway supports the goal of a two-state solution whereby a viable Palestinian state can exist peacefully side-by-side with Israel within internationally recognised borders. Norway has been providing substantial assistance for Palestinian institution-building for many years in preparation for such a solution. In 2006 this assistance was at a historically high level.

Approximately two thirds of Norwegian assistance for Palestinian purposes is channelled through the UN system and non-governmental or humanitarian organisations. Approximately one third is disbursed for development cooperation with Palestinian institutions and for budget support to maintain public services for the Palestinian population. One important purpose of budget support is to prevent economic breakdown for the Palestinian self-government authorities. The funds are disbursed on the basis of bilateral agreements or through international funding mechanisms administered by the World Bank and others.

Norwegian development cooperation is concentrated on education, energy and good governance, and on humanitarian aid that is channelled through NGOs and the UN system. In 2006 Norway also provided NOK 137 million in financial support as a contribution towards covering wages and operating expenses in the education and health sectors.

Education

 The main challenge for the education authorities has been to keep the educational system going despite the inability to pay the wages of public employees, including teachers. A total of 1,574 new classrooms were built, 211 of which were financed by Norway. Norway financed the reconstruction of several schools in Gaza that were destroyed as



In 2006, Norwegian assistance financed the rebuilding of schools in Gaza. Photo: Petter Bauck

a result of Israeli military action in the summer of 2006. It also financed the construction of 12 workshops for the vocational school in Tulkarem. A total of 5,254 teachers and 423 course leaders received supplementary training thanks to Norway's contribution.

Energy



Norwegian financing contributed towards the completion of repairs to the electricity grid in 19 villages. Norway has financed efforts to link the Palestinian grid to the regional Arab grid in Jordan.

Governance



Support was focused on civil society, independent institutions such as the Central Bureau of Statistics and the Palestinian Election Commission, and

the office of the President. The legislative assembly functions only to a very limited extent due to Israeli arrests of publicly elected representatives in 2006. The last round of local elections, which should have taken place in 2006, was postponed due to the difficult political situation and the lack of security in Gaza.

Humanitarian aid



As a direct response to the growing humanitarian crisis in Gaza, an extraordinary allocation of NOK 150 million was made in summer 2006, NOK 50 million of which was an additional allocation made by the Norwegian Parliament. Assistance was mainly channelled through Norwegian NGOs and various UN agencies. In general, there was special emphasis on maintaining health services and emergency medical





assistance in Gaza and the West Bank, with special emphasis on the situation in East Jerusalem.

Women and gender equality

 In order to promote the integration of the women's perspective in political processes and social life, Norway has supported the information activities of an umbrella organisation for Palestinian women's organisations. Focus on strengthening secondary school education in local communities has resulted in more girls pursuing secondary education. Support has also been provided to train women leaders, to train newly-elected women in municipal councils on the West Bank, and to support day-centres for women in Gaza.



The Palestine area was the second largest receiver of Norwegian bilateral assistance in 2006, with almost 563 million kroner. Photo: Petter Bauck

Facts

- Estimated population** (2005): 3.6 million
- Gross national income per capita** (2005): USD 1,230
- Average annual economic growth** (GDP) 2000-05: -2.2%
- Economic structure**, as a percentage of GDP (2005): Unavailable
- Malnutrition among children** under 5 years of age (2001): 4%
- Human Development Index** (HDI) Level 2004: 0.736. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. The change from 2003 to 2004 was 0.007
- Child mortality rate** per 1000 (2005): 23
Change 2000-2005: -4
- Maternal mortality rate** per 1000 births (2000): 1
- HIV infection rate**, 15-49 age group (2005): Unavailable
- Children in primary education** (2005): 84%
- Illiteracy rate** 15-24 age group (2004): 1%
- Ratio of girls to 100 boys in education** (2005), primary/secondary/tertiary: 99/107/104
- Percentage of women in parliament** (2006): Unavailable
- Forested area** (change 1990-2005, negative numbers indicate deforestation as a percentage): Unavailable
- Area protected to conserve biological diversity** (2005): Unavailable
- Corruption Perception Index** (TI) (2006): Unavailable
- Fragile state**, according to OECD/DAC (2006): No
- Defence spending** as a percentage of GDP (2005): 3%
- Aid per capita** (2005): USD 304
- Aid as a percentage of GDP**: 25%
- Total amount of aid from Norway**: NOK 562.948 million (excluding chapter item 167 "Refugee projects in Norway, approved as development assistance")

More information:

The Homepages of The Royal Norwegian Embassy:
www.norway.org.ps
 Norad's homepage: www.norad.no

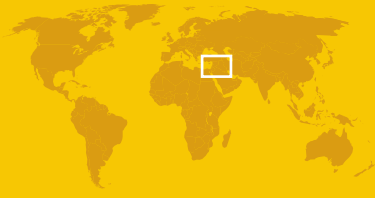
Bilateral assistance (excl. chapter item 167 ¹⁾) for the Palestinian Area, by channel, 2006 (NOK 1000)		
Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	215 979	38,4 %
Norwegian NGOs	164 823	29,3 %
Local NGOs	14 979	2,7 %
Regional NGOs	1 600	0,3 %
International NGOs	7 364	1,3 %
Nordic research institutions/foundations	1 730	0,3 %
Multi-bilateral assistance ³⁾	156 472	27,8 %
Total	562 948	100,0 %

1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

Bilateral assistance ¹⁾ (excl. chapter item 167 ²⁾) for the Palestinian Area, by priority area, 2006 (NOK 1000)		
Priority area	Total	Percentage of total
Health, education and other social sector areas	237 571	42,2 %
Economic development and trade	61 317	10,9 %
Good governance	130 130	23,1 %
Environment and energy	33 713	6,0 %
Emergency relief and other unspecified	100 216	17,8 %
Total	562 948	100,0 %

1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Lebanon



Norway has considered it important to assist Lebanon in its reconstruction work in the wake of the war between the Hezbollah and Israel in the summer of 2006. The war inflicted substantial damage in terms of human suffering and economic loss, and created a serious humanitarian situation in the war zones. The hostilities also resulted in a major oil spill on the coast. Norway provided oil protection equipment to stop the spill and clean up the pollution along the Lebanese coastline. Since the ceasefire, unexploded cluster ammunition has posed a serious threat to the civilian population and hampered reconstruction of the local economy in the war-ravaged areas, especially in Southern Lebanon.

In addition to the war, Lebanon was torn by significant political tensions in 2006 centering on the issue of the position of the president and the disarming of the Hezbollah. The unstable political situation complicates the reconstruction process in Lebanon. The conflicts between the different sectarian and political groups, and interference by Syria and Iran, are the main negative factors. Norway emphasises the importance of promoting nation-building in Lebanon through dialogue with all the relevant actors in the country.

Norway contributed an MTB squadron to the United Nations post-war peace-keeping operation (UNIFIL II). The squadron helped to monitor the Lebanese coast and prevent arms smuggling in accordance with United Nations Security Council Resolution 1701.

Humanitarian assistance

Norway continued to provide humanitarian aid to Palestinian refugees in Lebanon in 2006. This support funded health programmes and various social projects, including vocational training and efforts to raise awareness of fundamental human rights. Norway contributed with substantial funding for emergency relief through the United Nations, the Red Cross and other organisations. Norway channelled funds to help the large numbers of internally displaced persons, focusing on the distribution of emergency relief and development of health, water and basic sanitation services. Funds were also allocated to replace damaged ambulances. Norway has provided support for demining programmes in Lebanon for many years, and since 2006 has also contributed to the clearing of cluster ammunition and other unexploded ammunition in Lebanon. This helps to reduce the danger to civilians and frees up areas for agricultural and industrial use.

Norway has also contributed to the repair of damaged housing in Southern Lebanon. The humanitarian aid provided was an important element of Norway's efforts to support Lebanon in its reconstruction process in the aftermath of the conflict in summer 2006.

Facts

Estimated population (2005): 3.6 million
Gross national income per capita (2005): USD 6320
Average annual economic growth (GDP) 2000-05: 4.1%
Economic structure, as a percentage of GDP (2005): Agriculture 6%, industry 21%, services 71%
Malnutrition among children under 5 years of age (2004): 4%
Human Development Index (HDI) Level 2004: 0.774. A country with an HDI level of between 0.500 and 0.800 is regarded as having a medium quality of life. Change: + 0.092 points from 1990 to 2004
Child mortality rate per 1000 (2005): 30
 Change 2000-2005: -2
Maternal mortality rate per 1000 births (2000): 1.5
HIV infection rate, 15-49 age group (2005): Unavailable
Children in primary education (2005): 94.3%
Illiteracy rate 15-24 age group (2004): Unavailable
Ratio of girls to 100 boys in education (2005), primary/secondary/tertiary: 97/110/115
Percentage of women in parliament (2006): 5%
Forested area (change 1990-2005, negative numbers indicate deforestation as a percentage): 14%
Area protected to conserve biological diversity (2005): 0.5%
Corruption Perception Index (TI) (2006): 3.6
 The index ranges from 10 to 0, where 10 is totally clean and 0 is totally corrupt
Fragile state, according to OECD/DAC (2006): Yes
Defence spending as a percentage of GDP: 3.8%
Aid per capita (2005): USD 68
Aid as a percentage of GDP: 1.1%
Total amount of aid from Norway: NOK 173.422 million (except chapter item 167 "Refugee projects in Norway, approved as development assistance")

More Information:

The Homepages of The Royal Norwegian Embassy:
www.norway-lebanon.org
 Norad's homepage: www.norad.no

Bilateral assistance (excl. chapter item 167¹⁾) for Lebanon, by channel, 2006 (NOK 1000)

Channel	Total	Percentage of total
Government-to-government, etc. ²⁾	0	0,0 %
Norwegian NGOs	113 276	65,3 %
Local NGOs	7 199	4,2 %
International NGOs	1 237	0,7 %
Nordic research institutions/foundations	2 160	1,2 %
Multi-bilateral assistance ³⁾	49 550	28,6 %
Total	173 422	100,0 %

- 1) Chapter item 167 "Refugee projects in Norway, approved as development assistance"
 2) Including public institutions, ministries, consultants, private sector, etc.
 3) Earmarked assistance channelled through multilateral organisations

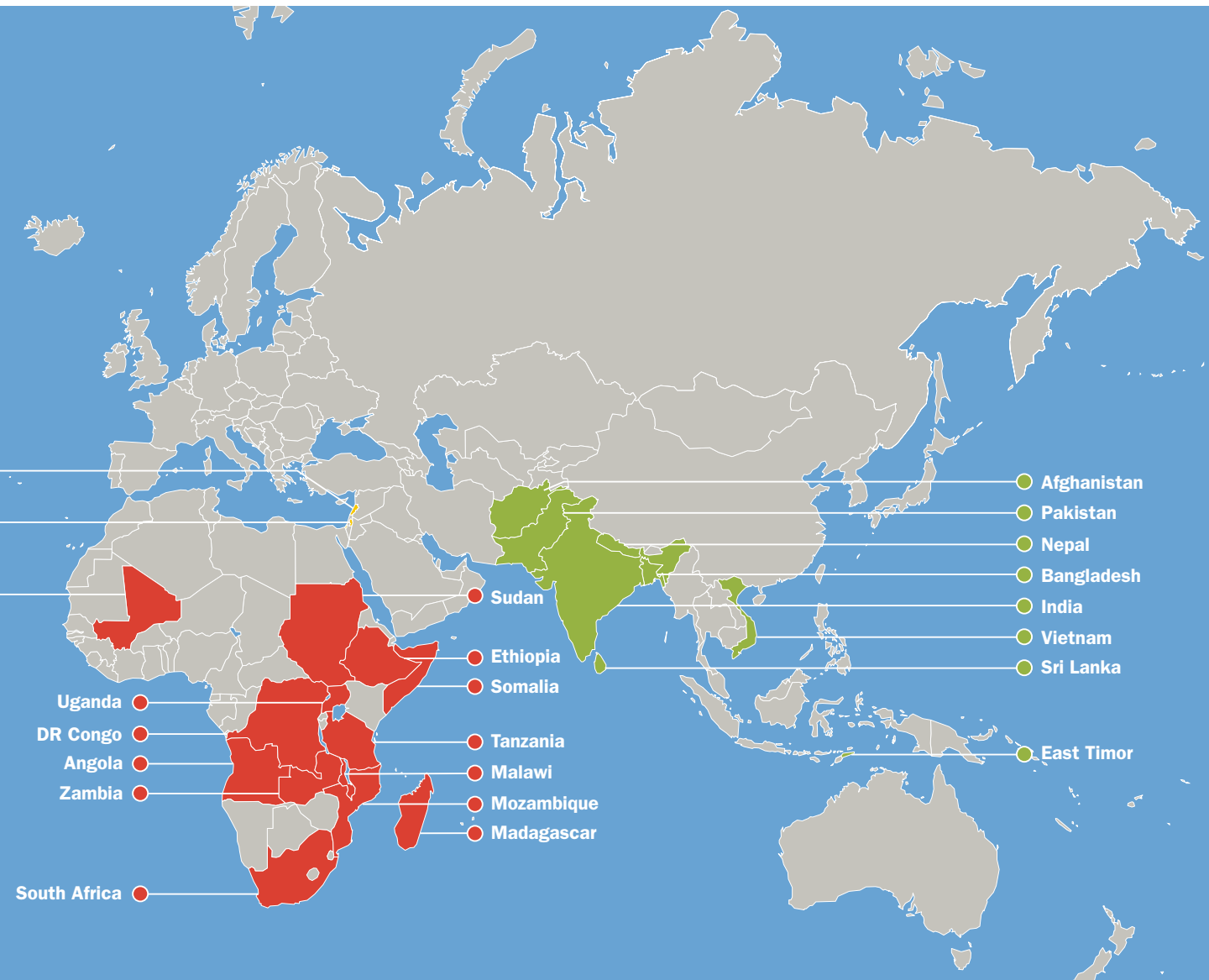
Bilateral assistance¹⁾ (excl. chapter item 167²⁾) for Lebanon, by priority area, 2006 (NOK 1000)

Priority area	Total	Percentage of total
Health, education and other social sector areas	735	0,4 %
Economic development and trade	0	0,0 %
Good governance	40 371	23,3 %
Environment and energy	4 225	2,4 %
Emergency relief and other unspecified	128 091	73,9 %
Total	173 422	100,0 %

- 1) Incl. multi-bilateral assistance
 2) Chapter item 167 "Refugee projects in Norway, approved as development assistance"

Bilateral Cooperation with 25 Countries





Definitions

This report contains a set of facts and figures for each country as indicators of its level of development. The figures are based on international sources, such as the UN, the World Bank and the OECD. They are nevertheless uncertain and depend on definitions and methods of calculation, and they may differ from figures provided by the countries themselves. Such facts and figures must therefore always be read in conjunction with other information about the country. The following is an explanation of some of the terms and concepts used in this report.

Gross national income per capita:

Shows the value of the country's total economic production plus transfers, divided by its number of inhabitants. Low income countries have less than USD 825 per capita (in 2004), while lower middle income countries have between USD 826 and 3,255 per capita. The least developed countries (LDCs) are a special category.

Economic growth:

A measurement of average growth in gross domestic product (total economic production) over the last 3-5 years. Annual growth of less than 2.5% will result in minimal or negative growth in relation to population growth. Annual growth of more than 5% is good, while growth of more than 8% is regarded as very high for a developing country.

Economic structure:

Shows a breakdown of economic production between primary sectors, such as agriculture and fisheries; secondary sectors, such as manufacturing and oil production; and tertiary sectors (services), such as trade, transport and public services. A percentage of more than 30% for agriculture shows that agriculture is dominant, while this percentage drops towards 10% in the most industrialised developing countries. Similarly, a percentage of less than 15-20% for industry is very small, while in the most industrialised or oil-rich developing countries it is over 40%.

Human Development Index (HDI):

Prepared by the UNDP from a combination of indicators for income level, education and life expectancy. The index ranges from 0 to 1, so that countries with a score of less than 0.500 have a low human development and countries with a score between 0.500 and 0.800 have a medium human development. A change of less than 0.005 over the entire period (1990-2003) indicates relatively minor improvement. Some countries have experienced negative development.

Malnutrition among children under 5 years of age:

Shows malnutrition or undernourishment among children (modestly or severely underweight) as a percentage. This is a strong indicator of poverty and food insecurity. All figures above 30% are extremely high, while figures around 10% or lower are reasonably good for a developing country.

Child mortality:

The number of children who die before they reach the age of 5 per 1000 births. A good indicator of poverty is poor health/nutrition. All figures above 150 are high or very high (implying that more than 15% of the children die before they reach the age of 5), while a score of less than 50 is low for a developing country.

Maternal mortality:

The number of women who die of pregnancy-related diseases during pregnancy or childbirth, per 1000 births. Figures above 10 are extremely high, while figures below 3 are low for developing countries.

HIV infection rate:

The percentage of the population infected with HIV in the 15-49 age-group. In some countries this figure is very high, over 10%, while in less affected countries it is less than 1.0%.

Children in primary education:

The percentage of children who attend primary school in relation to all children in that age-group. In many countries the percentage is now over 95% and approaching 100%, while figures below 75% must be regarded as low or extremely low.

Illiteracy rate:

The percentage of young adults in the population (15-24 age-group) who cannot read or write. In several countries this figure is now less than 10% and approaching zero. Figures above 20% are regarded as high.

Ratio of girls to boys in education (gender parity ratio):

The figures show the number of girls per 100 boys at three educational levels: primary, secondary and tertiary (higher education). This is a good indicator of gender equality, especially the figure for higher education. A figure of around 100 means that as many girls as boys are receiving education. A figure of more than 80 indicates that the country is approaching gender equality, while a figure lower than 60 shows that there is still a very long way to go.

Percentage of women in parliament:

Percentage of female parliament members. With full gender equality the figure should be 50%, but few developing countries have a higher percentage than 25%. Figures below 10% show an extremely low proportion of women in parliament.

Forested area (change):

The figure shows deforestation (or afforestation) measured as the proportion of a country's forested area in 2005, minus the corresponding figure for 1990, calculated in relation to the forested area in 1990. Countries where deforestation has been extensive have lost more than 20% of their forested area, while figures less than 10% indicate more limited deforestation. Positive figures imply afforestation.

Area protected to conserve biological diversity:

The figure shows the percentage of the country's area that, as of 2005, has been protected in some way to conserve biological diversity. A score of more than 20% shows that a great deal has been protected, while a score of less than 5% shows that very little has been protected.

Corruption Perceptions Index:

This indicator is prepared by Transparency International to measure the level of corruption in a country, based on the perceptions by national and international business and other experts. Since actual corruption is illegal and hidden, and thus cannot be measured, the TI Index is often used internationally, even though it really only measures opinions (perceptions) about corruption. The index ranges from 10 (totally clean) to 0 (totally corrupt). All figures less than 3.0 indicate relatively widespread corruption and figures approaching 2.0 or less indicate a very high level of corruption in the country concerned.

Fragile state:

Used to describe countries where the government, for various reasons (including wars and crises), is extremely weak and/or extremely unstable. There are several definitions. In this report the list prepared by the OECD Development Assistance Committee (DAC) is applied.

Defence spending as a percentage of GDP:

This figure shows the size of a country's military expenditure in relation to its gross domestic product. Figures below 2-3% are relatively low, while figures above 4% are considered to be high.

Aid per capita:

This figure shows total aid for a country based on OECD/DAC statistics and definitions of official development assistance (ODA) in relation to its population size. This indicates the importance of development assistance for the country concerned. Some countries receive a very high level of aid per capita, around USD 100 or more, many countries receive USD 20-60, while especially large, populous countries receive little aid, less than USD 10 per capita.

Aid as a percentage of GDP:

The figure shows total aid received by a country in relation to its gross domestic product. This is an indicator of the country's economic dependency on aid. A figure over 20% indicates a high level of aid dependency, while a figure of less than 10% indicates low aid dependency.

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