

Annual Report

# Norwegian Development Cooperation 2002 Following up the Millennium Development Goals



MINISTRY OF FOREIGN AFFAIRS

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## Foreword by the minister of international development

In international development cooperation we are not good enough at reporting properly on the results of our comprehensive efforts. In official reports, we have often focused strongly on the amount of money that has been allocated for various countries and sectors. This is important, but it is not enough. We must also report in such a way that we inform people about the development that has actually been achieved, both globally and in the countries with which we cooperate.

Norway's efforts must not be seen in isolation. In order to measure the progress that has been made, we must view our own efforts in relation to the assistance provided by other countries and organizations, and the contributions of the developing countries themselves.

We are currently in the process of developing a common, international reporting platform. With the adoption of the Millennium Development Goals at the UN General Assembly in 2000, the world's leaders agreed on eight objectives for development and poverty reduction. Through a set of subsidiary goals and indicators, in future it will be possible to measure progress in relation to the Millennium Goals. This process has only just begun, but in this year's report on development cooperation we will try to consistently relate our results to the Millennium Goals.

There are many challenges. This year we have chosen to focus particularly on Goal No. 6, which concerns the effort to combat HIV/AIDS, malaria and other diseases that are a threat to humanity. Each year, incredible numbers of people die of malaria and many other diseases known to mankind for generations. In recent years, however, the focus has increasingly been on the HIV/AIDS epidemic. While there are many reasons for this, there is little doubt that HIV/AIDS is a disaster for development. The epidemic is killing people at their most productive age and leaving millions of children uncared for, hospitals without staff and schools without teachers. The HIV/AIDS epidemic is destroying the very foundations for development and poverty reduction.

HIV/AIDS is having the most devastating effect on countries in sub-Saharan Africa, which is where most of Norway's main partner countries are located. In this report, we provide an overview of Norwegian efforts to combat HIV/AIDS in these countries and internationally.

The report concludes with a brief review of more general development in our main partner countries, and in other countries where Norway plays an active role. The report also contains tables showing the allocations that have been made. More information is available at <http://odin.dep.no/ud>

I hope this report shows that our efforts are making a difference in alleviating the widespread poverty problem the world is facing today.



*Hilde F. Johnson  
Minister of International Development*



*Meeting between UN Secretary General Kofi Annan and Hilde F. Johnson.  
UN Headquarters, November 2002.*



Bangladesh / Photo: Rune Larsen



# 1

## The millennium development goals. Our response to the challenge of poverty

### The Millennium Development Goals

1. To eliminate extreme poverty and starvation. Among other things, to halve the proportion of the world population living on less than one dollar a day and the proportion of people who are hungry by 2015.
2. To ensure full primary education for all boys and girls by 2015.
3. To promote gender equality and strengthen the position of women. Among other things, by eliminating the differences between the proportion of boys and girls in primary and secondary schools, preferably by 2005 and at all levels by 2015.
4. To reduce death rates among children below the age of five by two thirds by 2015.
5. To reduce the mortality rate among pregnant women and women in childbirth by three quarters by 2015.
6. To halt and reverse the spread of HIV/AIDS, malaria and other diseases that are a threat to mankind by 2015.
7. To ensure sustainable environmental development, among other things by incorporating the principles of sustainable development in countries' policies and programmes and reversing the loss of natural resources, halving the number of people who have no access to safe drinking water by 2015, and achieving a significant improvement in living conditions for at least 100 million slum-dwellers by 2020.
8. To build a global partnership for development. Among other things, by developing an open, regulated, predictable and non-discriminatory trade and financing system. By taking into account the special needs of the least developed countries, developing countries with no coastline and small island states. By solving the debt problems of developing countries through national and international measures for sustainable debt relief. By introducing measures to develop and implement strategies for decent, productive work for young people. By giving people in developing countries access to cheap, essential medicines in cooperation with the pharmaceutical industry. By making modern technology, especially information and communication technology, available in cooperation with the private sector.

When the world's leaders met at the UN in autumn 2000 to mark the transition to a new millennium, they set themselves eight ambitious goals. They are called the Millennium Development Goals and they consist of concrete, measurable results in the fight to combat the extreme poverty in which 1.2 billion people are living today. The target year is 2015.

The Millennium Development Goals also commit the world community to addressing the challenges relating to peace and disarmament, human rights and good governance. These factors are crucially important if the Millennium Goals are to be achieved.

The Millennium Goals are ambitious, but they are within reach if everyone with decision-making authority – politicians, business leaders, opinion-formers and individual citizens – take the challenges seriously.

In global terms, progress has been made towards reaching several of the Millennium Goals in the past decade. Among other things, the proportion of people living in extreme poverty declined in the 1990s. The least progress has been made in achieving the goals that are specifically related to the situation of children and women, which shows that their life situation and rights have low priority in many countries. Efforts to ensure that these groups have more rights will therefore be particularly important in future if the Millennium Development Goals are to be achieved.

Several factors, including economic crises and recession, can hamper efforts to achieve the Millennium Goals. The financial crisis in Asia at the end of the 1990s led to a decline in economic growth, both in Asia and globally, and had dramatic consequences for millions of poor people. Armed conflicts and natural disasters also threaten the livelihoods of poor people. At the beginning of 2002, more than 40 violent conflicts were taking place in the world. Approximately 6 million people were killed in such conflicts in the 1990s, and it is estimated that there are around 300,000 child soldiers. 40 million people are refugees or internally displaced as a result of civil war, and 80 per cent



Malawi/Queuing up for food in the Zomba district.  
Photo: Hege Opseth/Norwegian Church Aid.



of them are women and children. In many countries, HIV/AIDS and other “poverty diseases” have reduced life expectancy by many years.

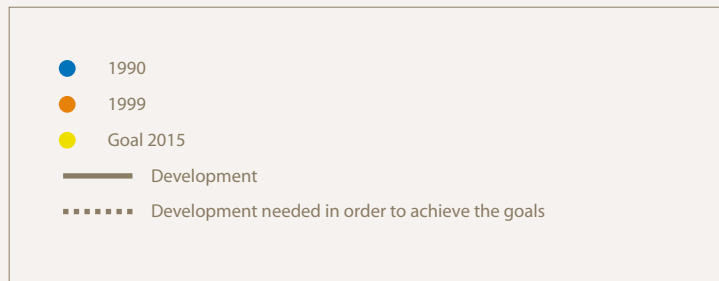
The willingness of the authorities of developing countries to promote development and safeguard the human rights of poor people is crucial if we are to achieve the Millennium Goals. In this connection, the role of the international community is to engage in dialogue that focuses attention on these rights, and to provide technical assistance to make it possible to achieve them. The rich countries must also ensure that poor people share in global benefits. The developing countries must have access to markets for the goods they produce, and countries’

own efforts must be supported by financial and technical assistance.

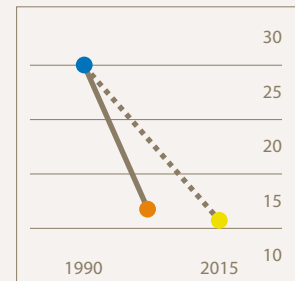
The possibilities for achieving the goals vary in different parts of the world. The challenges are greatest in sub-Saharan Africa, where the number of people living in extreme poverty increased by 20 per cent between 1990 and 1996, and where women account for a substantial proportion of them. Economic growth in this region barely exceeds population growth and is therefore insufficient to provide more welfare for the people.

## Poverty line

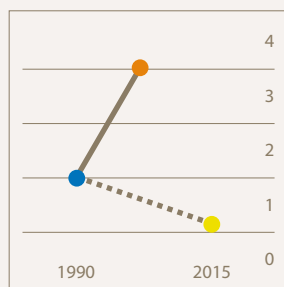
Percentage living on less than 1\$ a day



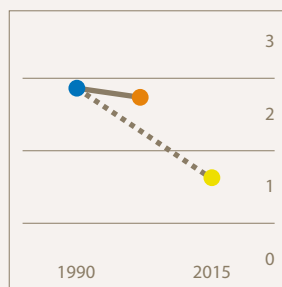
East Asia and the Pacific



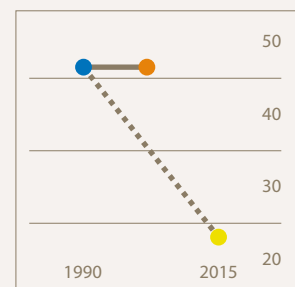
Europe and Central Asia



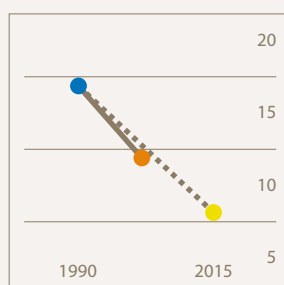
Middle East and North Africa



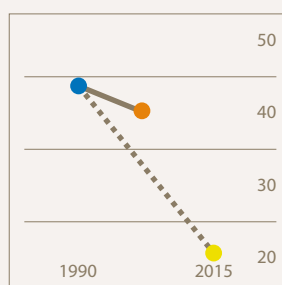
Sub-Saharan Africa



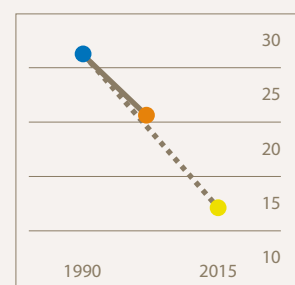
Latin America and the Caribbean



South Asia



Developing countries



## 1.1 International follow-up to the Millennium Development Goals

### 1.1.1 Measurement of results

The task of the United Nations is to monitor how the Millennium Development Goals are followed up and the extent to which they are achieved. The UN supports the work of the developing countries in producing national reports that show the progress they have made towards achieving the goals. These reports are also intended to provide a basis for a global overview, which the UN Secretary-General will present in 2005.

The first report on the implementation of the Millennium Development Goals has now been presented by Secretary-General Kofi Annan. The report provides a balanced description of the prospects of achieving the goals and warns us all that we are lagging behind in relation to our targets. According to the Secretary-General, development is now very mixed and there are significant differences in the achievement of individual goals, not least between countries and regions. Kofi Annan believes that if the current trend continues, the Millennium Goals will not be achieved. He is also concerned that little progress has been made in relation to the broader goals and principles laid down in the Millennium Declaration. They include important areas such as human rights, democratic development, good governance and conflict resolution. Another concern is that measures to meet Africa's special needs are lagging behind.

It is possible to achieve the concrete objectives within the time limits that have been set, but this requires intensified efforts on the part of both the developing countries themselves and of the international community in terms of more resources for development at the international level. Good governance is also essential. Furthermore, the international development apparatus, including both multilateral and bilateral contributors, must ensure that cooperation is based on the national poverty reduction strategies of recipient countries. Only in this way can we ensure both national ownership and a coherent approach.

The Secretary-General has initiated a Millennium Campaign to raise awareness of the Millennium Development Goals all over the world and in all areas of society. In this way, he wishes to ensure that they are the main focus of efforts in both local and global development initiatives. Norway provides financial and practical support for this campaign, and for the UN's other work on the Millennium Goals. In connection with the celebration of the 50th anniversary of Norwegian development cooperation in 2002, a similar information campaign was initiated in Norway.

The World Bank has been given special responsibility for monitoring political measures and finding out which are best suited to promote the Millennium Development Goals. The OECD Development Assistance Committee (DAC) will hold member states to account for how they coordinate the various parts of their policy to make it more effective in the fight against poverty. But poverty reduction takes a long time. It is therefore necessary to measure progress in the short term as well, in order to show that we are on the right track. To be able to do this, better indicators and statistical capacity must be developed in the developing countries.

We also need indicators that can say something about the size of the contributions made by Norway and other players towards poverty reduction. As development cooperation is increasingly concentrated on budget support and sector programmes, this will be particularly relevant. Norway is contributing to international efforts to develop such indicators.

Evaluation must focus on whether our cooperation partners have chosen a policy that should have brought results in relation to the Millennium Goals, and the extent to which this policy has been implemented. Important measurements of donor countries' success in their development cooperation may therefore include whether their cooperation partners have good poverty reduction strategies and whether, in cooperation with all their partners, they have made active efforts to achieve their objectives. One vital measurement of Norwegian development cooperation will be how well it has contributed towards ensuring that these strategies are implemented, and the extent to which all the inputs from all the different players have contributed to social and economic development.

### 1.1.2 Follow-up by the international community. Focus on the major conferences

Norway works hard to ensure that the UN's development-oriented organizations, the international financing institutions and other bodies in the international development arena actually focus their efforts so that they help to achieve the Millennium Development Goals, and otherwise work in accordance with the principles for poverty reduction. The international development organizations should, to the greatest possible extent, draw up common strategy documents to coordinate their efforts, and also ensure that their activities are coordinated with those of bilateral donors.

Directly and indirectly, the follow-up to the Millennium Development Goals has recently been at the core of the major international conferences. These conferences have





supported the realization of the eighth and final development goal, which concerns global partnership for development, and are a response to many of the challenges we are facing in our work on the other Millennium Goals. The World Trade Organization (WTO) Ministerial Conference in Doha, the International Conference on Financing for Development (FfD) in Monterrey and the World Summit on Sustainable Development (WSSD) did not provide solutions to all the challenges, but they were important for the further development of a mutually binding partnership between North and South.

### The WTO Ministerial Conference

The WTO's most important follow-up to the poverty challenges takes place in the form of trade negotiations. Ever since the end of the Uruguay Round in 1994, negotiations in the WTO have concerned further liberalization of trade in agricultural goods and services, and various aspects of the Agreement on Trade-Related Aspects of Immaterial Property Rights (TRIPS). These negotiations began as anticipated. At the Ministerial Conference in Doha in November 2001, WTO members agreed to begin a new round of negotiations. In addition to the topics mentioned above, negotiations were initiated on market access for industrial goods and improvements in the WTO anti-dumping rules. The interests of developing countries were the focus of the WTO programme and negotiations, and the new round is called the Doha Development Agenda. The entire round is to be completed by 1 January 2005.

The review of the provisions concerning positive discrimination, and implementation of current agreements are of particular interest to the developing countries. In the final analysis, however, the decisive issue is access to the markets of industrialized countries. In the negotiations on services, it is important for many developing countries to have greater possibilities for movement of persons across national borders.

The developing countries are not a homogeneous group in the WTO, however. The Cairns Group of 14 developing countries that are exporters of agricultural products and three industrialized countries are in favour of comprehensive reforms of trade in agricultural products, while several other developing countries (such as India, Pakistan, Sri Lanka and many African countries) want to retain customs barriers to protect their own producers.

One important development issue, which is of both symbolic and practical value, concerns problems relating to TRIPS and health, to which a special declaration was devoted at Doha. The reason for this is that countries with inadequate production capacity have difficulty in obtaining necessary medicines at a price they can afford. There is still not full agreement about how this declaration will be followed up, but it should be possible to resolve this matter at the next WTO Ministerial Conference in September 2003 at the latest. Finding a solution will be crucial to realizing the sixth Millennium Development Goal concerning the fight against HIV and AIDS.

If new market opportunities are to result in a higher volume of exports, the developing countries must have products to sell that meet the industrialized countries' health, environment and safety standards, etc. Consequently, the developing countries need to develop infrastructure, train their labour force and learn more about trade regulations and negotiations. There is strong emphasis on the importance of greater integration of trade-related assistance and support for private sector development with general development activities. As a contribution in this area, the WTO and the OECD have produced a new tool, a database of trade-related technical assistance. Measures to promote trade must be included in national development plans and poverty reduction strategies. This work must be based in the recipient countries, but donor countries and international organizations must contribute

financing and expertise. Norway is placing greater emphasis on trade-related assistance for its partner countries.

### **The International Conference on Financing for Development**

The UN Conference on Financing for Development took place in Monterrey, Mexico, in March 2002 and was attended by more than 50 heads of state and government. The conference helped to increase international focus on the development challenges the world is facing. It put the implementation of the Millennium Development Goals on the international agenda and confirmed that the achievement of these goals will require considerably more effort on the part of the world community and, not least, a doubling of official development assistance (ODA) compared with the 2001 level, i.e. approximately USD 50 billion.

The conference succeeded in marking a break with the trend of falling ODA levels in recent decades, primarily due to the increase in development assistance announced by the EU and the USA in connection with the conference, which is expected to lead to a 30 per cent increase in total ODA over a four to five-year period.

The final document from the conference, the Monterrey Consensus, is an expression of international agreement to focus on development. It concerns the mobilization of domestic resources, foreign investment, development assistance, trade and development, debt relief and the international financing system. It was broadly agreed that the developing countries also have a responsibility for achieving the Millennium Development Goals. They must pursue a policy that facilitates poverty reduction, development, private investment and effective use of aid funds. This is clearly reflected in the Monterrey Consensus, so this document is important because it confirms that the Millennium Development Goals can only be achieved through partnership in which the developing countries assume the main responsibility for pursuing a policy that promotes development. While the developing countries must base their policies on good governance, the rule of law, predictability and strong, accountable, national institutions, the donor countries must contribute financial and other resources to support this effort.

The achievement of the Millennium Development Goals and the concept of partnership upon which the Monterrey Consensus is based will now provide the foundation for further international development cooperation. Institutions such as the World Bank and the International Monetary Fund (IMF) have adopted resolutions stating that the achievement of the goals on the basis of the partnership concept must be the overarching objective of their activities. At this conference, cooperation was achieved between the UN on the one hand and the large financing institutions and the WTO on the other. This is a good starting point for further work.

### **The World Summit for Sustainable Development (WSSD)**

This summit confirmed that sustainable development is the primary goal and built further on the commitments made at the UN Millennium Assembly.

The Millennium Development Goals provided the basis for Norway's positions. According to the seventh development goal, the percentage of people who do not have access to safe drinking water must be halved by 2015. Good sanitation is a prerequisite for achieving this goal. At the WSSD in Johannesburg, countries committed themselves to halving the percentage of people who do not have access to sanitation services by 2015. This can mean a great deal for many poor people. If this ambitious goal is achieved, it will also help to reduce illness and mortality rates among small children. In Johannesburg, it was also agreed that the damage caused by chemicals that are hazardous to the environment and to health must be minimized by 2020. This is also extremely important for the health of poor people.

The loss of biological diversity is alarming. In Johannesburg, countries committed themselves to substantially reducing the loss of diversity of species by 2010. This is an important step on the road to realizing the seventh Millennium Goal, which challenges us to reverse the loss of natural resources. The WSSD also underlined the importance of agriculture in poverty reduction and sustainable development, not least in the battle against starvation and malnutrition. In the field of natural resource management, however, the results from Johannesburg were not as good as many people had hoped.

In 2002, the Government made it clear that additional funds would be allocated to follow up in areas that will make a particular contribution towards implementation of the Plan of Action from the WSSD. A total of NOK 375 million in additional funding was allocated over three years to follow-up activities, through development cooperation, in the areas of water, energy, agriculture and biological diversity. These funds are a supplement to the regular contributions to these areas, which amount to more than NOK 800 million in bilateral contributions alone.

The summit provided a common starting point for international efforts to achieve targeted poverty reduction and sustainable management of natural resources. The summit also charted a path for further work on sustainable production and consumption. In the same way as the Doha and Monterrey conferences, the Johannesburg summit showed that development and poverty reduction can only be achieved within a framework of close cooperation between North and South. This is the concept behind the eighth Millennium Goal of global partnership for development.



## 1.2 Norway's follow-up to the Millennium Development Goals. Focus on the Government's Plan of Action for Poverty Reduction in the South towards 2015

The Government's Plan of Action for Poverty Reduction in the South towards 2015 describes how Norway intends to follow up the Millennium Development Goals.

An increase in development assistance is an important instrument in this context. It is also necessary to ensure that development assistance is more effective - that it focuses on cooperation and coordination with our partners, both in developing countries and between aid donors.

Norwegian development assistance is being increased. The goal is for it to reach 1 per cent of GNP by 2005. For 2003, the planned percentage is 0.93 per cent of GNP. This increase is also in line with global estimates, which show that total development assistance must be doubled if the Millennium Development Goals are to be achieved. Norway is seeking to persuade all the OECD countries to accept the international target of allocating 0.7 per cent of GNP for development assistance.

It is not enough simply to increase development funding. The funds must also be used effectively. One prerequisite for this is that the framework conditions in recipient countries facilitate efficiency. Many poor countries that are recipients of development aid are facing significant challenges in the fields of health, education and infrastructure. Corruption must be combated and national institutions must be strengthened. Countries' own revenues and human resources must be developed and marshalled to achieve this. Development assistance is intended to be a supplement to countries' own efforts. Norway and other donor countries expect countries' own poverty reduction strategies to provide the framework for these efforts, and they focus on improving countries' ability to implement their strategies. Norwegian government-to-government assistance that does not fit in with countries' poverty reduction strategies and the Millennium Development Goals will be phased out.

For their part, donors must make development assistance more effective by coordinating their routines and procedures far better than they do today. Poor countries must devote their scarce resources to governing themselves, not to preparing innumerable reports for many different donors each year. The conditions and requirements for development assistance must also be coordinated and the number of

requirements must be reduced so that it is practically possible for recipients to relate to them. In most developing countries, there is a long way to go before this happens.

For many years, Norway has been an advocate of this kind of simplification in both bilateral and multilateral contexts. In Malawi, Norway is currently the operator for Swedish assistance. Norway and Sweden have agreed on a set of procedures that we believe are sufficient to keep track of the assistance we provide for Malawi. The result is that Malawi has one less donor to deal with. This type of cooperation has been very well received by the country's authorities and has aroused a great deal of international attention. It is an arrangement that could be used to advantage by other countries.

The Plan of Action makes it clear that development policy concerns more than development aid. All policy that affects the development or revenues of poor countries, or of poor people in developing countries, is, in a sense, also development policy. The Government has initiated a process in several ministries to review relevant areas of Norwegian policy to find out if it has side-effects that may impact on the life situation of poor people. This is in line with the recommendations the OECD Development Assistance Committee (DAC) has been making for many years for more "policy coherence". It is also in line with the recommendations of the industrialized countries at the Monterrey Conference, who highlighted the responsibility of rich countries for creating good international framework conditions for development.

The international framework conditions must be improved. Norway is working to promote better operating parameters for developing countries in international trade. Among other things, we are opening our own markets for more goods and services from developing countries and have abolished customs duties on all goods and services from the poorest countries. We are also working to promote more investment in developing countries - particularly the poorest ones - more stable international financing conditions, more debt relief and better debt relief schemes, and more influence for developing countries in the major international financing institutions, such as the IMF and the World Bank.





# 2 Millennium Development Goal no. 6: To combat HIV/AIDS, malaria and other diseases

The sixth Millennium Development Goal is to halt and reverse the spread of HIV/AIDS, malaria and other diseases that threaten mankind by 2015.

A large proportion of the health problems in developing countries are caused by a few diseases. In addition to certain childhood diseases, deficiency diseases due to malnutrition and illnesses related to pregnancy and childbirth (infant mortality and maternal mortality are covered by separate Millennium Development Goals), HIV/AIDS, tuberculosis and malaria are diseases that hamper developing countries' possibilities to experience growth and prosperity. These diseases affect poor people the most. Not only are poor people more vulnerable to them, they also have less access to health services and fewer possibilities for meeting the high costs associated with illness and death.

Attempts to halt the HIV/AIDS epidemic require a concerted international effort. It is this effort we have chosen to focus on this year.

The HIV/AIDS epidemic is having catastrophic consequences for development in many countries of the world. In the hardest hit countries, the epidemic has already assumed proportions that have set development back several decades. The results of many years of effort to promote development, such as higher life expectancy and a reduction in child mortality, have already been forfeited in the most affected countries. None of the other Millennium Goals will be achieved unless we manage to put halt to the spread of this epidemic.

According to the report of the World Health Organization (WHO) and the UN Joint Programme on HIV/AIDS (UNAIDS), published in December 2002, at year-end 42 million people in the world were infected with HIV. 75 per cent of the infected people live in Africa. But the epidemic is growing rapidly in other parts of the world too. The number of victims is rising particularly fast in Eastern Europe and the Central Asian republics. There are also a great many HIV-positive people in China and India.

## Global HIV/AIDS figures as of December 2002<sup>1)</sup>

<b>Total number of people infected with HIV/AIDS</b>	<b>42 mill</b>
Adults <sup>2)</sup>	38.6 mill.
<i>Women</i>	19.2 mill.
Children under 15	3.2 mill.
<b>Number of people infected with HIV in 2002</b>	<b>5 mill.</b>
Adults	4.2 mill.
<i>Women</i>	2 mill.
Children under 15	800 000
<b>Deaths due to AIDS in 2002</b>	<b>3,1 mill.</b>
Adults	2.5 mill.
<i>Women</i>	1.2 mill.
Children under 15	610 000

Half of those infected are young people below the age of 25. At the same time, it has been found that focusing on prevention among young people has great potential. In places where they have managed to reduce the infection rate, the largest reduction has been among young people. At the same time, UNICEF has shown that 50 per cent of young people in many countries have never even heard of HIV/AIDS, or have misunderstood how HIV infection is communicated. One crucial element of a successful AIDS programme is therefore to ensure that young people receive information about how they can protect themselves against HIV, and try to promote safe behaviour patterns.

That is also why it is so important to ensure that children and adolescents have the right to education. Knowledge is perhaps the most important individual factor in protecting people from a disease like AIDS. The HIV epidemic is closely connected to sexual behaviour. That is why it is important to have insight into the gender equality issues that this entails. In many countries in southern Africa, more than half the infected people are

1) Source: AIDS Epidemic Update. December 2002. UNAIDS og WHO – 2002.

2) Age group 15–49.

women, and young girls are at many times higher risk of infection than boys of the same age. The rights of girls and women must be respected and, not least, they must be educated and empowered to stand up for their rights and thereby increase their possibilities for protecting themselves and their children from HIV.

As a result of the HIV/AIDS epidemic there is also a tuberculosis epidemic. Tuberculosis is the most common cause of death for HIV-positive people, but with the right treatment tuberculosis is often curable. Treatment of tuberculosis is the best means of preventing the spread of the disease.

One of the main reasons why good results have been achieved in efforts to combat tuberculosis is the Directly Observed Treatment Strategy (DOTS). The International Union Against Tuberculosis (IUATL), which is supported by Norway, developed this strategy in the 1980s. The WHO started using it, and today it is the method most frequently used for control and treatment of tuberculosis. The Norwegian Association of Heart and Lung Patients was a prime mover in the development of DOTS.

In 2002 a number of events, including the trials in South Africa and, not least, the international AIDS conference in Barcelona, helped to focus more attention on treatment in the effort to halt and reverse the epidemic.

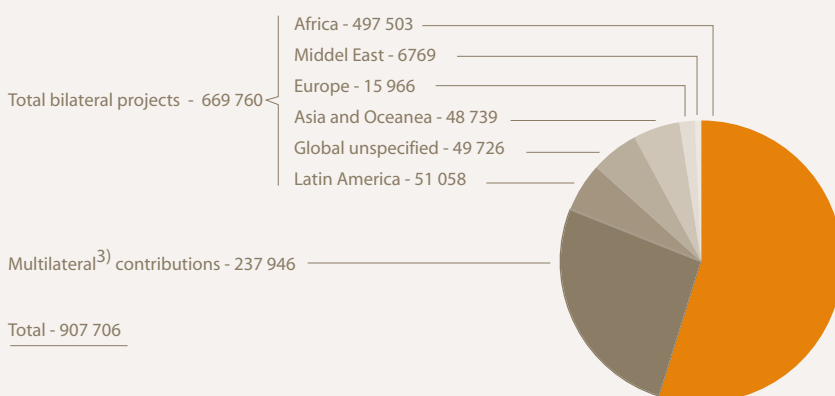
Helping to combat the HIV/AIDS epidemic is an important part of Norway's development policy, and Norway makes large contributions to the global fight against HIV and AIDS. Norway's total contribution to international HIV/AIDS efforts in 2002 amounted to almost NOK 907 million<sup>3</sup>.

**Although the spread of the HIV/AIDS epidemic is dramatic, there are also positive signs that prevention helps:**

- Ethiopia: The incidence of infection among young women between 15 and 24 years of age in Addis Ababa dropped from 24 per cent in 1995 to 15 per cent in 2001.
- South Africa: The incidence of infection among pregnant teenagers dropped from 21 per cent in 1998 to 15 per cent in 2001.
- In Uganda the incidence of infection dropped from 8.3 per cent in 1999 to 5 per cent in 2001.
- In Zambia there are signs of behavioural changes, particularly among younger women students: fewer partners and more use of condoms.

## Norway's contribution to combating HIV/AIDS in 2002

HIV/AIDS-related aid<sup>1)2)</sup> in 2002 (1000 NOK)



1) Comprising bilateral, multi-bilateral and multilateral aid.

2) Comprising activities, projects and agreements with HIV/AIDS as main objective, or subsidiary objective.

3) Comprising general contributions to UNAIDS and contributions to GFATM.

3) This is a growth from 376 million NOK in 2001, which is partly due to the fact that more funds have been allocated to the GFATM, and that more projects and programmes have been registered under HIV/AIDS.



## 2.1 Norway's multilateral efforts to help achieve Millennium Development Goal No. 6

### 2.1.1 The UN system

With the other Nordic countries, Norway was one of the advocates of establishing a UN Joint Programme on HIV/AIDS (UNAIDS). UNAIDS was established in 1996 to coordinate and strengthen the UN's efforts to combat the epidemic. Seven UN organizations and the World Bank are members of UNAIDS<sup>4</sup>. One of UNAIDS' most important goals, and a fundamental element of the battle against HIV/AIDS, is political involvement and awareness. In recent years, UNAIDS has been the driving force in this effort, and it has been successful. In the past few years, the attention focused on and the political willingness to take the HIV/AIDS problem seriously have increased significantly, both in many developing countries and in the rich part of the world. Nevertheless, much remains to be done in terms of both financing HIV/AIDS programmes and translating attention into action.

UNAIDS helps national authorities with strategic planning of HIV/AIDS efforts, and in the preparation of national HIV/AIDS programmes. UNAIDS has drawn up a long list of Best Practices and is a resource base for epidemiological information. UNAIDS reports that HIV/AIDS prevention campaigns and programmes have been successful and that, on the whole, they now know what works in terms of prevention. Although this is something that has to be continuously developed, UNAIDS believes that the challenge now lies in scaling up the measures that have already proved to be effective. In 2002, UNAIDS also played a central role in connection with the establishment of a Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM, see below).

An independent evaluation report on UNAIDS was presented in 2002. The report pointed out that coordination between the various UN organizations at country level has not functioned as well as it could have done, and that this has affected the UN's efforts to combat HIV/AIDS at country level. Among other things, the evaluation report maintains that, due to the lack of coordination, UNAIDS has not been good enough at providing services for national governments. This is UNAIDS' main task, and plans to strengthen UNAIDS at country level were adopted in December 2002. Norway has also made expert advisers available to UNAIDS for work at country level. With the GFATM, UNAIDS continued to be the most important channel for Norway's multilateral support for the fight against HIV/AIDS in 2002. NOK 100 million

was channelled through UNAIDS' core budget in 2002. In the past three years, Norway has been one of UNAIDS' three largest donors.

Through its participation in the governing bodies of UN organizations, Norway works actively to ensure that HIV/AIDS is integrated into their ongoing operations.

At UNICEF, Norway has advocated making HIV/AIDS one of the organization's five highest priorities. During a transitional phase before this was in place, Norway provided contributions amounting to around NOK 10 million that were specially earmarked to support children who have been orphaned by the HIV/AIDS epidemic. This is one of UNICEF's special areas of responsibility within the UN, in addition to helping to prevent HIV infection among young people, prevent the transfer of infection from mother to child and increase support for children, young people and parents living with HIV and AIDS.

Fighting malaria is also an important part of UNICEF's activities. Malaria is one of the main causes of child mortality in southern Africa. In all, at least 500 million people are infected and about one million die of malaria every year. Much can be avoided by simple means. A mosquito net costs only three dollars, and by ensuring that pregnant women receive malaria tablets twice during pregnancy, the health risk to both children and mothers is reduced.

In order to ensure that HIV/AIDS has priority in relevant plans and strategies, the UNDP engages in general policy dialogue with the authorities of developing countries. This is an important task, which Norway supports through its position on the UNDP Board. Capacity-building, information activities and awareness-raising campaigns are important instruments for the UNDP's work in this field.

The WHO plays a central role in connection with the health and medical aspects of HIV/AIDS. Norway provided NOK 45 million in additional funding to support this work in 2002. Norway also headed a group of experts who have drawn up a strategy for how developing countries should address the various challenges their health services are facing as regards HIV/AIDS prevention and treatment, and care for people who are affected by the disease.

The ILO has a special responsibility with respect to working life and HIV/AIDS. Norway supports this part of the ILO's

4) The members of UNAIDS are the UN Children's fund (UNICEF), the UN Development Programme (UNDP), the UN Educational Scientific and Cultural Organization (UNESCO), the International Labour Organization (ILO), the World Health Organization (WHO), the UN Population Fund (UNFPA), United Nations Office on Drugs and Crime (UNODC) and the World Bank.



activities, which aim to tackle stigmatization, discrimination, changed conditions for health and social welfare benefits, and the loss of skills and expertise due to HIV/AIDS.

Agriculture is the most important sector for the economies of many developing countries, and the consequences of HIV and AIDS are therefore especially dramatic for food production, and thereby living conditions and national economic development. The UN Food and Agriculture Organization (FAO) works with UNAIDS in this field and Norway supports the FAO's efforts to help affected countries to tackle, and to the greatest possible extent alleviate the impact of HIV/AIDS. Norway also supports research in this area within the framework of the Consultative Group on International Agricultural Research (CGIAR).

Like the FAO, the World Food Programme (WFP) is not a member of UNAIDS, but this organization can play an important role in helping to ensure that people affected by HIV/AIDS benefit from food aid programmes in countries where the WFP has a presence. Norway has actively supported the WFP in this role, which has also led to closer cooperation with the WHO in connection with the nutritional aspects of food aid for HIV/AIDS patients.

UNESCO's work is also highly relevant in an HIV/AIDS context. Education, including teacher training, is one of the most important channels for influencing attitudes and helping to spread knowledge about HIV/AIDS. By supporting UNESCO's International Institute for Educational Planning (IIEP), Norway aims to ensure that HIV/AIDS is integrated into all relevant areas of the educational sector.

In recent years, the World Bank has become an important player in the global fight against HIV/AIDS. Today, the World Bank is the most important source of financing for HIV/AIDS activities in developing countries. In 2002, the World Bank allocated USD 300 million to support these programmes.

One important reason for using the World Bank as an instrument in the fight against HIV/AIDS has been the bank's access to direct dialogue with heads of state and finance ministers in the affected countries. This has been an important means of raising awareness and improving the knowledge of decision-makers concerning the challenges their countries are facing.

Norway has made active efforts to ensure that the HIV/AIDS challenge is included on the World Bank's agenda. Since 1995, the Norwegian Ministry of Foreign Affairs has provided NOK 18 million in earmarked contributions so that, through studies, analyses and educational measures at country level, the World Bank is able to show that the epidemic is not only a health problem but a development problem that can set development back many years in the countries that are hardest hit. This has resulted in a special strategy for how African countries can fight the epidemic, entitled Intensifying Action against HIV/AIDS in Africa: Responding to a Development Crisis.

In 2000 the World Bank initiated a Multi-Country HIV/AIDS Programme (MAP) for countries in sub-Saharan Africa. The programme provides for up to USD 1 billion in flexible, rapid financing. These funds are spent on HIV/AIDS measures developed by the countries themselves and are provided in the form of standard IDA credits. MAP supports national prevention and treatment programmes. This programme is part of the World Bank's efforts under the UNAIDS umbrella.

## 2.1.2 The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

The GFATM was established in order to reduce the gap between needs and funding in the fight against poverty diseases such as AIDS, tuberculosis and malaria. The fund became operational in 2002. Norway was actively involved in the process prior to the establishment of the fund. Since then, Norway has been represented on the fund's board through cooperation in the "0.7 Group"<sup>5</sup>. One of the main goals of Norway and the 0.7 Group in 2002 was to ensure that allocations from the fund are reserved for the poorest countries. These allocation criteria have not yet been finally formulated, but at the board meeting in January 2003 it was agreed that certain limitations would be placed on which countries could receive support from the fund.

Another major challenge, in Norway's view, is to ensure that the fund coordinates its activities with other players at country level. This situation appears to have improved gradually. Norway helped to ensure that this matter was high on the agenda when the fund was established, and has also participated in a working group on the management and function of the fund at country level.

The fund has had two allocation rounds and has decided to distribute a total of USD 1.5 billion for 160 programmes in 94 countries. Norway allocated NOK 130 million to the fund in 2002.

In Mozambique and Malawi, Norway has been an active partner in efforts to coordinate the two countries' applications to

the GFATM. All Norway's main partner countries have received allocations from the fund.

Norway was co-chairman of a working group on the fund's pharmaceutical policy and made a strong contribution towards reaching important agreement on the board that the fund's resources can be allocated for purchases of generic drugs. This is an important prerequisite for poor countries' access to AIDS medicines.<sup>6</sup>

## 2.1.3 Vaccination and microbicides

In 2002, Norway contributed NOK 10 million to the International AIDS Vaccine Initiative (IAVI) and NOK 5 million to the International Partnership for Microbicides (IPM). The IAVI is an international foundation, the main purpose of which is to increase the pace of research on a preventive AIDS vaccine and ensure the availability of a future vaccine in developing countries. Vaccine research requires comprehensive clinical studies and is a long, resource-intensive process. This vaccine research has not yet reached the stage where it is possible to say anything certain about the possibility of developing a vaccine that provides effective protection against HIV infection, or when such a vaccine might become available. However, all the research and vaccine experiments will increase the possibility of finding an answer to the question of whether an effective vaccine can be developed.

In 2002, the IAVI completed the initial tests of its first candidate vaccine and is now ready for large-scale clinical testing on human beings. This process is taking place in cooperation between the University of Nairobi and Oxford University. In 2002 the IAVI greatly expanded its activities in Africa and in 2003 it will establish its own regional office in Nairobi.

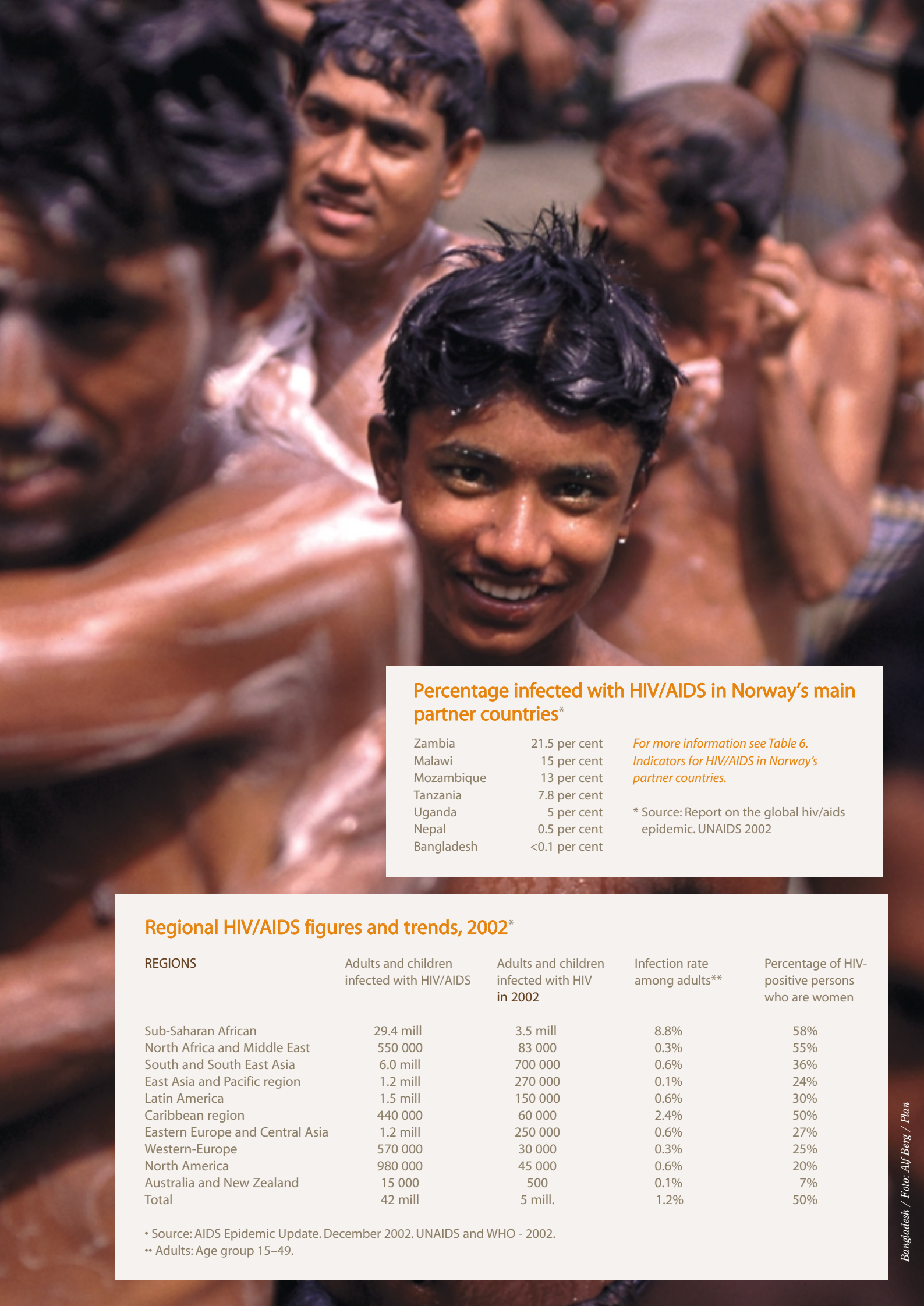
The IPM is a recent initiative that was established in 2002 to give women a genuine possibility to protect themselves from HIV infection. At present, condoms for men are the safest means of protection against HIV/AIDS. However, many women are not in a position to demand that their male partners use condoms. The IPM aims to stimulate and finance awareness-raising campaigns and the development, production and distribution of microbicides. Microbicides may come in the form of a gel, cream, sponge, etc. that is intended to prevent infection from sexually transmitted diseases. So far, no microbicides are available on the market and a great deal of research and testing remains to be done. There is broad agreement that such products could be extremely important in preventing infection of girls, women and embryos.



Malawi / Photo: Lena Hellkvist / Norwegian Red Cross

- 5) Which comprises Norway, Sweden, the Netherlands, Denmark and Luxembourg. The title arises from the fact that these countries allocate 0.7 per cent or more of their GNP in development assistance..
- 6) The lack of consensus on this in the World Trade Organization is currently blocking poor countries' possibilities for using this opportunity to acquire cheaper AIDS medicines.





### Percentage infected with HIV/AIDS in Norway's main partner countries\*

Zambia	21.5 per cent
Malawi	15 per cent
Mozambique	13 per cent
Tanzania	7.8 per cent
Uganda	5 per cent
Nepal	0.5 per cent
Bangladesh	<0.1 per cent

For more information see Table 6. Indicators for HIV/AIDS in Norway's partner countries.

\* Source: Report on the global hiv/aids epidemic. UNAIDS 2002

### Regional HIV/AIDS figures and trends, 2002\*

REGIONS	Adults and children infected with HIV/AIDS	Adults and children infected with HIV in 2002	Infection rate among adults**	Percentage of HIV-positive persons who are women
Sub-Saharan African	29.4 mill	3.5 mill	8.8%	58%
North Africa and Middle East	550 000	83 000	0.3%	55%
South and South East Asia	6.0 mill	700 000	0.6%	36%
East Asia and Pacific region	1.2 mill	270 000	0.1%	24%
Latin America	1.5 mill	150 000	0.6%	30%
Caribbean region	440 000	60 000	2.4%	50%
Eastern Europe and Central Asia	1.2 mill	250 000	0.6%	27%
Western-Europe	570 000	30 000	0.3%	25%
North America	980 000	45 000	0.6%	20%
Australia and New Zealand	15 000	500	0.1%	7%
Total	42 mill	5 mill.	1.2%	50%

\* Source: AIDS Epidemic Update, December 2002. UNAIDS and WHO - 2002.

\*\* Adults: Age group 15-49.

## 2.2 Norway's bilateral efforts to help achieve Millennium Development Goal No. 6

The HIV/AIDS epidemic has for far too long been regarded as primarily a health problem, as opposed to a development problem that affects all sectors of society. In bilateral development cooperation, active efforts are therefore being made to incorporate the HIV/AIDS perspective into all Norway's priority areas in individual countries. This applies to areas such as education, agriculture, private sector development, infrastructure and human rights. The parallel tuberculosis epidemic is also making new demands.

Tuberculosis is the disease that affects the most HIV-positive people. It is regarded as being the most frequent cause of death among HIV patients, and in countries with a high incidence of HIV/AIDS there is also a strong rise in the incidence of tuberculosis. In order to halt the spread of TB infection, it is therefore important to ensure that HIV-positive patients are treated for tuberculosis. Through the Norwegian Association of Heart and Lung Patients, Norway supports tuberculosis programmes in several countries.

In 2002, assistance for the health sector accounted for 12–13 per cent of all bilateral assistance. In addition to this, part of the allocation for general budget support is channelled to the health sector. A substantial proportion of assistance for the health sector is channelled through Norwegian non-governmental organizations.

**The Norwegian Association of Heart and Lung Patients** is supporting a national tuberculosis project in Nepal which, in 2002, resulted in:

- 32,000 tuberculosis cases diagnosed
- 16,000 of them with communicable tuberculosis
- all 32,000 treated for tuberculosis
- According to the WHO, the 16,000 persons with communicable tuberculosis would have infected between 150,000 and 225,000 people. (Each patient with communicable tuberculosis infects 10-15 others).
- Conclusion: 150-225,000 fewer people need tuberculosis treatment.
- 8,000 people would have died without treatment.

Africa is the continent that is by far the worst affected by the HIV/AIDS epidemic. It is also the region where Norway is most involved in development cooperation. We have chosen to focus on Norway's main partner countries in Africa.

Malawi, Mozambique, Uganda, Tanzania and Zambia are main partner countries for Norway. All these countries are seriously affected by the HIV/AIDS epidemic, which has ripple-effects throughout society. Schools cannot find enough teachers, hospitals lack health personnel and equipment, qualified employees are lost and food production is declining. An increasing number of families are affected, with serious consequences for the children. The political leadership of most of these countries now recognizes the magnitude of the problem and the need for offensive measures. Nevertheless, in many circles there is still a considerable degree of denial and silence about the epidemic. On the basis of the experience we have gradually gained about the importance of transparency and active leadership, Norway brings up the issue of AIDS in bilateral dialogues at all levels. Uganda, which was one of the first countries whose political leadership became actively involved, is so far the only country in southern Africa believed to have managed to halt and reverse HIV infection on a national basis.

However, the fight against AIDS no longer primarily concerns awareness-raising; it increasingly concerns effective implementation. All Norway's partner countries have drawn up a strategic framework for AIDS efforts. They include specific AIDS strategies, the integration of AIDS measures, and consequence analyses of the epidemic in national poverty reduction programmes. In bilateral cooperation, Norway focuses on helping to ensure that national coordinating mechanisms are functional. Norway supports national AIDS councils and the development of national plans, and ensures that projects financed by Norway are coordinated with them.

This involves many players and substantial funds. One of the greatest challenges is to achieve constructive cooperation in individual countries, with the authorities in the driving seat. In addition to contributions from the authorities and bilateral and multilateral organizations, broad-based efforts are mobilized through non-governmental organizations, networks of HIV-positive people, academic communities, religious leaders and the private sector. Norway is active in efforts to improve donor cooperation and strengthen the authorities' leadership of all these activities.







## 2.2.1 Uganda

Norway supports many projects and programmes in Uganda in which the prevention of HIV/AIDS is one of the primary objectives. Despite a significant reduction in the rate of infection, HIV/AIDS still poses a formidable challenge to poverty reduction in Uganda. Many HIV-infected people can live for ten or more years without treatment. That is why it will also take time before we see the effects of a rising or falling infection rate on the mortality figures. The infection rate in Uganda was formerly at the same level as in some of the most affected countries in Africa. That is why it is also important to maintain focus on the consequences of the previously high infection rate, which include high disease and mortality figures, lower productivity in the agricultural and business sectors, and the dissolution of social structures. One consequence is the growing number of orphans. These children have no adults to look after them and seldom have the opportunity to attend school. Norway is therefore supporting several projects that target orphans, through civil society and UNICEF.

Through the Uganda Women's Effort to Save Orphans (UWESO), Norway supports poor families who are caring for orphans. These families receive assistance to engage in sustainable farming. Norway has renewed its agreement with UWESO and will provide NOK 4.8 million in the period 2003-2006. In 2002 Norway also contributed NOK 10 million to a programme under UNICEF's country programme to support children who have been orphaned by HIV/AIDS.

## 2.2.2 Tanzania

The Tanzanian government was late in addressing the HIV/AIDS epidemic. In order to accelerate national efforts to combat HIV/AIDS, Norway has joined forces with other donors to establish a special fund under the auspices of the Tanzania Commission for AIDS (TACAIDS), to which local NGOs can apply for funding for a variety of projects. More than 700 NGOs are working on HIV/AIDS in Tanzania, and when the first allocation from the fund was announced in December 2002 more than 600 organizations applied for support. In 2002, Norway allocated NOK 2 million to the fund.

Norway is currently channelling assistance through the National Aids Control Project (NACP) and through non-governmental organizations, among other things for a special HIV/AIDS project at the Haydom Hospital. In summer 2002, Norway entered into a four-year cooperation project with the hospital to prevent HIV infection in Mbulu District. The project primarily focuses on raising awareness through information and training, and offers advice and HIV testing for the local population. Norway will provide NOK 13 million in support for this project over four years.

## 2.2.3 Malawi

In Malawi, Norway has been one of the leading advocates of donor cooperation in the health sector. The Norwegian embassy in Malawi administers Swedish development assistance for Malawi, which includes funding for the health sector. The public health service in Malawi is suffering from a lack of qualified personnel at all levels, and a major, coordinated effort is required to achieve the health goals. In order to drive the process forward, Norway has provided assistance for health services at district level through Essential Health Packages. This initiative is regarded as a trial project for joint financing and donor cooperation at district level.

In Malawi, Norway has been supporting the National Tuberculosis Programme (NTP) since 1987. In 2002 Norway allocated approximately NOK 8 million for this programme. It represents close donor cooperation, since several donors have joined forces and each support their own sections of a joint budget and implementation plan. Despite a strong rise in the number of TB patients in recent years due to HIV/AIDS, the programme has been successful (See box).

### Malawi's National Tuberculosis Programme

- The mortality rate has been significantly reduced. 70 per cent of TB patients recover. This is the best recovery rate in the region.
- In contrast with most other countries in the region, Malawi has avoided problems relating to multi-resistance in the treatment of TB patients.
- Malawi's NTP has played a crucial role in the development of DOTS (Directly Observed Treatment) for TB patients, a method that is now used internationally.
- The research results from the NTP arouse international attention and are published in leading journals.
- The NTP has drawn up a 5-year plan which takes strategic account of the fact that a sector programme for health will be established in Malawi.

In autumn 2002 Norway played an active role in encouraging a coordinated effort on the part of the Malawian authorities and donor countries to strengthen the role of schools in combating the epidemic. The integration of HIV/AIDS education in schools is important in order to inform children and young people about prevention. This process resulted in the establishment of a Life Skills Education Coordination Committee, which meets each month to coordinate all activities in this field.

## 2.2.4 Mozambique

Mozambique's health services reach less than 50 per cent of the population and it is important to strengthen this sector in order to ensure that the public at large have access to treatment. With UNICEF, Norway was the leading donor to the health sector in Mozambique in 2002. Norway was also one of the biggest donors to a joint medicine fund. Norway is therefore in a good position to make a positive contribution to the fight against HIV/AIDS in Mozambique.

Norway provides assistance for the purchase of medicines and medical consumer goods, many of which are used in the treatment of AIDS patients. Assistance is largely channelled through the public health service to health clinics all over the country. In the past five years, Norway has provided funding for the National Communicable Diseases Programme which covers both tuberculosis and HIV/AIDS.

Norway is also contributing NOK 30 million to a sexual and reproductive health programme over three years for teenagers. This programme was initiated in the mid-1990s, but Norway did not support it until 2001. In the same year, the programme was expanded to include HIV/AIDS. The programme is a cooperative project between the Ministry of Education, the Ministry of Youth and Sport and the Ministry of Health. Measures particularly target rural areas and are primarily intended to disseminate information in order to raise awareness among both young people and their parents' generation. Through posters, the media, festivals, etc., information targeting young people is spread both within and outside the educational system. Training projects for health personnel, teachers and other resource persons are also included in the programme.





## 2.2.5 Zambia

Zambia was one of the first countries to be affected by the HIV/AIDS epidemic and is now one of the hardest hit in global terms. However, there are signs that the situation is improving. Some studies indicate that the epidemic is now flattening out, while others show that it is actually declining among the youngest age-group. In some urban areas, the number of HIV-infected pregnant girls between the ages of 15 and 19 has been halved. These positive trends can largely be ascribed to the work done by non-governmental organizations in cooperation with the government. More treatment of venereal diseases, the use of condoms and changes in sexual habits have probably probably brought results.

The HIV/AIDS epidemic and poverty are the main reasons why 30 per cent of Zambia's children do not attend school. Zambia loses approximately 1,600 primary school teachers

each year due to AIDS. At present, education is the only vaccine against HIV/AIDS. Providing advice and education, especially for children who are not yet sexually active, is an important strategy to prevent infection. The Zambian Ministry of Education has demonstrated that it takes its responsibilities very seriously in this area and has incorporated HIV/AIDS prevention into the curriculum throughout the educational sector. Norway is an important donor to the educational sector in Zambia and until 2003 it supported Zambia's national Basic Education Sub-sector Investment Programme (BESSIP). From 2003, Zambia has expanded this programme to cover all levels of education.

Norway also provides NOK 2 million a year to support the National Voluntary Testing and Counselling Programme for HIV/AIDS. More than 50 centres have been established around the country and more than 200,000 people have applied to the centres for advice and testing.

### The Project Support Group (PSG)

The Project Support Group (PSG) is an alliance of voluntary groups working on AIDS-related issues in southern Africa. Norway has been cooperating with the PSG since 1999. In 2002 a new five-year agreement was signed, with a total budget of NOK 134 million. Through volunteers, the PSG works on AIDS prevention and provides support for AIDS victims. The PSG operates in South Africa, Namibia, Botswana, Malawi, Mozambique, Swaziland, Lesotho, Zambia and Zimbabwe.

The voluntary "preventers" travel around the country equipped with plays, songs and condoms. In 2002, the network arranged more than 430,000 meetings and distributed more than 32 million condoms, almost 20 million in Zimbabwe and the rest in Zambia and South Africa.

The best indicator for measuring condom use is the frequency of venereal diseases which, like HIV, are transmitted through unprotected sex. Surveys show a significant decline in the number of patients with venereal diseases in the project areas. In Kriel in South Africa, for example, the incidence of venereal diseases among men has dropped from 42 to 26 per cent. Although there may be many reasons for this, it is not unreasonable to assume that a significant part of the decline is due to the increased use of condoms. The figures are confirmed by surveys that show a rise in the use of condoms by the same group, from 44 to 92 per cent. Similar surveys have been carried out in Bulawayo and Kariba in Zimbabwe. They show that the use of condoms by prostitutes has risen from 22 to 77 per cent and from 59 to 85 per cent, respectively, before and after the project.







Bangladesh / Photo: Alf Berg / Plan

# 3 Focus on Norway's partner countries

Norway has seven main partner countries. They are Malawi, Mozambique, Tanzania, Uganda and Zambia in Africa, and Bangladesh and Nepal in Asia. All these countries are among the poorest in the world and have few prospects of achieving the Millennium Development Goals without substantial international assistance. Norway also contributes to peace, development and poverty reduction in many other developing countries. Here we have chosen to focus on Norway's efforts in Afghanistan and Sri Lanka.

## 3.1 Main partner countries

### 3.1.1 Bangladesh

Out of a population of almost 130 million, approximately 35 per cent are living in extreme poverty. Poverty reduction is hampered by weak public administration, the law and order situation is bad, and poor people in particular have no effective protection under the law. There is widespread corruption in politics and the civil service, and economic growth in 2002 was lower than in 2001. Export industries have been affected by declining demand on world markets, but inflation is at a relatively stable, low level and some progress has been made on economic reforms. Foreign development assistance as a percentage of GNP is declining and is currently around 2.5 per cent

In the past twenty years, Bangladesh has nevertheless made great progress in its efforts to combat poverty. If growth con-

tinues at the same level as in the 1990s, Bangladesh will largely be able to achieve the Millennium Development Goals.

On the basis of an evaluation of Norway's development cooperation with Bangladesh that was carried out in 2001, revised guidelines for cooperation were drawn up in 2002. In the new Memorandum of Understanding (MoU), priority is given to education, with the emphasis on basic education, and private sector development. Measures that can help to improve governance and respect for human rights constitute an overall framework for cooperation, and assistance will be provided for a number of practical measures in this area.

In the field of education, the focus is on training primary school teachers, increasing the proportion of girls in secondary

### Bangladesh and the Millennium Development Goals

Bangladesh is facing a serious challenge in its efforts to achieve the Millennium Development Goals. More than 65 million people are living below the upper poverty line, malnutrition is widespread, and large parts of the population have no access to basic social services. Nevertheless, the country has made significant progress in reducing poverty in the last twenty years. If growth continues at the same level as in the 1990s, Bangladesh will be able to achieve some of the Millennium Development Goals by 2015. The goal of reducing extreme poverty will be achieved (16 million people will be living on less than one US dollar a day), but 40 million people will still be living below the upper poverty line (which is two US dollars a day). This indicates

that Bangladesh should aim to over-achieve in relation to the Millennium Goals, and that this is not impossible if there is a political will to implement the necessary reforms at the national level (although questions are raised about quality). The goal of equal access to education for girls and boys has already been achieved (although women are far worse off than men in almost all other areas). The goal of reducing infant mortality could be achieved. It is unlikely that the goal relating to reproductive health and environmental sustainability will be achieved.

*Source: Bangladesh - supporting the drivers of pro-poor change. DFID, June 2002.*

\* 2 USD a day



schools and improving access to informal education. Norway participated actively with other donors and the authorities in planning a sector program for basic education. The main challenges are institutional development and improved financial management.

In the field of human rights and democratic development, efforts are primarily focused on measures to promote women's rights. Through local organizations, assistance is provided for a large number of women's groups, as well as organizations and networks working on women's rights and other human rights issues at local, national and international levels.

Cooperation on private sector development aims to promote employment and primarily targets small entrepreneurs, for whom a special credit fund has been established. Assistance is also provided for technical training. The energy sector is another priority area, and Norway provides assistance for rural electrification programmes.

### Assistance for basic education in Bangladesh

Norway's assistance for basic education in Bangladesh in the period 1997-2003 has contributed towards the following:

- Approximately 1 million poor girls in secondary schools have received grants, which have led to the proportion of girls in secondary education increasing from 41 to 50 per cent
- 13,000 teachers in primary schools have been given in-service training
- 650,000 pupils in primary schools have been given free school materials
- the primary school curriculum has been revised and new textbooks are in use

### Assistance for basic education in Nepal

With Norway's support, the basic education programme in Nepal has contributed towards the following:

- the number of pupils starting primary school has increased from 69 to 80 per cent
- the number of girls starting primary school has increased from 61 to 75 per cent
- 6.9 per cent fewer children drop out in first grade
- 12.6 per cent more children completed 5 years of primary education
- the number of trained teachers has increased by over 13,000
- 450,000 children in 22 districts have a school meal every day

## 3.1.2 Nepal

Out of a population of 23 million in Nepal, 9 million are living in extreme poverty. Moreover, throughout 2002 Nepal was affected by the armed conflict between the Maoist rebel movement and the government, which entailed the mobilization of security forces. A cease-fire agreement was signed in January 2003. The conflict hampered local development activities in 2002 and reduced economic growth and access to funding for development projects. The human rights situation deteriorated due to abuses committed by both the military forces and the Maoists.

In 2002 the conflict led to growing problems for long-term development activities. Many local organizations were forced to withdraw from projects in outlying conflict zones. Public services were weakened because employees (teachers, health workers) withdrew to the towns. Trade in food and transportation of medicines, mail and other goods were seriously curtailed and the violent conflict had major consequences for the tourist trade. Tourism and foreign trade also declined due to the international and regional situation.

The conflict underlined the weaknesses in the country's governance and development policy. The authorities intensified their reform and anti-corruption efforts, increased decentralization and implemented reforms in the financial and public sectors. This was done even though the country was in the midst of a constitutional crisis and the publicly-elected bodies were out of action. At the beginning of 2002, Nepal was ruled by a government directly appointed by the King.

Despite the conflict, Nepal's next five-year plan was adopted in December 2002 after comprehensive consultation rounds. Its main goal is poverty reduction, and it sets out four main strategies for achieving this goal: broad, sustainable economic growth, development of the social sector and local infrastructure, measures to reduce discrimination, and improved governance.

Norway's assistance for Nepal is in line with the priorities of the new development plan. It focuses on basic education, energy, good governance, human rights and measures to promote peace. In 2002, Norwegian assistance was reorganized in order to target the underlying causes of the conflict more directly, and assistance was provided for programmes under the auspices of the World Food Programme and UNICEF.



Nepal / Photo: Steinn Meek



### 3.1.3 Malawi

Approximately 65 per cent of Malawi's population is living below the poverty line. Fifteen per cent of the population has HIV/AIDS and life expectancy is around 39 years. Only half the adult population can read and write, but in the past ten years the literacy rate has moved in the right direction. Economic growth dropped 4.1 per cent in 2001 and the estimate for 2002 has also been weak. This provides a poor foundation for achieving the Millennium Development Goals and Malawi's own poverty reduction targets.

At the end of 2001 and the beginning of 2002, Malawi suffered a food crisis and famine was widespread in some parts of the country. However, thanks to enormous efforts on the part of national and international agencies, and not least Norwegian transport assistance, the situation appears to be under control. Without far-reaching changes in agricultural production, food shortage will continue to be an annual phenomenon in Malawi. The country's productivity has been reduced due to widespread disease and HIV-related deaths.

It became possible to consider making Malawi one of Norway's partner countries after the introduction of multi-party rule in 1994. Malawi adopted its Poverty Reduction Strategy Paper (MPRSP) in April 2002. The goals laid down in the MPRSP provide the basis for further Norwegian assistance. Development cooperation is also based on a desire to help consolidate democracy. Norway and Sweden cooperate closely in Malawi. In 2003, Norwegian and Swedish-financed activities within the four agreed areas of good governance, health, HIV/AIDS and financial management will amount to NOK 124 million.

Malawi has set quantified targets for reducing the number of poor people, increasing literacy rates, increasing the number of girls attending primary school, reducing infant and maternal mortality and increasing the number of households with access to clean drinking water. The country's main challenge is to reduce extreme poverty. It is also very important to support democratic development and respect for human rights and to achieve economic growth, not least by ensuring macro-economic stability and encouraging income-generating work. In addition to education and health, food security and the HIV/AIDS epidemic pose significant challenges.

#### Good governance and human rights

Due to the exacerbated political situation in Malawi, stronger efforts are required in the fields of good governance and human rights. Norway is one of the central players as regards democratic development. Improved governance at the central and local levels is essential, both in this context and in order to succeed in efforts to achieve the targets set out in the MPRSP and the Millennium Development Goals. Some of Norway's assistance for decentralization is allocated to the Department of Local Government and a decentralization secretariat. Norway participates actively in donor cooperation on good governance and supports anti-corruption activities. Norway will help to ensure that the 2004 election is carried out in a democratic manner.

### 3.1.4 Mozambique

Since the end of the civil war in 1992, Mozambique has enjoyed political stability and the one-party state has been replaced by a multi-party system and the development of democratic institutions. The country has experienced strong economic growth (around 10 per cent per year), but growth has been very unevenly distributed geographically. Approximately 70 per cent of the population are living below the poverty line and a large proportion of the country's revenues come from development funds. Mozambique is ranked 170th out of 175 on the 2003 edition of the UNDP Human Development Index.

The fight against poverty is the focal point of the government's economic policy. Its poverty reduction strategy gives priority to broad-based growth and requires at least two thirds of the state budget to be devoted to six priority areas: good governance, health, education, agriculture, water supplies and infrastructure.

Mozambique shows that it is willing to carry out economic and administrative reforms, combat the widespread poverty, strengthen democracy and engage in open dialogue with donors. This is the basis for Norway's cooperation with the country. Cooperation now focuses more on programme assistance, and the number of projects in each main sector has been reduced.

#### Corruption

Norway supports Mozambique's participation in UN negotiations on the Anti-Corruption Convention. Norway and Sweden are also pursuing a dialogue with the office of the Attorney General on possible Norwegian-Swedish support for the newly-established Anti-Corruption Unit. The anti-corruption organization ETICA receives assistance from Norway.

As part of the effort to promote better administration with less scope for corruption, Norway is supporting the implementation of the new public finance management reform.

### 3.1.5 Tanzania

In recent years, annual economic growth has been between 5 and 6 per cent, but this is too little to significantly reduce poverty. To achieve genuine poverty reduction, the growth rate must be at least 7 per cent. 48 per cent of the population are living below the poverty line and Tanzania is ranked as low as 160th (out of 175) on the Human Development Index.

Tanzania's Poverty Reduction Strategy (PRS) was adopted in 2000 and is the basic document for poverty reduction. Tanzania is a pioneering country in terms of cooperation with different donors and the emphasis is on dialogue and harmonization of procedures and forms of cooperation.

In 2002 Norway and Tanzania signed a new five-year Memorandum of Understanding on development cooperation. Tanzania's own Poverty Reduction Strategy and its own priorities provide the basis for Norway's contribution. It has been agreed that we will seek to ensure that a growing proportion of Norwegian assistance is provided in the form of budget support and within large sector programmes. In this way, development assistance will be more long-term and predictable.

#### Macro-support for the implementation of Tanzania's Poverty Reduction Strategy

Norway provides NOK 100 million a year in general budget support. Eleven bilateral donors now support the Poverty Reduction Strategy through this budget support arrangement. The authorities and the donors have drawn up a reporting system to measure progress in areas such as public financial management, the fight against corruption and improved operating parameters for the private sector. The donors who take part in cooperation on budget support are engaged in active dialogue with the authorities to ensure that the state budget follows up the priorities of the Poverty Reduction Strategy.

#### Economic growth and private sector development in Uganda

In 2002, Norway carried out a country review of economic development in Uganda. On this basis, a plan of action has been drawn up based on five priority areas:

- Good governance. Activities support trade and industry legislation and the development of important registers of persons, property and enterprises.
- Energy. The main emphasis is on institutional cooperation and a major infrastructure project to develop the electricity grid in rural areas.

### 3.1.6 Uganda

Uganda is still one of the world's very poorest countries, although the proportion of the population living below the poverty line declined from 44 per cent in 1997 to 35 per cent in 2000. The authorities' goal is to reduce this proportion to below 10 per cent by 2017. The Ugandan authorities estimate that economic growth of at least 7 per cent will be necessary if this goal is to be achieved. The high rate of population growth (estimated to be 3.4 per cent per year in the period 1991-2000) intensifies the problem of reducing poverty.

Poverty in Uganda is concentrated in the rural areas. Women are particularly vulnerable. Internal unrest and uncertainty in the north and north-east exacerbated the poverty problem. Uganda is ranked 147th on the Human Development Index. Despite a significant reduction in the infection rate, HIV/AIDS continues to pose a formidable challenge for poverty reduction in Uganda.

Uganda was a pioneering country in preparing its Poverty Eradication Action Plan (PEAP). This plan is intended to provide a framework for economic growth and structural change, ensure good governance and security, improve the ability of poor people to increase their income and improve the quality of life for poor people.

Good governance, democratic development and human rights constitute one of three main areas for development cooperation between Norway and Uganda in the period 2001-2005, and Norway will focus particular attention on this area in the years ahead. A reform plan for the judicial sector has also been initiated, in the hope achieving improvement this sector, which has so far been weak and ineffective.

In addition to good governance, democracy and human rights, economic growth, private sector development and social development are the focal points of development cooperation with Norway. As Uganda is a pilot country for Norway's Strategy for Private Sector Development in Developing Countries, there has been a great deal of focus on economic growth and private sector development in Uganda.

- Development of small and medium-sized enterprises and entrepreneurship. Mainly concerns the development of current agreements and cooperation with multilateral donors.
- Trade and exports. Contribute to the establishment of a laboratory and production line at Makerere University and support for the Agribusiness Development Centre.
- Services for private companies. This programme aims to increase the involvement of Norwegian enterprises in Uganda and facilitate Ugandan access to Norwegian and European markets.





### 3.1.7 Zambia

After the election at the end of 2001, the new president, Levy Mwanawasa, formed his “New Deal” government and declared that the fight against poverty and corruption and ‘government by law, not by men’ would be the new government’s profile. Zambia is in 163rd place on the Human Development Index and 73 per cent of the population are living below the extreme poverty line. Economic growth in 2002 (3.1 per cent) was lower than in the previous year (5 per cent). However, the most disappointing development was a sharp rise in inflation (26 per cent, compared with 18.7 per cent the previous year). This negative result is largely ascribable to the decline in agricultural production, not least due to drought, and the consequent need to import food.

A decline in food production in 2002 led to a food shortage. At the same time, it became clearer that the HIV/AIDS epidemic has also had a negative impact on people’s ability to produce food.

One important event in 2002 was the approval of the final Poverty Reduction Strategy Paper (PRSP), which states that export-led economic growth is a necessary prerequisite for poverty reduction. At the same time, more resources will be allocated for health, education and the fight against HIV/AIDS.

The drawing up of a PRSP with economic growth as the most important instrument led to focus on the private sector as the locomotive for economic development.

Greater focus on anti-corruption efforts became an important part of the government’s policy, both to improve the management of public resources and to improve operating parameters for the private sector.

#### Agriculture and food security

Effective, sustainable agriculture plays a pivotal role in the fight against poverty. Zambia and Norway have concluded that agriculture should have priority in bilateral development cooperation.

The unstable food security situation is undermining efforts to reduce poverty and achieve development. Norway’s assistance for agriculture focuses on food security programmes and the private sector as a means of creating jobs and generating export revenues.

In order to achieve synergy gains, work is in progress on channelling more Norwegian assistance for the agricultural sector through the aid programmes of other donors.

#### Assistance for Norway’s seven main partner countries in 2000–2002

(1000 NOK)

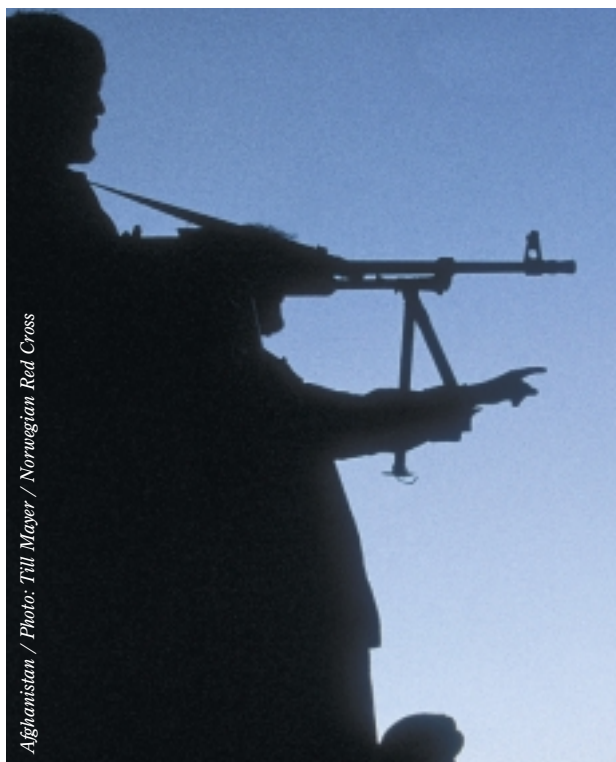
	2000	2001	2002
Malawi	59 827	86 699	124 225
Mozambique	336 089	293 223	308 865
Tanzania	309 419	314 161	372 710
Uganda	184 716	177 419	260 483
Zambia	218 083	187 113	231 970
Bangladesh	161 649	185 067	132 634
Nepal	78 399	103 320	104 660

## 3.2 Other important partner countries in 2002

### 3.2.1 Afghanistan

After the fall of the Taliban regime in autumn 2001, Afghanistan entered a transitional phase where an interim government under the leadership of Hamid Karzai took over control of the country. After the Loya Jirga in June 2002, the interim government was replaced by a transitional government, which is to lead the country until after the national elections, planned for spring 2004.

In 2002, the establishment of security, consolidation of the peace process and reconstruction of basic infrastructure and administrative systems have been the focus of attention. At the same time, international military forces have helped to stabilize the situation in Kabul and neighbouring areas. The central authorities' power base is fragile and geographically limited, and one of the main future challenges will be to gain more control over the rebel elements in the provinces. One of the main goals of the central authorities will therefore be to demonstrate their ability to provide basic social and economic services for the people and in this way ensure greater support and promote political stability.



Afghanistan / Photo: Till Mayer / Norwegian Red Cross

Afghanistan still has acute humanitarian problems, not least due to the long drought and the repatriation of refugees and internally displaced persons. It is estimated that at least a quarter of the population still need humanitarian assistance.

The UN Assistance Mission in Afghanistan (UNAMA) has provided crucial support for the authorities. Donors have also played an active role, among other things by participating in the Afghanistan Support Group (ASG), which Norway chaired in 2002. Non-governmental organizations and many UN agencies were also very active supporters in 2002. In the course of the year, the Afghan transitional government increasingly took over control of the reconstruction process. A broad-based National Development Framework (NDF) has been presented, which specifies the priority areas for next year and principles for future coordination of international support.

Norway's total assistance for Afghanistan in 2002 amounted to NOK 486 million, of which a little over 60 per cent was allocated for humanitarian assistance. A large part of Norway's contribution comprised just over NOK 100 million in budget support for the transitional government, channelled through multilateral funds administered by the UNDP and the World Bank respectively.

The most important priority area in Norway's development cooperation is to support local communities, with emphasis on agriculture, health, water, education and infrastructure. In the field of education, special mention should be made of Norway's contribution to UNICEF's comprehensive Back to School Programme, which has helped to ensure that more than three million boys and girls, twice as many as expected, were able to start school.

### The Bonn process

In 2002, Norway was an active player in the follow-up to the Bonn Process, which at the end of 2001 laid the foundations for the new power structure in Afghanistan. Norway's contribution in 2002 was expressed through its chairmanship of the Afghanistan Support Group, its financial support for the Loya Jirga, where the transitional government was appointed, and substantial budget support for the interim and transitional governments. In 2003, Norway plans to support the Constitutional Commission, reform in the judicial sector and preparations for the national elections in 2004.





### 3.2.2 Sri Lanka

Sri Lanka is facing major challenges. Firstly, the country's economic situation must be improved and, secondly, the government must succeed in its work on the peace process. 2002 was the first year in living memory where there were no military exchanges between the parties to the ethnic conflict, i.e. the government forces and the Liberation Tigers of Tamil Eelam (LTTE). There is broad popular support for the government's line of negotiation in efforts to find a final solution to the conflict.

So far, the modest economic growth that was achieved last year has not been enough to make any noticeable improvement in living conditions for most people. Sri Lanka is ranked 99th on the Human Development Index. Poverty is still widespread and as many as 23 per cent of the population are malnourished.

The government is dependent on its success in achieving economic growth. However, there are signs that the economy is currently experiencing an upswing. From negative economic growth of -1.4 per cent in 2001, growth will probably be over 3 per cent in 2002. The Central Bank's estimate for economic growth in 2003 is 5.5 per cent.

Norway is playing a pivotal role in efforts to find a political solution to the ethnic conflict in Sri Lanka. The biggest breakthrough in the peace negotiations so far came during the third round in Oslo in December 2002, when the parties agreed that a final solution to the conflict had to lie within a unified Sri Lanka based on a federal structure.

Development cooperation is largely focused on activities that support the peace process. Assistance for peace and reconciliation programmes, including reconstruction, rehabilitation and the return of refugees, has greater scope and intensity. Rehabilitation is once again an important component of Norwegian assistance, and there is focus on supporting measures to promote human rights, democracy and good governance. One important challenge in Sri Lanka is to establish profitable jobs as a basis for generating economic growth. Norway has initiated a match-making programme for cooperation between Norwegian and Lankan enterprises.

### Human rights and the fight against corruption

Sri Lanka has fairly good, comprehensive legislation to protect human rights but the enforcement of this legislation has been deficient. Norway actively supports players who are working to strengthen human rights and put the corruption issue on the agenda.

**Chart 1.**  
**Development assistance, by type of aid 2000 - 2002**

	2000		2001		2002	
	mill NOK	%	mill NOK	%	mill NOK	%
Bilateral aid	6 217.2	55.7	5 943.2	48.9	6 533.5	48.1
Multi-bilateral aid <sup>1)</sup>	1 486.6	13.3	1 957.4	16.1	2 000.2	14.7
Multilateral aid <sup>2)</sup>	2 901.3	26.0	3 647.4	30.0	4 399.7	32.4
Total contributions to multilateral organisations	4 387.9	39.3	5 604.8	46.2	6 399.9	47.1
Administration	562.7	5.0	595.2	4.9	651.5	4.8
<b>Gross development aid</b>	<b>11 167.9</b>	<b>100.0</b>	<b>12 143.2</b>	<b>100.0</b>	<b>13 584.9</b>	<b>100.0</b>
Loan instalments	52.7		39.5		40.6	
<b>Net development aid</b>	<b>11 115.1</b>		<b>12 103.7</b>		<b>13 544.3</b>	
Of which NORFUND	95.9		61.4		57.4	
Net aid as percentage of gross national income <sup>3)</sup>	0.77		0.80		0.89	

1) Multi-bilateral aid is bilateral aid administered by multilateral organisations.

2) Multilateral aid is general contributions to multilateral organisations.

3) The percentages have been altered compared to last year's publication, as Statistics Norway has revised the last years' gross national income

**Chart 2.**  
**Gross bilateral development aid<sup>1)</sup> by region and income group LDCs (Least Developed Countries)<sup>2)</sup> 2000 - 2002**

	2000		2001		2002	
	mill NOK	%	mill NOK	%	mill NOK	%
Africa	2 977.9	38.7	2 919.9	37.0	3 609.2	42.3
- Bilateral aid to LDCs	2 154.4	28.0	1 989.6	25.2	2 685.8	31.5
Asia & Oceania	1 307.2	17.0	1 615.5	20.4	1 744.7	20.4
- Bilateral aid to LDCs	517.5	6.7	771.1	9.8	845.2	9.9
Europe	1 251.3	16.2	915.0	11.6	1 155.8	13.5
Latin America	522.5	6.8	783.4	9.9	479.9	5.6
- Bilateral aid to LDCs	15.3	0.2	18.7	0.2	13.3	0.2
Middle East	509.3	6.6	556.3	7.0	664.6	7.8
- Bilateral aid to LDCs	1.0	0.0	0.5	0.0	2.8	0.0
Global unspecified	1 135.6	14.7	1 110.5	14.1	879.6	10.3
<b>Total</b>	<b>7 703.8</b>	<b>100.0</b>	<b>7 900.6</b>	<b>100.0</b>	<b>8 533.7</b>	<b>100.0</b>
- Bilateral aid to LDCs	2 688.2	34.9	2 779.9	35.2	3 547.1	41.6

1) Bilateral aid including multi-bilateral aid.

2) The figures in the chart are based on OECD/DAC's definitions/classifications of LDCs in 2002.



### Chart 3. Aid channelled through multilateral organisations 1998 - 2002

(in 1000 NOK)

	1998	1999	2000	2001	2002
<b>1. UN Development Program (UNDP) and funds administrated by UNDP.</b>	<b>605 500</b>	<b>596 000</b>	<b>605 000</b>	<b>761 500</b>	<b>825 000</b>
UN Development Program (UNDP)	560 000	550 000	574 500	713 500	807 000
UN Capital Development Fund (UNCDF)	30 000	30 000	14 500	30 000	
UN Development Fund for Women (UNIFEM)	15 500	16 000	16 000	18 000	18 000
<b>2. Development banks and affiliated development funds</b>	<b>900 976</b>	<b>862 820</b>	<b>951 592</b>	<b>1 200 253</b>	<b>1 557 160</b>
International Development Association (IDA)	361 465	410 000	276 000	555 890	584 000
International Finance Corporation (IFC)					
African Development Fund (AfDF)-and Bank (AfDB)	257 431	195 096	311 858	311 211	331 237
Asian Development Fund (AsDF)-and Bank (AsDB)	41 711	41 865	38 978	54 663	56 663
Inter-American Development Bank (IADB) and Fund (IADB Sp. Fund)	12 286	11 089	11 172	9 534	20 931
World Bank			4 000	4 933	180 103
International Monetary Fund (IMF)					12 867
PRGF <sup>1)</sup> i IMF	20 000	10 000	14 075		25 206
International Fund for Agricultural Development (IFAD)	70 000	38 216	48 395	48 395	48 395
Nordic Development Fund	48 083	76 553	71 440	44 213	87 759
World Trade Organisation (WTO))				8 311	10 000
Debt relief through HIPC <sup>2)</sup>	90 000	80 000	175 674	163 103	200 000
<b>3. Organisations for the development of agriculture, fishing and food aid</b>	<b>278 525</b>	<b>265 784</b>	<b>258 716</b>	<b>283 627</b>	<b>305 163</b>
World Food Programme (WFP)	209 998	197 087	189 212	212 951	219 994
Food and Agricultural Organisation (FAO)	7 527	7 697	8 505	9 676	12 369
Consultative Group on International Agricultural Research (CGIAR)	61 000	61 000	61 000	61 000	72 800
<b>4. Organisations for children, population issues and health</b>	<b>691 730</b>	<b>692 686</b>	<b>707 640</b>	<b>1 027 085</b>	<b>1 226 222</b>
UN Fund for Population Activities (UNFPA)	210 000	200 000	200 000	220 000	227 000
World Health Organisation (WHO) <sup>3)</sup>	141 230	156 186	156 840	206 529	264 539
UN Children's Fund (UNICEF)	290 000	280 000	280 000	310 000	320 000
UN's AIDS Programme (UNAIDS)	50 500	56 500	70 800	112 374	107 946
Global Fund to Fight AIDS, Tuberculosis and malaria (GFATM)			130 000		
Global Alliance for Vaccines and Immunisation (GAVI) <sup>4)</sup>				178 182	176 738
<b>5. Other multilateral organisations.</b>	<b>39 363</b>	<b>51 236</b>	<b>45 240</b>	<b>59 829</b>	<b>109 842</b>
Aid share of the ordinary contribution to the UN <sup>5)</sup>	5 647	5 408	5 871		7 524
UN Industrial Development Organisation (UNIDO)	3 839	4 077	4 662	4 675	4 817
International Labour Organisation (ILO)	1 477	1 654	1 660	1 576	1 975
UN Committee on the Rights of the Child	2 000				
UN Educational, Scientific and Cultural Organisation (UNESCO)	20 900	31 326	29 246	28 970	25 417
UN Research Institute for Social Development (UNRISD)	3 000	3 000	3 000	3 000	4 500
UN University		771	800	1000	1000
UN International Drug Control Programme (UNDCP)	2 000	5 000			2 300
International Research and Training Institute for the Advancement of Women (INSTRAW)	500				
UN Center for Human Settlement (UNCHS/Habitat)				5 000	10 000
International Centre for Insect Physiology and Ecology (ICIPE)				4 000	4 900
Universal Postal Union (UPU) <sup>6)</sup>				1 800	
World Intellectual Property Organisation (WIPO) <sup>6)</sup>	749			749	741
World Meteorological Organisation (WMO) <sup>6)</sup>				59	2 213
UN High Commissioner for Human Rights (UNHCHR)				1 000	20 050
UN Conference on Trade and Development (UNCTAD)					21 110
Other UN organisations <sup>7)</sup>				8 000	3 295
<b>6. UN environmental funds</b>	<b>15 408</b>	<b>93 035</b>	<b>63 145</b>	<b>45 121</b>	<b>88 311</b>
Global Environmental Facility (GEF)		85 027	57 335	37 080	42 810
UN Environmental Programme (UNEP)					37 460
Multilateral Fund of the Montreal Protocol	15 408	8 008	5 810	8 041	8 041
<b>7. International humanitarian relief work and aid for refugees</b>	<b>270 000</b>	<b>270 000</b>	<b>270 000</b>	<b>270 000</b>	<b>288 000</b>
UN High Commissioner for Refugees (UNHCR)	170 000	170 000	170 000	170 000	188 000
UN Relief and Work Agency for Palestine Refugees in the Near East (UNRWA)	100 000	100 000	100 000	100 000	100 000
<b>Total</b>	<b>2 801 502</b>	<b>2 831 562</b>	<b>2 901 333</b>	<b>3 647 414</b>	<b>4 399 699</b>

1) Contributions to ESAP (Enhanced Structural Adjustment Policy) in 1997 and 1998, PRGF (Poverty Reduction Growth Facility) in 1999.

The scheme was placed under the International Monetary Fund until 1999, after which it was taken over by the World Bank.

2) HIPC: Highly Indebted Poor Countries.

3) Includes the WHO and Global Forum for Health Research. In 2000 the figure also includes NOK 2 million for GAVI.

4) In 2000 NOK 2 million was contributed to GAVI. This is included under WHO.

5) The aid share of the regular contribution to the UN for 2001 could not be specified.

6) Prior to 2001, this support was included under UNESCO.

7) Included in 2002 support for the UN General Trust Fund (NOK 1 mill), and the International Telecommunication Union (NOK 0,9 mill.)

## Chart 4. Net bilateral aid<sup>1)</sup> by country and main channels

(1000 NOK and as a percentage of net bilateral aid)

	Norwegian and international NGOs					Total	Total net bilateral <sup>1)</sup> aid
	Norwegian NGOs	Regional NGOs	Regional NGOs	Internat. NGOs	Nordic found-ations and ind. research. inst.		
Afghanistan	106 908				2 531	109 439	486 017
Palestinian Area	116 238	11 047			5 934	133 220	406 823
Tanzania	33 583	3 139	103			36 825	372 710
Mozambique	43 295	4 909	1 100	4 029		53 333	308 865
Uganda	60 571		1 000	2 100		63 671	260 483
Zambia	27 343	29 461		2 044	2 000	60 849	231 970
Ethiopia	105 400	5 502	840		200	111 942	227 401
Somalia	25 961			1 500	44	27 505	203 188
Bosnia-Herzegovina	42 267					42 267	190 313
Sudan	114 546	3 000		300		117 846	186 294
Angola	72 987	6 280			38	79 306	177 272
Fed. Rep. of Yugoslavia	1 303				1 303	79 306	176 354
Sri Lanka	46 184	11 108			60	57 352	71 396
Iraq	16 876					16 876	142 678
South Africa	41 251	94		396	9 483	51 225	139 627
Bangladesh	11 927	19 403		107		31 437	132 634
Malawi	28 679	2 079	750	400	146	32 054	124 225
Eritrea	40 048					40 048	107 451
Croatia	41 999	650				42 649	105 336
Nepal	24 073	491				24 564	104 660
Congo (Dem Rep)	44 372	164				44 536	99 571
China	21 444	3 232			91	24 766	97 360
Macedonia(Fyrom)	18 610	886		146	-10	19 633	93 099
Guatemala	30 594	4 436	2 000			37 030	91 451
Sierra Leone	34 999					34 999	84 377
Pakistan	1 034	16 564		138		17 736	82 112
Burundi	45 011			1 000		46 011	81 246
Nicaragua	32 851	9 270			1 310	43 431	72 505
India	19 045	14 570		850	223	34 688	67 575
Vietnam	15 215	517		750		16 482	63 410
East Timor	5 820					5 820	62 112
Colombia	44 355				-397	43 958	61 481
Zimbabwe	26 604	13 193	14	480	700	40 991	57 399
Mali	35 822					35 822	56 776
Rwanda	24 816					24 816	48 622
Indonesia	16 076					16 076	48 286
Albania	14 898					14 898	46 633
Cameroon	3 786				3 786	45 830	45 830
Madagascar	16 539					16 539	45 547
Laos	7 865				7 865	45 438	45 438
Iran	74				74	42 644	42 644
Lebanon	30 952				-2 875	28 077	42 629
Georgia	14 449					14 449	35 450
Turkey	1 315				300	1 615	33 405
Burma	18 576			1 000		19 576	30 824
Other countries	276 068	11 575	650	1 350	7 083	296 726	635 353
<b>Total main partner countries<sup>2)</sup></b>	<b>229 471</b>	<b>59 482</b>	<b>2 953</b>	<b>8 681</b>	<b>2 146</b>	<b>302 734</b>	<b>1 535 547</b>
Unspecified	572 126	10 778	30 813	133 147	114 571	861 436	2 066 294
<b>Total</b>	<b>2 374 757</b>	<b>182 348</b>	<b>37 271</b>	<b>149 738</b>	<b>141 434</b>	<b>2 885 547</b>	<b>8 493 125</b>
<b>As a percentage of net bilateral aid</b>	<b>28,0 %</b>	<b>2,1 %</b>	<b>0,4 %</b>	<b>1,8 %</b>	<b>1,7 %</b>	<b>34,0 %</b>	<b>100,0 %</b>

1) Bilateral aid including multi-bilateral aid, government-to-government assistance, refugees in Norway during their first year of residence, minus loan instalments

2) Bangladesh, Malawi, Mozambique, Nepal, Tanzania, Uganda and Zambia.





**Chart 6.**  
**Indicators for HIV/AIDS in Norway's partner countries in Africa and Asia\***

Country/region	End of 2001	End of 1999	Adults and children	Adults (15-49)	Women (15-49)	Children	Percent-age women	2001, Mother, father or both dead	1999, Mother or both parents dead	Adults and children	With AIDS	Reduct-ion due to AIDS
Incidence of HIV among persons aged 15-49												
No. of people living with HIV/AIDS at year-end 2001												
Orphans under the age of 15 due to AIDS. Alive at year-end.												
AIDS-deaths in 2001												
Life expect-ancy at birth 2000-2005												
Main partner countries in Africa**												
Malawi	10.4	11.3	5 250 000	4 590 000	2 690 000	575 000	59 %	3 150 000	3 913 000	510 000	39	-14
Mozambique	15.0	16.0	850 000	780 000	440 000	65 000	56 %	470 000	390 000	80 000	39	-14
Tanzania	13.0	13.2	1 100 000	1 000 000	630 000	80 000	63 %	420 000	276 000	60 000	38	-11
Uganda	7.8	8.1	1 500 000	1 300 000	750 000	170 000	58 %	810 000	1 100 000	140 000	51	-8
Zambia	5.0	8.3	600 000	510 000	280 000	110 000	55 %	880 000	1 700 000	110 000	46	-8
Zambia	21.5	19.9	1 200 000	1 000 000	590 000	150 000	59 %	570 000	447 000	120 000	42	-17
Other partner countries in Africa***												
Angola	14.1	14.9	10 135 000	9 269 000	5 390 000	789 000	58 %	2 623 000	2 408 000	770 350	46	-3
Botswana	5.5	2.8	350 000	320 000	190 000	37 000	59 %	100 000	98 000	24 000	46	-3
Eritrea	38.8	35.8	330 000	300 000	170 000	28 000	57 %	69 000	66 000	26 000	36	-34
Ethiopia	2.8	2.9	55 000	49 000	30 000	4 000	61 %	24 000	66 000	350	52	-3
South Africa	6.4	10.6	2 100 000	1 900 000	1 100 000	230 000	58 %	990 000	1 200 000	160 000	43	-10
Zimbabwe	20.1	19.9	5 000 000	4 700 000	2 700 000	250 000	57 %	660 000	420 000	360 000	42	-17
Zimbabwe	33.7	25.1	2 300 000	2 000 000	1 200 000	240 000	60 %	780 000	624 000	200 000	43	-26
Main partner countries in Asia**												
Bangladesh	<0.1	0.02	71 000	69 000	17 100	1 810	25 %	15 100	3 110	3 050	61	0
Nepal	0.5	0.29	13 000	13 000	3 100	310	24 %	2 100	610	650	61	0
Nepal	0.5	0.29	58 000	56 000	14 000	1 500	25 %	13 000	2 500	2 400	60	0
Other partner countries in Asia**												
India	0.8	0.7	3 970 000	3 673 300	1 253 350	16 700	34 %	102 000	24 380	23 100	64	-1
Cambodia	2.7	4.04	170 000	160 000	74 000	12 000	39 %	55 000	13 000	12 000	56	-4
Laos	<0.1	0.05	1 400	1 300	350	<100	46 %	25 000	280	<150	55	0
Pakistan	0.1	0.1	78 000	76 000	16 000	2 200	21 %	22 000	7 900	4 500	61	0
Vietnam	0.3	0.24	130 000	130 000	35 000	2 500	27 %	22 000	3 200	6 600	69	0

\* Sources: Table prepared by Statistics Norway on the basis of UNAIDS 2002 and US Bureau of the Census.

\*\* Accumulated over time

\*\*\* Total or average for countries (weighted according to the number of persons aged 15-49)

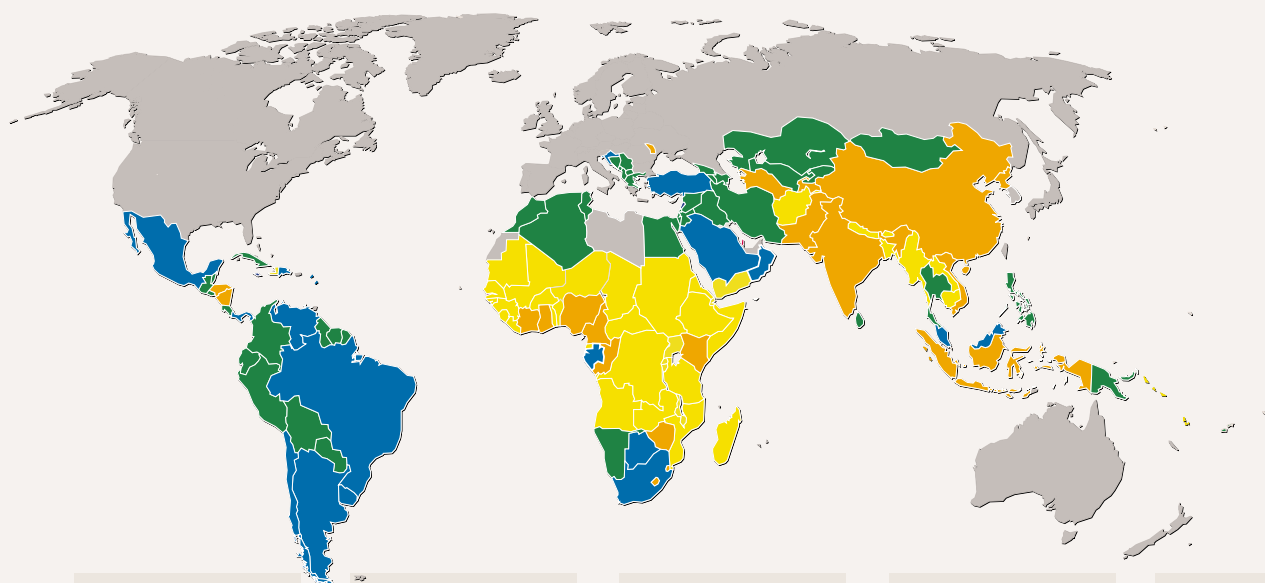


## Selected abbreviations

AHLC	Ad Hoc Liaison Committee for Development Assistance to the Palestinian Area	NORFUND	Norwegian Investment Fund for Developing Countries
ALNAP	Active Learning Network on Accountability and Performance in Humanitarian Assistance	NUFU	Norwegian Council of Universities' Committee for Development Research and Education
ASEAN	Association of South-East Asian Nations	OAU	Organization of African Unity
ASG	Afghanistan Support Group	OCHA	UN office for the Coordination of Humanitarian Assistance
AU	African Union	ODA	Official Development Assistance
CDC	Commonwealth Development Corporation (UK)	OECD	Organisation for Economic Cooperation and Development
CMI	Chr. Michelsen's Institute	OSSE	Organisation for Security and Cooperation in Europe
DAC	Development Assistance Committee	PA	Palestinian Authority
DFID	Department for International Development, UK Government	PRGF	Poverty Reduction and Growth Facility
EAC	East-African Community	PRSC	Poverty Reduction Support Credit
ECOSOC	UN Economic and Social Council	PRSP	Poverty Reduction Strategy Paper
ECOWAS	The Economic Community of West African States	SADC	Southern African Development Community
GAVI	Global Alliance for Vaccines and Immunization	SAARC	South Asian Association for Regional Cooperation
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria	TI	Transparency International
HIPC	Global Fund to Fight AIDS, Tuberculosis and Malaria	UNAIDS	Joint United Nations Programme on HIV/AIDS
IAVI	International AIDS Vaccine Initiative	UNCTAD	UN Conference on Trade and Development
IGAD	Intergovernmental Authority on Development	UNDP	UN Development Programme
ILO	International Labour Organisation	UNEP	UN Environment Programme
IMF	International Monetary Fund	UNESCO	UN Educational, Scientific and Cultural Organisation
IPS	Inter Press Service	UNHCHR	UN High Commissioner for Human Rights
ITC	International Trade Centre	UNHCR	UN High Commissioner for Refugees
LDC	Least Developed Country	UNICEF	UN Children's Fund
LO	Norwegian Confederation of Trade Unions	UNIFEM	UN Development Fund for Women
LTTE	The Liberation of Tigers of Tamil Eelam (Sri Lanka)	UNMEE	UN Mission in Ethiopia and Eritrea
NEPAD	The New Partnership for Africa's Development	WFP	World Food Programme
NHO	Confederation of Norwegian Business and Industry	WHO	World Health Organisation
NORAD	Norwegian Agency for Development Cooperation	WTO	World Trade Organisation

## Countries and Territories qualified to receive aid

List approved by OECD/DAC, valid as of 1 January 2003



### High-Income countries

1 country

Bahrain

### Upper Middle-Income Countries

32 countries

Botswana  
Brazil  
Chile  
Cook Islands  
Costa Rica  
Croatia  
Dominica  
Gabon  
Grenada  
Lebanon  
Malaysia  
Mauritius  
Mayotte  
Nauru  
Panama  
St. Helena  
St. Lucia  
Venezuela

*Threshold for World Bank Eligibility – US \$ 5185 in 2001*

Anguilla  
Antigua and Barbuda  
Argentina  
Barbados  
Mexico  
Montserrat  
Oman  
Palau Islands  
Saudi Arabia  
St. Kitts and Nevis  
Seychelles  
Trinidad and Tobago  
Turks and Caicos Islands  
Uruguay

### Lower Middle-Income Countries

45 countries

Albania  
Algeria  
Belize  
Bolivia  
Bosnia and Herzegovina  
China  
Colombia  
Cuba  
Dominican Republic  
Ecuador  
Egypt  
El Salvador  
Fiji  
Guatemala  
Guyana  
Honduras  
Iran  
Iraq  
Jamaica  
Jordan  
Kazakhstan  
Macedonia  
Marshall Islands  
Micronesia, Federated States  
Morocco  
Namibia  
Niue  
Palestinian Adminstrated Area  
Paraguay  
Peru  
Philippines  
South Africa  
Sri Lanka  
St. Vincent and Grenadines  
Surinam  
Swaziland  
Syria  
Thailand  
Tokelau  
Tonga  
Tunisia  
Turkey  
Turkmenistan  
Wallis and Futuna  
Yugoslavia, Federal Republic

### Low-Income Countries

72 countries  
Least Developed Countries (LDCs)  
49 countries


Afghanistan  
Angola  
Bangladesh  
Benin  
Bhutan  
Burkina Faso  
Burundi  
Cambodia  
Cape Verde  
Central African Republic  
Chad  
Comoros  
Congo, Democratic Republic  
Djibouti  
Equatorial Guinea  
Ethiopia  
Eritrea  
Gambia  
Guinea  
Guinea-Bissau  
Haiti  
Kiribati  
Laos  
Lesotho  
Liberia  
Madagascar  
Malawi  
Maldives  
Mali  
Mauritania  
Mozambique  
Myanmar  
Nepal  
Niger  
Rwanda  
Samoa  
Sao Tome and Principe  
Senegal  
Sierra Leone  
Solomon Islands  
Somalia  
Sudan  
Tanzania  
Togo  
Tuvalu  
Uganda  
Vanuatu  
Yemen  
Zambia

### Other Low-Income Countries

23 countries

Armenia  
Azerbaijan  
Cameroon  
Congo, Republic  
Côte d'Ivoire  
East Timor  
Georgia  
Ghana  
India  
Indonesia  
Kenya  
Korea, Democratic Republic  
Kyrgyzstan  
Moldova  
Mongolia  
Nicaragua  
Nigeria  
Pakistan  
Papua New Guinea  
Tajikistan  
Uzbekistan  
Vietnam  
Zimbabwe





Published by:  
Norwegian Ministry of Foreign Affairs  
7. juni plass 1/Victoria Terrasse  
P.O.Box 8114 Dep. 0032 Oslo, Norway

E-mail: [infosek@mfa.no](mailto:infosek@mfa.no)  
This publication can also be downloaded from the Internet:  
<http://odin.dep.no/ud>

Public institutions may order additional copies of this  
publication from:  
Statens forvaltningstjeneste  
Kopi- og distribusjonsservice  
P.O.Box 8169 Dep. 0034 Oslo, Norway  
E-mail address: [publikasjonsbestilling@ft.dep.no](mailto:publikasjonsbestilling@ft.dep.no)  
Telefax: +47 22 24 27 86

E-757E  
ISBN 82-7177-717-3  
Design and layout: Cox Design/[www.cox.no](http://www.cox.no)  
Front cover photo: Rune Larsen  
Printed by: ColorPrint 09/2003 - circulation 2.000