

# Results in Development Cooperation

– Thematic area: Environment and Climate



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# Foreword

**THE GOVERNMENT** is continuing its efforts to create a modern, effective and realistic development cooperation policy focused on results and quality. I am firmly convinced that Swedish aid can and will help to improve poor people's lives. It is in this conviction that the Government will continue to reform Swedish development cooperation.

In June 2007, the Government approved a model for strengthened results-based management in development cooperation. The model includes an annual Government communication to the Riksdag on results in development cooperation. In 2009, the Government presented a coherent report of this kind for the very first time. This year's communication is the second in the series; its thematic focus is the environment and climate. It also includes four partner countries in which special results assessments were conducted in 2009 as part of the work of developing new cooperation strategies.

Many of the contributions examined and discussed in the present communication have generated favourable outputs at programme and project level. However, we have not made the same degree of progress in reporting outcomes and impacts. Examples of outcomes and impacts in the Environment and Climate thematic area include emissions reduction, hazardous waste management, establishment of new institutions and improved access to water. A number of lessons are discussed in the communication, such as the importance of strengthening partner countries' capacity, ownership and commitment to environmental and climate-related issues.

Results reporting for the four countries is comprehensive. We have moved steadily towards the objectives set out in the cooperation strategies. Over time, this progress can contribute to better living conditions for poor people.

Our efforts to improve management practices and results reporting in Swedish development cooperation are bearing fruit. Today, we can say more about the results of the initiatives Sweden supports than we could just a few years ago. We have the models and working methods to develop a results-based approach. Now we must go a step further and create a transparent results-based environment right across the aid management system. That is how we will safeguard the content of development cooperation while ensuring a culture of continuous learning about its results. In the final analysis it is all about upholding the legitimacy of development cooperation.

This communication forms part of the Government's efforts to improve governance and results reporting in Swedish development cooperation, and so fight poverty and oppression effectively.



Gunilla Carlsson

Minister for International Development Cooperation



1



# Introduction

**W**orld poverty is one of the greatest challenges of our time. Although considerable progress has been made in the last decade, millions of people continue to suffer from poverty, oppression and conflict. It is abundantly clear from the impact of the global climate and the economic, financial and food crises which have buffeted the world in the past few years that vulnerable groups and poor countries are often particularly hard hit by global emergencies of this kind. Aid is a tool in this context, but not the only one. If Sweden is to contribute to sustainable global development and poverty reduction, it must pursue a development policy that includes effective development cooperation and a cohesion policy that incorporates key central policy area components. A basic prerequisite is the ability of partner countries to mobilise resources and the political will to promote socioeconomic development for all citizens.

Since 2006, the Riksdag<sup>1</sup> has set aside one per cent of forecast gross national income (GNI) annually for international aid. The Government has continued to maintain this high level. The aid budget for 2010 totals SEK 31.4 billion. In 2009, total aid disbursed amounted to SEK 34.7 billion, or 1.12 per cent of GNI.

Properly used, aid can play a strategic role in development by supplementing other financial flows and policy decisions. The Government has made considerable efforts to reform Swedish development cooperation with a view to creating a modern, efficient and realistic aid system focused on results and quality.

To justify continued high aid volumes and to set the right priorities, the Government, the Riksdag and the Swedish public must be better informed about the results Swedish development cooperation is contributing to. It is basically a matter of creating conditions conducive to greater accountability in the implementation of aid contributions. Has Swedish development cooperation helped bring about conditions that enable poor people to improve their lives? Have reform cooperation in Eastern Europe helped strengthen democracy, promote fair and sustainable development and foster closer alignment with the EU and its basic values? And how should development cooperation be structured to achieve the best possible results? Clear, transparent reporting on results and the ability to make use of these results to change and improve Swedish development cooperation are essential if we are to justify a generous development

1. The Swedish Parliament.



cooperation. The Government has initiated a comprehensive reform process in the spheres of multilateral and bilateral development cooperation, focused on results. In 2007, the Government embarked on a long-term effort aimed at improving management and results reporting in Swedish development cooperation. The focus on results is not only a Swedish policy requirement; it is also based on international agreements.

A number of changes aimed at greater aid effectiveness have been implemented in accordance with the Paris Declaration and the Accra Agenda for Action (AAA). Development cooperation has been directed, both geographically and thematically, at countries and regions where Swedish contributions have been judged to deliver the greatest possible benefit. In addition, extensive efforts have been made both to improve the methods and aid modalities used in development cooperation and to follow up the results.

The new aid system has three distinguishing characteristics. In the first place, Sweden is an active donor and cooperation partner with a clear, normative agenda based on a rights perspective and the perspective of poor people on development. These perspectives inform all our contributions. Secondly, Swedish aid forms a subset of total world aid. Sweden is therefore an active contributor to international efforts to improve aid effectiveness and coordination. Thirdly, by focusing more closely on countries, sectors and results, the Government has chosen to target areas where Sweden enjoys comparative advantages and results can be attained.

Over the last three years, the Government has worked systematically to improve management practices and results reporting in Swedish development cooperation. Follow up and results reporting requirements have been tightened using partner countries' development objectives and results frameworks as a point of departure. These efforts will continue to be essential if we are to set the right priorities at the right cost, and make decisions which are as information-based as possible.

It is important for members of the public in partner countries and in Sweden to know that aid is benefiting its recipients and being deployed in the best possible way. Clear, transparent reporting of results in development cooperation and how development cooperation contributes to poverty reduction are essential to ensure learning over time not only within Sweden's and partner countries' aid management systems but also with regard to coordination among international donors. Improving reporting to the Riksdag and the general public is an important part of this endeavour. In 2009, the Government presented a composite report on the results of development cooperation for the first time.

However, as the Government pointed out in last year's communication, producing an exhaustive report on the subject on an annual basis would not be expedient. To ensure more in-depth reporting, the Government will accordingly concentrate on one or more specific aspects of Swedish development cooperation. This year, the Government has therefore chosen to submit a communication focusing on results in the *environment and climate* thematic area, one of the Government's three thematic priorities. The other two are *democracy and human rights*, and *gender equality and the role of women in development* respectively. In the Government's view, these priorities are of particular importance to poverty reduction. Moreover, it is in just such areas that Sweden can not only provide added value but also move development in the right direction.

Continued efforts to set more clearly defined objectives and develop systems and procedures for following up contributions at various levels will not only help bring about a gradual improvement in the quality and relevance of results reporting, but also better enable the Government and Riksdag to make informed decisions.

The Government intends to continue to bring aid programmes and projects into line with present-day global realities. Improving transparency and setting clear requirements with respect to results is essential if we are to learn from our successes and our mistakes. Only in this way can aid be of real benefit to poor people. Transparency and openness are fundamental to democratic accountability, whether in Sweden or in any of the countries Sweden cooperates with. Transparency is not only a key element in the fight against oppression and poverty. It is also essential to the ability of aid to support this fight as effectively as possible. The Government accordingly intends to introduce a transparency guarantee which will make it easier for people to access information on Swedish development cooperation. A key objective here is aid flow visibility: members of the public must be able to follow the entire aid chain, from decision to implementation, follow-up and results assessment. Information will be made available digitally in an open format. This will provide a better basis for planning, management and decision-making, as well as for priority setting in Swedish development cooperation.

## 1.1 CONCLUSIONS

During its present term of office, the Government has prioritised issues relating to the environment and climate in development cooperation. Climate change and environmental impact are among the biggest challenges currently facing the countries of the world. These challenges, which are transboundary in character, seriously impair poverty reduction efforts. Meeting them successfully will require global and regional cooperation and accountability on the part of all the world's countries. Development cooperation has an important part to play in preventing and mitigating the adverse impacts of climate change and environmental impact, and thereby strengthening the ability of poor people to improve their living conditions.

Swedish development cooperation in the environment and climate sphere have achieved a great deal in terms of the stated objectives. The Government's assessment is that many of the contributions discussed in this communication have achieved outputs at both programme and project level. However, it is considerably more difficult to report on outcomes and impacts.

### *Conclusions concerning the environment and climate thematic area*

Identifying and conveying the complex interrelationships between environment, poverty reduction and growth poses a considerable challenge. Moving on to integrate climate and other environmental issues in all sectors – including those in which poverty reduction and the environment are not traditionally linked – on the basis of insights into these interrelationships poses a further challenge.

In recent years, environmental issues have assumed increasing prominence

in Swedish development cooperation. In 2009, approximately SEK 2.3 billion in development aid (14 per cent of total aid) were channelled via Sida<sup>2</sup> to programmes and projects aimed primarily at promoting the environment and sustainable development, while SEK 7.9 billion (47 per cent) went to contributions which had this thematic area as a subsidiary aim.

The climate issue has gained increasing support and recognition in recent years, very largely due to a growing interest in partner countries, strengthened in turn by the Government's decision to make the environment and climate a thematic priority. For example, 80 per cent of 25 randomly selected environment- and climate-related programmes and projects addressed climate issues. These programmes and projects are thus contributing directly or indirectly to climate change adaptation or emissions reduction.

There are several examples of contributions where outcomes and impacts can be reported. These include emission reductions, hazardous waste management, establishment of new institutions, certification of forest reserves and improved access to water.

However, most of the results reported in this communication are at output level. These include publications, advisory services, guidelines development, educational and information activities, and new laws and ordinances.

Many contributions in the environment and climate thematic area are concerned with integrating environmental issues into other sectors and intensifying cross-sectoral cooperation between ministries in partner countries. An example of this is the dialogue on environmental issues currently being held as part of budget support to Mozambique. To facilitate successful integration of environmental concerns, Sweden has helped partner countries highlight environmental and climate dimensions through educational and strategy development projects.

In a number of cases, Swedish support has helped partner countries translate policy priorities into plans and programmes for better environmental monitoring and control. In addition to extending support for monitoring and development of national environmental policies, Sweden has strengthened countries' control and compliance capacity in some cases. An example of this is the Environmental Programme Support project in Kenya, in which Sweden has funded training for inspectors and set up partnerships with the Kenyan police with a view to improving compliance with environmental regulations.

While it is difficult to confirm at this early stage that the above outputs have had an impact in terms of better management of environmental issues, they are an indication that Swedish aid does contribute to environmentally sustainable development.

Initiatives undertaken in cooperation with civil society have in several cases yielded satisfactory results, both locally and at national policy level. Civil society can bring its influence to bear on and help push through decisions and action plans aimed at promoting a better environment. Support to Tarun Bharat Sangh (TBS) in India is one example. By uniting people around the water issue – water is a key resource in the desert state of Rajasthan – TBS, supported by small financial contributions, has radically transformed entire communities and made significant strides in multidimensional poverty reduction.

2. Swedish International Development Cooperation Agency.

Environment- and climate-related development cooperation channelled to multilateral organisations via Sida has doubled since 2008. This type of support is often combined with active dialogue. Dialogue has for example contributed to an increase in World Bank support for renewable energy in recent years, and to the commercialisation and wider availability of eco-sanitary solutions in Sweden's partner countries.

It is difficult to provide a summary account of results of multilateral development cooperation, e.g. by organisation or sector, in view of the large number of actors involved, all with different mandates. However, a general conclusion is that multilateral organisations are especially important in the environment and climate sphere due to the transboundary character of the issues involved. The number of multilateral organisations and funds explicitly concerned with environmental issues has grown, as has the number of environmental and climate contributions undertaken by the major development organisations. Sweden's success in pushing through clearly defined requirements for more efficient and focused operations in the various organisations has helped improve their capacity to achieve results. There is, however, a distinct risk that the growing number of initiatives will lead to greater fragmentation in the environmental sphere. A substantial proportion of Swedish environment- and climate-related development cooperation is still project-based. To reduce fragmentation and enhance coordination, efficiency and national ownership, Sweden should seek to ensure that support through programme-based approaches is increased and that the principles governing aid effectiveness should be followed in multilateral contexts, as set out in Sweden's strategy for multilateral development cooperation. As part of efforts to boost the effectiveness of international development cooperation as a whole, Sweden should also press for closer collaboration and coordination between multilateral organisations.

Organisations responsible for different types of environment-related contributions have different ways of reporting results. In some cases, the basic results reporting procedures used by the organisations are themselves deficient. Strengthening results-based management and results reporting is a pervading issue in Swedish dialogue with multilateral development organisations. The aim here is both to enhance the efficiency and effectiveness of multilateral organisations and ensure clear, accurate and comprehensive reporting of the results of their operations. These issues are raised on a regular basis with all multilateral organisations and are key Swedish demands in replenishment negotiations – (negotiations principally between donors on new, multi-year commitments to a fund). Although there has been a general improvement within the organisations in terms of results orientation, this mainly applies to programming periods that have not yet ended.

A number of lessons relating to Swedish bilateral and multilateral development cooperation in the environment and climate thematic area are worth highlighting (for more on this subject see Section 2.6). These are set out below:

- Preventing future environmental problems in developing countries by avoiding immediate short-term gains is often politically difficult. Historically, environmental and climate-related issues have not featured prominently in national poverty reduction strategies. Partner countries' explicit policy priorities in the environment and climate sphere are not always trans-

lated into legislation, plans or budget allocations. Sweden will continue to advance environmental and climate-related issues as a basis for dialogue and development cooperation, both bilaterally and multilaterally.

- The integration of environmental issues into all sectors will enable partner countries to deal more effectively with the underlying socioeconomic forces that lead to environmental problems. Strategic advocacy work and high-level political dialogue can help further cross-sectoral integration of environmental issues. Sweden intends to intensify efforts to integrate environmental issues into all sectors.
- Environment- and climate-related development cooperation can be a long-term process; the desired outcomes and impacts may not be apparent until many years later. Development issues in this area are often complex; numerous actors with different views and interests are involved. This complexity makes it difficult to establish uniform indicators or create robust, easy-to-use systems for follow-up and results reporting. Sweden will continue to actively seek to improve and utilise partner countries' own follow-up systems.
- Partner country ownership and the political will to prioritise environmental and climate-related issues are essential to achieving results. A number of challenges with respect to partner country ownership of environmental and climate-related aid may be noted. Environmental problems are often trans-boundary in character and are thus difficult for single countries to address on their own. Achieving results normally requires effective regional cooperation and shared responsibility. The low priority often given to environmental issues in partner countries' national budgets means that national resources to implement environmentally beneficial measures are lacking. Clearly articulated strategies specifying when and how partner countries should assume full responsibility for an contribution – including funding – are therefore essential. Sweden will press for greater partner country commitment and ownership in the environment and climate sphere. The challenge for Swedish development cooperation is to provide strong, results-oriented support without prejudicing partner country ownership.
- Efforts to heighten knowledge and awareness among decision-makers and the general public of the relationship between environmental problems and poverty are often necessary. Swedish support for capacity development has had a significant impact in a number of countries. Among other things, it has contributed to sectoral reform, organisational development, improved personnel skills, strategy and framework development, and the strengthening of data collection systems and information exchange. However, levels of awareness and understanding of environmental problems vary across many of Sweden's partner countries and the demand for measures to improve the environment may not be strong. We have learned that capacity development, which contributes to greater understanding and awareness of environmental and climate problems, can lead to strategic budget allocation and results-based operations and is thus an important part of environmental and climate aid.

#### *Conclusions concerning development cooperation with four countries*

Sweden has engaged in long-term development cooperation with Burkina Faso and Mali since the end of the 1990s. The overarching objective of the current

cooperation strategy for 2004–2010 is to contribute to the creation of conditions that would enable poor people to improve their living conditions. Progress made within the framework of these objectives can in the long term contribute to better living conditions for poor people. Both Burkina Faso and Mali are pursuing responsible economic policies and have implemented their poverty reduction strategy relatively well during the strategy period.

Swedish support to Burkina Faso and Mali has been relevant as regards the stated strategy objectives. General budget support to Burkina Faso has contributed to poverty reduction, improved efficiency in the public administration and greater access to social services. In the case of Mali, the results of contributions supported by Sweden has been mixed and effectiveness has been lower than expected. Satisfactory results have been noted with respect to democratic governance and social development, where indicators such as maternal and child mortality are pointing in the right direction and the number of children starting school has risen. Institutional capacity in both countries is very weak. Lack of capacity is a recurring obstacle to effective aid. Sweden will work to continue extending explicitly goal-oriented support aimed at enhancing knowledge, strengthening the decision-making process and improving and simplifying administrative procedures.

Support for statistics is an example of democratic governance-related contributions supported by Sweden in both countries. This support has a strategic aspect since following up results and assessing developments in Sweden's partner countries are predicated on access to reliable statistical data. Sweden will continue to support contributions aimed at strengthening institutions responsible for producing and managing statistics.

The overarching objective of Swedish development cooperation with Georgia in 2006–2009 was to contribute to the creation of conditions that would enable poor people to improve their living conditions. Cooperation was based on a broad cooperation strategy. Swedish support for civil society, internally displaced people, environmental investment and investment in milk and dairy production contributed to improved living conditions for ten thousands of the country's inhabitants.

Swedish aid to Georgia, which consisted of major programmes supplemented by smaller projects, was well adapted to current conditions in the country. Development Cooperation was hindered by the absence of a platform for pursuing policy dialogues with the Georgian Government. Although the need to strengthen coordination is a recurring dialogue issue, progress in this area so far must be regarded as negligible.

Opportunities to engage programme-based approaches has been very limited owing to the absence of long-term strategies at sectoral level and relatively weak donor coordination. Moreover, the absence of sector-based strategies affects the ability to follow up, evaluate and relate the outcomes of programmes and projects supported by Sweden to results at sector level.

The overarching objective of Swedish development cooperation with Turkey in 2005–2009, has been strengthen continuing democratisation and respect for human rights and contribute to Turkey's alignment with European cooperation structures and community of values.

Swedish development cooperation with Turkey was deemed to be relevant.



In relation to the objectives set out in the cooperation strategy, however, the results and their contribution to development in Turkey must be regarded as marginal. Previous strategies emphasised the need for broad participation by Swedish government agencies, enterprises, NGOs and local government authorities and the importance of interpersonal meetings. As a result, support became fragmented to some extent and implemented without full coordination of the Swedish actors involved. Links between Swedish aid and the overarching national reforms in Turkey were weak. Development cooperation was spread over too many different areas to contribute to sustainable results and dialogue was limited.

Support in most instances was mainly implemented by a Swedish agency/organisation working in cooperation with a Turkish counterpart. In cases where the Turkish organisation concerned was strong, Turkish ownership was correspondingly clear. Otherwise, the Swedish partner assumed the dominant role. Several contributions achieved the intended results at output level. These contributions were mostly aimed at strengthening processes such as capacity building and knowledge development.

On the basis of experience of cooperation with Georgia and Turkey, the Government has concluded that Sweden should intensify efforts to increase the relative number of programme-based approaches in the context of reform cooperation with Eastern Europe, and as far as possible utilise the partner country's/organisation's own planning, implementation and follow-up systems. Sweden should also press for more donors to collaborate on common support to a given institution or programme.

The Government selected the above four countries for inclusion in the present communication on the grounds that they had undergone a results assessment ahead of a new strategy period. The cooperation strategies for these countries were drawn up before 2007, the year the Government initiated efforts to strengthen results management. Partly due to this, the objectives set out in the strategies were often worded in general terms, for example: "to strengthen respect for human rights" or "to promote democracy".

Much work remains to be done before we have result – oriented development cooperation at all levels and before we have established working procedures that will make it possible to assess the results of contributions supported by Sweden systematically. The Government needs to continue its efforts to improve management of development cooperation by setting realistic, clearly defined objectives. In addition, Sida must implement the contributions follow-up system currently under development at the earliest possible opportunity.

## **1.2 FOLLOWING UP AID RESULTS**

The primary driving force of development is the involvement and commitment of partner countries. Sweden can contribute to reform programmes and projects undertaken by our partner countries. The fact that other donors often extend support for the same contributions as Sweden precludes the reporting of results stemming exclusively from Swedish development cooperation. In such cases, programmes and projects must instead be followed up and evaluated as a whole.

The questions that should be asked here are: Have contributions supported by Sweden proceeded according to expectation, and have the intended outcomes/impacts been achieved? If neither is the case, what was the cause, and what should the cooperation partner and Sweden (or donors) do about it?

As in last year's communication on results in development cooperation, the aim of this document is to report – as far as possible – the outcomes and impacts of contributions supported by Sweden. That Sweden provides support for the drafting of new environmental laws in a partner country (output) is of course important. However such a contribution loses much of its value if the resulting legislation is not complied with and the effort ultimately fails to lead to a better environment (anticipated impact). The difficulties associated with analysing impacts, however, means that reporting – and this also applies to this year's communication – is often confined to outputs and outcomes. Analysing the impacts of contributions supported by Sweden is problematical for a number of reasons. Development in any given area is affected by numerous factors. Aid, whether we view it as a driving force for development or as a flow of capital, cannot be isolated from other forces for development. This means that the results of development cooperation at the aggregate (macro) level will by definition always be hard to substantiate. In many cases, it is impossible to establish a cause and effect relationship between a given activity and a given change.

The ability to follow up outcomes and impacts also varies from one type of contribution to another. In certain cases, resource-intensive participatory studies or in-depth interviews may be required before anything can be said about the outcomes or impacts, where applicable, of the aid provided.

Conditions in many of Sweden's partner countries – inadequate capacity, poor or insufficient statistical data, etc. – are an obstacle to effective reporting of aid outcomes and impacts.

However, the fact that outcomes/impacts are difficult to follow up does not mean that Sweden should concentrate support in areas where these are relatively easy to determine. Instead, we should be clear about the objectives we set for the programmes or projects we chose to support, and how we intend to follow up results.

It is the cooperation partner's responsibility to define objectives and ensure that the follow-up systems used enable the cooperation partner to report results and assess them in relation to stated strategy objectives. As objectives are not always clearly defined and reporting systems may be undeveloped, this responsibility often serves to hinder reporting of results.

Sweden works continually with cooperation partners and other donors to develop better methods for following up and analysing outcomes and impacts, *inter alia* through support designed to enable countries to build up their own statistics authorities. This is essential if Sweden is to contribute to the cooperation partner's own capacity while improving its ability to follow up results of operations supported by Sweden. Dialogue on what tools and methods work best is also taking place with other donors and in the multilateral cooperation sphere. Results reporting should always be supplemented by cost accounting of a given contribution. A results report without an accompanying statement of costs can only yield a limited insight into the true value of an contribution. The Government has made every effort in this communication to estimate the total

cost as well as Sweden's share of a particular programme or project. In some cases, however, costs were not accounted for. The Government considers that further efforts should be made to report costs and relate them to results achieved.

To answer the question of how Swedish aid should be used to the best possible effect, every effort must be made to draw general conclusions as to what works well and what works less well. However, operations receiving Swedish support are not only diverse; they are undertaken in a large number of countries under widely varying conditions. With Swedish development cooperation spanning a wide range of programmes, from improving Nile basin water resource management to support for training in electricity distribution in Sweden, it is difficult to draw general conclusions with respect to Swedish support in the environment and climate sphere, for example.

Despite these challenges it is essential that Sweden realise its ambition to follow up and report results since achieving results is the primary purpose of Swedish development cooperation. We must be better at analysing and understanding what kinds of initiatives will produce the desired outcomes and impacts and which will not, and why. We will improve our ability to do this by conducting systematic assessments and comparisons of the results of different contributions.

In 2009, Sida was commissioned by the Government to develop a uniform results-based management system including a follow-up and risk management system. The latter will be refined, tested and put into operation in 2010. It will be linked to an IT platform capable of providing necessary support for follow-up, management and reporting.

Sida's new follow-up system will permit systematic, more uniform follow-up of contributions. Results information will be reported annually or as and when new data becomes available. Results information can, for example, serve as a basis for decisions concerning new periods of agreement or funding. It will also be possible to perform different types of analysis – e.g. a country portfolio analysis, which addresses the results of all contributions in a given country, or a thematic portfolio analysis, which addresses the results of all contributions within a thematic area – and compare this between contributions. It will be feasible for example, on the basis of an examination of the results of all contributions in a portfolio, to draw conclusions as to why certain contributions are more successful than others, and the reasons for this.

The Government is planning to introduce new cooperation strategy guidelines in the spring of 2010. The guidelines will be aimed at achieving coherent cooperation strategy management, and consolidating the principles for effective aid. Management will be defined more clearly and made more effective by drawing on experience gained from applying the current guidelines.

In most cases aid accounts for a relatively modest proportion of a developing country's financial inflows compared to inflows from trade, foreign investment, commercial loans and remittances. Thus, aid cannot be deemed solely responsible for positive development in areas where such flows are significant, although they may have a significant strategic impact. This cautious assessment of the impact of aid on development distinguishes the reporting of results in the present report.

### 1.3 METHOD AND MATERIALS

In 2009, Sida was commissioned by the Government in its appropriation directions to submit an account of the results of Swedish bilateral development cooperation in an appendix to its annual report. This assignment was more clearly defined by special reporting instructions subsequently issued by the Government. These stipulated that the Appendix to Sida's annual report for 2009 should contain a section on Swedish development cooperation in 1) *the Environment and Climate* thematic area, and 2) partner countries that had undergone a results assessment ahead of a new strategy period in 2009. Four countries, Burkina Faso, Mali, Georgia and Turkey, were selected on the basis of this criterion in consultation with Sida.

The present communication is based largely on the appendix to Sida's annual report. The Ministry for Foreign Affairs, which is responsible for the bulk of Swedish multilateral development cooperation, has supplemented this account with information about the results of multilateral development cooperation and development cooperation within the EU.

Sida continuously follows up contributions receiving Swedish support, mainly on the basis of cooperation partners' own half yearly and annual reports. Contributions are also regularly followed up on the ground, e.g. by staff at missions abroad and through field visits. Major contributions are also evaluated on a regular basis by external experts engaged on a contract basis. Evaluations are implemented selectively and on a strategic basis, e.g. when an programme/project enters a new phase or has just been completed.

Chapter 2 on the *Environment and Climate* thematic area examines 25 randomly selected contributions, selected from a population of 166 environmental or climate-related contributions, in the sub-areas of environmental management, energy, water and agriculture and forestry. The population was further limited to contributions which had the environment and sustainable development as their primary concern in Sida's planning and statistical systems. The statistics carry a degree of uncertainty; the definition of environment and sustainable development as a primary concern is not entirely clear-cut. Moreover, the tasks of classifying each contribution's primary aim and assessing its result fall to the administrative officer responsible for the contribution. The contributions were implemented between 2004 and 2009 and the results reported in the chapter therefore extend over a longer period than 2009.

The chapter also includes a summary of a number of evaluations performed in the area. In the communication on aid results submitted to the Riksdag in 2009, the Government emphasised the importance of systematising evaluation work and improving the quality of individual evaluations. The Government also declared that greater efforts must be made to conduct evaluations in collaboration with other donors, and to plan evaluations so that baseline data could be established. Before drawing up this communication, the Government commissioned Sida to report the conclusions of recent, relevant evaluations in this thematic area. Sida duly engaged a consultant who compiled summaries of a number of evaluations in the area.

Five of these summaries are presented in this communication. The evaluations vary in terms of content and quality. For example, data on the costs of

contributions are not consistently provided. This applies both to Sida's share and total costs. Further efforts must be made to ensure that future evaluations maintain a high standard throughout.

The section on multilateral development organisations and the European Commission deals with the four largest multilateral recipients of core support or equivalent in 2009 in the environment and climate sphere, and with the four major multilateral donor organisations in the development cooperation area as a whole. The section includes a brief description of the donor organisations' mandate in the environmental sphere and an assessment of their results.

Chapter 3 examines results assessments performed at the end of every strategy period. The results assessments for Burkina Faso, Mali, Georgia and Turkey were carried out in 2009 or early 2010. They were based on reports by cooperation partners, strategy reports and evaluations undertaken during the strategy period.

The reports vary in quality from country to country, according to the efficiency and effectiveness of each country's reporting and statistics gathering systems. Reporting is often scanty, with the emphasis on activities rather than results. Where reporting inadequacies exist, Sweden has actively sought to improve quality standards and reliability, e.g. through support for capacity building or dialogue. Sweden also supports efforts to build up and strengthen the ability of some countries to produce reliable statistics.

As the strategies for the four partner countries presented in the geographical section were all drafted before 2007, when the Government had just begun work on strengthening results-based management, the objectives are often formulated in general terms, e.g. "to strengthen respect for human rights" or "to promote democracy".

Anticipated results at contribution level are also frequently unclear and worded in general terms, e.g. "increased capacity in the environmental sphere". Ill-defined, unspecific objectives and inadequate information on initial conditions naturally affect the ability to follow up results and relate these to stated objectives. While results can often be reported, it is not always possible to determine whether they are commensurate with anticipated outcomes in terms of effectiveness or cost efficiency. This – as mentioned earlier – requires clearly defined, specific objectives and quantitative and qualitative methods for following up results.

Unless otherwise stated, statistics on international aid quoted in this communication (Appendixes 1 and 2) are taken from OECD/DAC and refer to its member states. The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) is composed of 23 donor countries and the European Commission. Complete statistics for 2008 were available from OECD/DAC at the time of going to press. Certain preliminary statistics for 2009 were also available. Statistical data from Sida's system for 2009 and internal statistics produced by the Ministry for Foreign Affairs were used in connection with Swedish development cooperation.

Sources are not reported in this communication but are available from Sida and the Ministry for Foreign Affairs respectively. It should be noted that responsibility for collecting primary data rests mainly with Sweden's cooperation partners.

## 1.4 DISPOSITION

Chapter 2 deals with the thematic area *Environment and Climate*. The chapter opens with a brief description of development in the environment and climate sphere in Sweden's partner countries. This is followed by a section on Swedish development cooperation in the environment/climate field. The section is divided into two parts: bilateral and multilateral development cooperation, and development cooperation in the EU. The Chapter then goes on to examine the results of a random selection of contributions and a number of selected evaluations in the bilateral development cooperation sphere. The chapter ends with a presentation of the results of cooperation with multilateral aid organisations and the EU Commission.

Chapter 3 is devoted to an account of the result of development cooperation with countries about to embark on a new strategy period.

Chapter 4 contains a summary of the most important agency outputs undertaken in 2009 by authorities funded under Expenditure Area 7, International Development Cooperation.

In Appendixes 1 and 2, the Government presents an account of trends in global and Swedish development cooperation respectively in 2001–2008/2009. A corresponding report was included in the government communication on results in development cooperation submitted to the Riksdag in 2009.





2

# Environment and climate

**D**uring present term of office, the Swedish Government has prioritised environmental and climate-related issues in development cooperation. Climate change and environmental impact are among the biggest challenges currently facing the countries of the world. These challenges, which are transboundary in character, seriously impair poverty reduction efforts. Meeting them successfully will require global and regional cooperation and accountability on the part of all the world's countries. Development cooperation has an important part to play in preventing and mitigating the adverse effects of climate change and environmental impact, and thereby strengthening the ability of poor people to improve their living conditions.

Over the last 50 years, the Earth has been profoundly affected and transformed by human activity. This impact on our planet has frequently been represented as the other, darker side of economic development. The challenge of dealing with the adverse effects of economic development remains. The world's regions and people have not benefited equally from economic development; far from it. Poor countries and people are often the hardest hit by its harmful effects. Although we are all dependent on nature's bounty, poor countries are more vulnerable and less able to adapt to environmental impacts and a changing climate than people who live in countries with a high standard of living.

Good governance, efficient public administration, economic growth, equitable and sustainable development, along with investment in nature protection and conservation, infrastructure and human capacity are essential if we are to reduce the vulnerability of low-income countries to the impacts of climate change. At the same time, future emissions of climate-active gases must be severely curtailed.

It is a major challenge to design and implement environmental and energy programmes that will contribute to a future in which the right of poor people to development can be upheld without threatening our planet's sustainability.

## 2.1 THE ENVIRONMENTAL SITUATION IN SWEDEN'S PARTNER COUNTRIES

The environmental and climate situation in Sweden's partner countries varies from country to country (see Appendix 2, Swedish Development Cooperation,



for a review of partner countries). Countries rank their environmental and climate policy priorities according to local conditions. While some environmental problems are local, others are transboundary, regional or global and thus difficult for a single country to tackle effectively.

Every individual in low-income countries is relatively more dependent on the country's natural resources than on other forms of capital. Sound environmental and natural resource management is a precondition for reducing poverty in these countries.

Environmental and climate-related issues have been given greater priority in the national plans and poverty reduction strategies of some of the countries with which Sweden engages in long-term development cooperation. However, implementation of these plans is often hindered by the low priority given to environmental issues in the countries' national budgets.

The Millennium Development Goal – to “*ensure environmental sustainability*” – and its associated environmental targets only address a limited number of poverty-related environmental and climate-related issues. All the Development Goals are strongly and clearly linked to environmental and climate factors. As virtually all human activities affect and are affected by environmental and climate factors, integrating these perspectives is essential. However, certain public goods such as energy supply impact the environment and climate to a greater extent, while others such as water supply and water quality are affected more strongly by changes in the environment and climate.

In general, people living in poverty are more directly dependent on what nature provides and more vulnerable to weather and climate changes. The earliest and most visible impact of climate change on poor people will be increasingly limited access to water. Humanity's living and production patterns are closely adapted to historical environmental and climate conditions. Secure access to good quality water is fundamental to human health and production. The intensive exploitation of ecosystems in agriculture provides humanity with food and creates jobs for a large percentage of people living in poverty. At the same time, it consumes and is dependent on some 70 per cent of all fresh water resources. The more extensively farmed ecosystems in forests and coastal zones often function as a safety net for poor people in terms of livelihood support, both as buffer zones against natural disasters such as storms and flooding and as reservoirs of biological diversity.

The quality of water resources and access to basic sanitation are also crucial to health and development. In many countries, industrial and household wastewater is released untreated into waterways. Some 2.6 billion people lack access to basic sanitation, resulting in contaminated rivers and groundwater, and contributing to the spread of water-related diseases which cause the death of 4900 children every day. The environmental situation and climate change pose a major threat to people's health and livelihoods. According to World Health Organization (WHO) estimates, 24 per cent of all cases of illness and 25 per cent of all deaths in developing countries are caused by environmental factors that can be remedied using relatively simple measures. Our ability to provide food to tomorrow's growing world population in addition to the billion people suffering from hunger today, could be significantly impaired.

It is not expected that Target 3 of the 7th Millennium Development Goal –

to halve by 2015 the proportion of the population without sustainable access to safe drinking water and basic sanitation – will be achieved in most of Sweden's partner countries, primarily in Africa and South Asia. Nor is it likely that the target of halving the proportion of the population without access to toilets will be met in any of Sweden's partner countries.

A growing proportion of the use and production of chemicals takes place in countries with inadequate chemical controls. Inappropriate handling of chemicals often results in serious health and environmental problems. Poor people, who tend to live in the most exposed environments, are usually the worst affected. Over time, inadequate chemicals control can result in diminished trade and lower growth rates.

The world's biological diversity is being eroded. Sweden's partner countries are home to numerous species-rich environments that contribute to poor people's livelihoods by providing ecosystem services such as air and water purification, waste management and disposal and food production. Biodiversity also decreases vulnerability to disease and facilitates climate change adaptation.

The growth of urban slums is both rapid and global. In Africa today, some two thirds of the urban population live in slums that lack basic infrastructure: proper roads, piped water, drainage and electricity. These people are particularly vulnerable to environment-related health risks and disasters.

According to the UN, 1.2 billion people will need access to electricity and 2 billion people will need access to modern fuels if Target 3 of the 1st Millennium Development Goal – to halve the proportion of people who suffer from hunger between 1990 and 2015 – is to be met. Over 90 per cent of the populations of Afghanistan, Burkina Faso, the Democratic Republic of the Congo and Mozambique have no access to electricity. The traditional use of biomass fuels as an energy source often pollutes indoor air, causing deaths mainly among women and children. The use of biomass as an energy source is commonest in South Saharan Africa, where several of Sweden's partner countries head the list: the Democratic Republic of the Congo (93 per cent of total energy use from biomass), Tanzania (92 per cent), Ethiopia (90 per cent), Mozambique (84 per cent), Sudan (79 per cent), Zambia (79 per cent) and Kenya (74 per cent).

Several of Sweden's partner countries are among the most deforested in the world, mainly due to agricultural development but also as a result of small-scale woodburning in Indonesia, Sudan, Zambia, Tanzania, the Democratic Republic of the Congo and Zimbabwe. It is vital that strategies for sustainable forest use be designed to decrease vulnerability to climate change effects and reduce emissions.

## **2.2 SWEDISH DEVELOPMENT COOPERATION IN THE ENVIRONMENT AND CLIMATE THEMATIC AREA**

The Government designated the environment and climate a development cooperation thematic priority in its 2008 budget bill (Govt. Bill 2007/08:1 Expenditure Area 7). Environmental aid offers good prospects for close, broad-based cooperation between Swedish authorities, the enterprise sector and organisations. A broad range of skills and expertise are available here and

should be utilised. The Government has focused particular attention on four areas: adaptation to climate change, energy, environment and security and water.

The special climate initiative – budgeted at just over SEK 4 billion – which was launched in the 2008 budget bill is proceeding according to plan, with ongoing disbursements and activities in the spheres of bilateral and multilateral development cooperation. The objective of this initiative is to effectively contribute a) to long-term climate change adaptation measures in the poorest countries, and b) to measures adopted by developing countries to limit greenhouse gas concentrations, e.g. enhancing energy efficiency, improving access to better technologies and alternative energy sources, and reforestation projects.

The bulk of this aid is being channelled through existing multilateral initiatives. The bilateral projects focus on Bolivia, Bangladesh, Cambodia, Burkina Faso, Mali and special regional contributions in Africa and Asia. A total of SEK 1.1 billion has been set aside for climate-related development cooperation through Sida for the period 2009–2012. This part of the climate initiative will be based on existing joint donor programmes, mainly in the environment, water and energy spheres, suitably modified and broadened to acquire a climate change adaptation profile. Through these initiatives, the Government is helping to integrate a climate perspective into the partner countries' own development strategies. As many contributions have only recently been launched, it is too early to report results from this initiative.

Environmental and climate problems are distinguished by their transboundary character. Environmental aid is largely managed by multilateral organisations and vertical funds, and implemented by many different actors. If sustainable results are to be ensured in the longer term, the principles for aid effectiveness as set out in the Paris Declaration and Accra Agenda for Action must be applied. It is a question of reinforcing the principles of partner country ownership, emphasising the need for partner countries to take a leading role in coordinating environmental actions within their territories, and ensuring that regional inter-governmental organisations assume responsibility for coordinating initiatives in their respective regions. It is a question of the importance of capacity development, which strengthens the ability of partner countries to assume this role. And finally, it is a matter of coordination and collaboration between different types of aid donors.

Environmentally sustainable development is crucial to effective poverty reduction and growth. Planning and implementation of development initiatives must therefore be informed by an environmental perspective. Sweden not only seeks to integrate environmental and climate perspectives into aid contributions at all levels, from funding to dialogue, but also contributes to specific environmental projects in sectors and areas where climate-related and other environmental challenges play a key part, such as water, energy, agriculture and forestry.

### **2.2.1 Bilateral development cooperation**

Table 2.1 provides a summary of all development cooperation channelled via Sida in the last three years, with the environment and sustainable development as the primary or subsidiary aim. In 2009, approximately SEK 2.3 billion in aid

(14 per cent) went on contributions aimed primarily at promoting the environment and sustainable development, while SEK 7.9 billion (47 per cent) went on contributions which had this thematic area as a subsidiary aim. The total share of environment-related disbursements rose from 57 per cent in 2007 to 61 per cent in 2009.

**TABLE 2.1**  
**Development cooperation via Sida with the environment and sustainable development as its primary or subsidiary aim, 2007–2009**

SEK million

	2007	2008	2009
Environment-related development cooperation	8 768 (57%)	9 394 (60%)	10 257 (61%)
<i>of which the primary aim</i>	1 688 (11%)	1 755 (11%)	2 315 (14%)
<i>of which the subsidiary aim</i>	7 080 (46%)	7 639 (49%)	7 942 (47%)
Non-environment-related development cooperation	6 525 (43%)	6 219 (40%)	6 632 (39%)
<b>Total</b>	<b>15 293 (100%)</b>	<b>15 613 (100%)</b>	<b>16 889 (100%)</b>

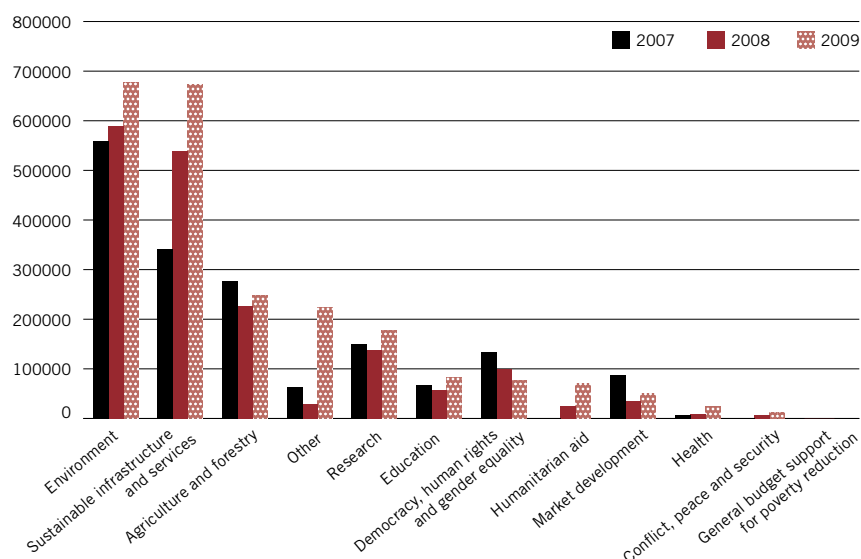
In this section, the *Environment and Climate* thematic area is limited to contributions, with the environment and sustainable development as their primary concern.

### Breakdown by sector

Integration of an environmental perspective into development cooperation means the *Environment and Climate* thematic area must encompass all sectors. The diagram below shows environmental and climate-related development cooperation channelled via Sida by sector for the period 2007–2009.

**FIGURE 2.1**  
**Environmental and climate-related development cooperation via Sida, by sector, 2007–2009**

SEK thousand

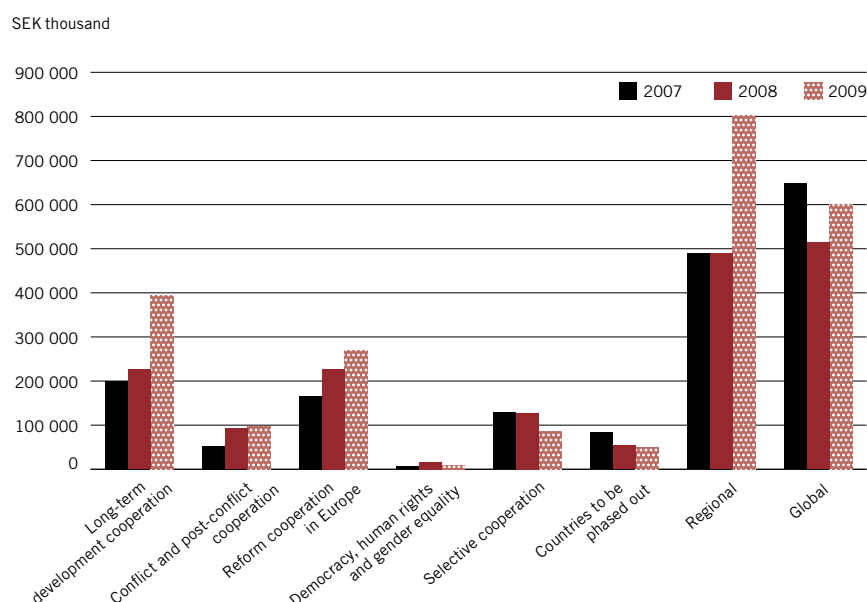


The dominant sectors are 'Environment' and 'Sustainable infrastructure and services'. The rise in aid spending over the three-year period is explained by the Government's climate initiative. The 'Sustainable infrastructure and service' sector almost doubled in size between 2007 and 2009. This is partly because more energy and water programmes involving large disbursements were completed in 2009. The water and energy sub-sectors are especially important and were given prominence in the Government's thematic priority, *Environment and Climate*.

### Breakdown by country category, region and globally

Figure 2.2 shows environmental and climate-related development cooperation channelled through Sida by country category (country categories are listed in Appendix 2, Swedish Development Cooperation). Regional and global cooperation are important complements to bilateral cooperation.

**FIGURE 2.2**  
Environmental and climate-related development cooperation via Sida, by country category, 2007–2009



As the diagram shows, disbursements in respect of global and regional cooperation account for a dominant share of environmental and climate-related aid. Together they accounted for SEK 1.4 billion, or 61 per cent of the environmental and climate-related aid channelled via Sida in 2009.

In terms of environmental and climate-related support, 'Long-term development cooperation' was the largest country category. In 2009, SEK 394 million went to environmental and climate-related contributions, which corresponds to 9 per cent of total disbursements in this country category. The twofold increase in aid in this category between 2007 and 2009 may be attributed to the fact that the countries covered by the Government's special climate initiative are to be found here.

Partner countries in the 'Conflict and post-conflict cooperation' category and countries where Sweden will be pursuing measures aimed at promoting

*democracy and human rights* received the smallest proportion of environmental and climate-related aid, just 3 and 2 per cent of total environmental and climate-related aid respectively. The Government intends to focus greater effort on secure access to food, water, sanitation and modern energy sources for people living in poverty in this country category.

SEK 270 million went on environmental and climate-related contributions in the country category 'Reform cooperation in Europe', i.e. 25 per cent of total aid for reform cooperation. In this category, aid to the environment sector rose from SEK 28 million in 2007 to SEK 129 million in 2009. This has given many countries in this category a strong incentive to improve their environmental systems and practices. One of the objectives of reform work is EU approximation. Efforts include drafting and implementation of EU-compatible legislation in the environmental and climate sphere at both national and local level.

In the country category 'Selective cooperation', SEK 85 million, i.e. 17 per cent of total aid in this category, went to environmental and climate-related contributions in 2009.

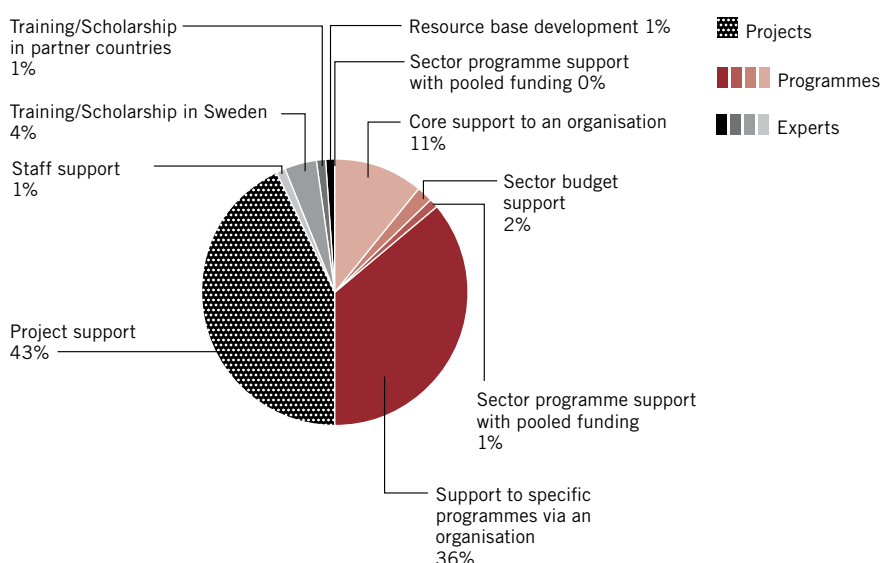
### Breakdown by aid modality

Aid modality refers to the form of cooperation between Sweden and cooperation partners. Sida aid modalities were reclassified in 2009 and are now divided into three main groups, as follows:

- *Programmes* (general budget support for poverty reduction, core support to an organisation, sector budget support, sector programme support with pooled funding, support to specific programmes via an organisation)
- *Projects* (project support)
- *Experts* (experts, training/scholarship in Sweden, training/scholarship in partner countries, resource base development).

The diagram below provides a breakdown by aid modality of environmental and climate-related development cooperation through Sida in 2009.

**FIGURE 2.3**  
Environmental and climate-related development cooperation via Sida, by aid modality, 2009



Approximately half of all environmental and climate-related aid is channelled via programme-based mechanisms. The most common aid modalities are 'Specific programmes via an organisation' and 'Organisational support'. In the former case, support is aimed at a specific part of an organisation's operation. In the latter case, basic funding is provided for an organisation's overall operation. Forty-three per cent of environmental and climate-related aid is in the form of project support. Expert support accounts for a significantly smaller proportion – 7 per cent. Half of this goes on training/scholarship in Sweden aimed at strengthening capacity development among representatives from partner countries.

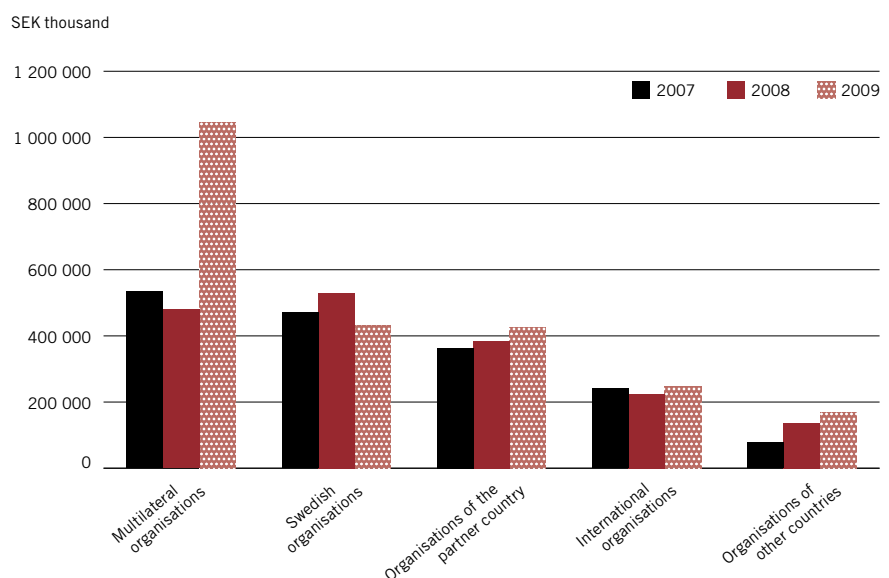
### Breakdown by implementation partner

Implementation partner refers to the type of organisation responsible for the practical implementation of a programme or project. As shown in the diagram below, the bulk of environmental and climate-related aid provided via Sida is channelled through multilateral organisations, Swedish NGOs and organisations in the partner country.

Most of this support, approximately SEK 1 billion, is channelled through multilateral organisations such as the UN, the World Bank, the IMF, regional development banks and other multilateral organisations. In 2009, SEK 1 billion were disbursed through these organisations, double the amount for the preceding year. Given the global nature of environmental issues, it is not surprising that a large proportion of environmental aid is channelled through multilateral organisations and that cooperation in this area has increased.

SEK 431 million were channelled through Swedish organisations such as municipal and county councils, NGOs and business enterprises. SEK 426 million were channelled through organisations in partner countries. A small proportion of environmental aid was channelled through international organisations and other countries' organisations, i.e. enablers from other parts of the world.

**FIGURE 2.4**  
Environmental and climate-related development cooperation via Sida, by implementation partner, 2007–2009





## Environmental loans

In April 2009, the Government approved a strategy for funding development loans and loan guarantees for environmental measures, and a new ordinance providing for the funding of development loans and loan guarantees. The object of environmental loans is to increase partner country access to capital for investments designed to tackle environmental problems and the effects of climate change. Environmental loans are primarily directed at contributions in the following areas:

- energy efficiency, renewable energy and distance heating and cooling
- waste, water and sewage treatment/management
- transport.

## Climate change adaptation and emissions reduction

The climate issue has gained increasing support and recognition in recent years, very largely due to a growing interest in partner countries, which has in turn been strengthened by the Government's designation of environment and climate as a thematic priority. Sweden's efforts to tackle climate change is focused on reducing the vulnerability of poor people and on strengthening their ability to adapt to the negative effects of climate change.

Sweden provides support for climate change adaptation in a range of sectors, including water management, forestry, agriculture, energy, health and education. In practice, it can be difficult to distinguish or demarcate between unalloyed climate change adaptation measures and more general development initiatives. Swedish climate-related aid also supports contributions aimed at reducing greenhouse gas emissions. Sweden helps partner countries invest in environmentally and socially sustainable technology and expertise, e.g. by supporting the development of regulatory frameworks that encourage more efficient energy use, local water management and renewable energy sources.

Development cooperation via Sida towards climate change adaptation and emissions reduction for the period 2005–2008 is shown in the table below. Data was limited to contributions for which the total agreed amount in any one case exceeded SEK 20 million and in which at least SEK 10 million were disbursed during the five-year reporting period. The selection does not include general budget support although such support may be relevant in some cases.

**TABLE 2.2**  
**Development cooperation via Sida towards emissions reduction and climate change adaptation, 2004–2008**

SEK million

Year	Climate change adaptation				Emissions reduction					
	Water	Forestry	Agriculture	Other	Energy	Transport	Forestry	Agriculture	Waste	Industry
2004	146	89	202	186	160		71	43	103	
2005	252	108	344	661	153	59	86	92	321	23
2006	351	135	292	616	286	45	137	102	127	26
2007	313	118	342	409	233	49	90	77	124	22
2008	400	97	322	474	427	84	83	128	147	27
Total	1 462	547	1 502	2 345	1 259	238	467	435	822	97
<b>Total</b>	<b>5 856</b>				<b>3 318</b>					



Between 2004 and 2008, the bulk of climate-related support – approximately SEK 5.9 billion – was directed at climate change adaptation measures, while just over SEK 3.3 billion went on contributions related to emissions reduction. This apportionment reflects the relative importance accorded to climate change adaptation by Sweden and many other countries. Climate change adaptation and emissions reduction sub-sectors are shown to illustrate the thematic areas into which support was divided. The bulk of support for emissions reduction was went on contributions in the energy and waste management sub-sectors. The predominant sub-sectors under climate change adaptation were agriculture and water. The ‘Other’ sub-sector includes disaster management, research and initiatives in other sectors related to climate change adaptation.

## 2.2.2 Multilateral development cooperation

Due to the transboundary nature of environmental issues, a substantial proportion of Swedish and international contributions are funded through multilateral channels (see Figure 2.4).

Approximately 40 per cent of total environmental and climate-related aid disbursed by Sweden in 2008 (for programmes and projects concerned primarily with the environment and climate) was allocated through multilateral channels.

The Strategy for Multilateral Development Cooperation applies to all Swedish cooperation with multilateral development organisations, including organisations active in the environment and climate sphere funded through the aid appropriation. Given that the bulk of Swedish bilateral environmental aid is disbursed through multilateral channels, it is particularly important that the various Swedish actors involved make consistent, strategically directed efforts to ensure the success of the Government’s policies and priorities.

Under the Strategy for Multilateral Development Cooperation, Sweden is expected to be proactive and adopt a wide range of approaches to the management of multilateral organisations. Sweden must base the size of its contributions and the form of financing chosen on an assessment of the respective organisation’s effectiveness and relevance. This assessment is a source of guidance, and decisions on aid also take account of needs, division of labour among donors, etc. Support should preferably be in the form of unearmarked grants, e.g. to an organisation’s central budget. Accordingly, thematic funding through vertical funds (designed to fund a particular subject area) should only be undertaken if there are special grounds for doing so. In such cases, extra emphasis should be placed on harmonising the activity in question with other development initiatives at country level.

The gradual emergence of environmental conventions and related funds and mechanisms have led to a fragmented architecture in the environmental sphere. To this must be added the need in recent years to show resolve on the climate issue, a development which has led to the creation of numerous new funds and mechanisms. At the same time, there are ample opportunities to work for closer donor coordination as environmental aid is still an emerging phenomenon. The principles embodied in the Strategy for Multilateral Development Cooperation have thus been put to the test. However, they have proved important to coherent, goal-oriented Swedish action aimed at ensuring aid effectiveness.

Aid allocation through multilateral channels in the context of the Government's climate initiative constitutes a clear example of the application of the above principles in the real world. For example, as extra support for climate change adaptation measures, Sweden made a grant to the International Development Association (IDA) – the World Bank's so-called soft window. This was after a new framework for the bank's climate-related activities had been put in place, and on the basis of a generally favourable assessment of the IDA's relevance and effectiveness. As Sweden's contribution was not earmarked it could be programmed directly into the IDA's normal development funding. As part of its climate initiative, the Government also chose to contribute to the Clean Technology Fund (CTF), a trust fund under the newly established Climate Investment Fund (CIF). Although this undeniably involves new aid for a vertical fund, it was considered that the CTF filled a conspicuous gap in climate funding, thereby offering considerable potential added value (see Section 2.5.5). However, the Government has chosen not to fund other parts of the CIF as the potential added value of these new funds compared to that of existing channels was not considered sufficient.

Sweden also cooperates with other countries on methods development and analysis of the activities of multilateral organisations. The most prominent network for like-minded donors is the Multilateral Organization Performance Assessment Network (MOPAN), which among other things carries out joint assessments of the organisational effectiveness of the major multilateral organisations they fund. These are then used as a basis for Sweden's assessment. Sweden is also active in efforts to make the OECD/DAC's multilateral aid statistics and environmental markers better and more reliable.

### **2.2.3 Development cooperation through the EU**

Development cooperation undertaken by the EU and its Member States is guided by the EU Development Policy Statement: The European Consensus (DPS), adopted in 2005. Its overarching objective are poverty reduction and sustainable development. The environment and sustainable management of natural resources are regarded as overarching issues to be integrated in all development-related activities. All strategies and project documents must be subjected to environmental review. The environment can also be the point of departure for geographical and regional strategies concerned with forest and water management and protection, biodiversity, access to sustainable energy and soil degradation. (See Section 2.5.6 for European Commission development programmes).

#### **Council conclusions**

During the Swedish presidency, the EU development cooperation ministers adopted Council conclusions on Climate change and development. The Council called on the EU and its Member States to integrate climate-related issues into their development cooperation strategies and to support efforts by developing countries to integrate climate change concerns, in particular climate change adaptation, into their national development plans and budget processes. Both aims are informed by a medium-to-long-term perspective. The Council conclusions also have a bearing on and draw attention to the development perspective

in negotiations taking place under the UN Framework Convention on Climate Change, and highlight the need for greater support for climate change adaptation and emissions limitations in developing countries. The conclusions were based on the Swedish presidency and European Commission Joint Paper on Climate Change and Development issued in the autumn of 2009.

The closing section of the conclusions deals with future work. This includes further integration of climate change concerns into the cooperation policies, strategies and activities of EU Member States and the Commission, and alignment with previously adopted Council conclusions in related areas, such as disaster risk reduction.

The Council urges EU Member States and the Commission to base their development cooperation and support on partner country perspectives, including the human dimension and local perspectives on the impacts of climate change. In 2010, the Commission and Member States will report to the Council on progress in following up the Council conclusions.

### **Green Diplomacy Network**

In the autumn of 2009, Sweden chaired the informal EU Green Diplomacy Network (GDN).

Also in the autumn of 2009, an extensive GDN demarche was organised in 58 selected countries, including a number of developing countries. The aim of the demarche was to highlight the urgent need for cooperation and understanding ahead of the Copenhagen climate change summit, to present the latest EU standpoints and to elicit the views of partner countries in important areas.

One of Sweden's principal aims as chair of the GDN was to encourage EU colleagues in third countries to meet, exchange political insights into the situation in 'their' country and promote active influence and participation on the part of the EU among influential actors. Sweden also pursued the line that GDN initiatives should be in greater demand among relevant EU experts and that they should be efficient in terms of resource utilisation and scheduling.

The reports submitted by embassies were instrumental in mapping out important strategic approaches as regards political dialogue and outreach activities. The reports confirmed that the EU's mobilisation effort helped ensure that the image of a coherent EU approach was disseminated among third countries ahead of the Copenhagen climate summit. Gathering experience of and sharing information on the views and positions of partner countries during the negotiations has enhanced the potential for unified, strategic EU work.

## **2.2.4 The Commission on Climate Change and Development**

The government-initiated international Commission on Climate Change and Development was headed by Gunilla Carlsson, the Swedish Minister for International Development Cooperation. It was composed of 13 members from different parts of the world and different areas of expertise. The commission's aim was to draw the world's attention to the relationship between climate change and development in poor countries and to ways in which climate change adaptation and risk management should be integrated into development cooperation.

The commission's final report, entitled *Closing the Gaps*, was launched at

the UN in New York in May 2009. It was also presented before the General Affairs and External Relations Council Council in Brussels and at a number of national and international meetings, including at the Swedish Embassy in Washington. The report deals primarily with adaptation to the effects of climate change and its connection to measures to reduce the risks associated with natural disasters. It underlines the need to ensure that climate change adaptation takes into account the significance of the local level and the human dimension of adaptation. It also emphasises that development cooperation should be used as a catalyst to generate other types of funding for climate change adaptation. Management and coordination issues should be addressed by strengthening existing institutions and mechanisms.

The commission arranged a series of study trips to Cambodia, Mali and Bolivia. These visits had a formative influence on the report's composition and main message. The commission returned to Cambodia and Mali in 2009 in order to report its findings and engage in dialogue with key actors in these countries on such issues as the role of local institutions in climate change adaptation.

The commission's report has contributed to efforts to raise awareness and understanding of climate change and development, climate change adaptation and their connection with disaster risk reduction both in and outside Sweden. The report provided important input to the joint memorandum on climate change and development drawn up by Sweden and the European Commission during the Swedish presidency. The Council conclusions on climate change and development adopted by the development ministers during the presidency were based on the memorandum.

At the launch in New York, the UN Secretary-General announced his intention to follow the commission's recommendations regarding the appointment of a high-level group on climate change and development. A high-level panel on global sustainability will shortly be set up. Its mandate and composition are expected to be decided in the spring of 2010.

### 2.2.5 Swedfund

Swedfund is a state-owned company which provides risk capital and expertise in Africa, Asia, Latin America and Eastern Europe (not EU countries). The company's overarching objective is to contribute to the objective of Swedish development cooperation through investments that promote sustainable economic development in the countries where investment is made. Swedfund is a member of European Development Finance Institutions (EDFI). EDFI is an association of bilateral institutions in the EU which offers long-term investments in the enterprise sector in developing countries with the aim of stimulating economic development. The association was established in 1992 and now has 15 members.

Over the last three years, Swedfund has contracted investments amounting to over SEK 400 million in the environmental technology sector. This sector represented over 25 per cent of the 22 investments contracted by Swedfund in 2009 and over 15 per cent of the 81 investments in its current portfolio. Environmental technology is a growing and important part of the company's business. Swedfund has for many years been involved in the development of new business

models and financing instruments for renewable energy, wastewater treatment and waste management, and cleaner production technologies.

Below are eight examples of Swedfund investment projects in the environmental technology sector, two of which were completed in 2005 and 2007 respectively.

Swedfund is currently engaged in two investment projects in the *renewable energy technology* sub-area, and is actively seeking new investment opportunities in the area, e.g. in windpower, hydroelectric power, biomass and geothermal energy sources.

The Olkaria Geothermal Plant in Kenya is the first privately financed geothermal power station in Kenya. Swedfund invested SEK 2 million in Olkaria in 2008. The project will not only help reduce Kenya's dependence on foreign oil and meet the country's growing demand for energy, it is also expected to reduce greenhouse gas emissions by up to 2.8 million tons of carbon dioxide. Some 40 people are currently employed at the plant.

The Greenko Biomass Plant in India is currently owned by the Greenko Group, India's fastest growing independent energy producer. Swedfund invested SEK 9 million in the plant in 2008. The biomass facility will help India meet the country's growing demand for energy and reduce the use of fossil fuels. Today, Greenko has approximately 400 employees on its payroll.

Swedfund is also currently engaged in three environmental technology investment projects in the *waste management and recycling area*.

Athi River Steel, a steelworks in Kenya, manufactures products made from recycled steel for sale throughout East Africa. In 2007, Swedfund invested SEK 45 million in the company. Athi River Steel actively explores ways to make steel production better for the environment. One of the improvements planned by the company is to recycle heat from the smelting furnace, a measure expected to cut energy losses by 80 per cent. When Swedfund invested in Athi River Steel, the company employed 600 people. Today the workforce numbers 900 employees.

The Indian company, Polygenta Technologies Ltd. has a patent to produce yarn from recycled PET (Polyethylene terephthalate) bottles. In 2009, Swedfund invested SEK 75 million in the company. Polygenta's operation helps reduce the production of polyester yarns manufactured from petrochemical raw materials. Moreover, the company contributes to PET bottle recycling, which is not widely practised in India today. Polygenta is expected to employ some 180 people when the factory comes on line.

Vietstar is an ecological waste management station in the Cu Chi district, a suburb of Ho Chi Minh City in Vietnam. In 2008, Swedfund invested SEK 60 million in Vietstar. The station has an estimated capacity to handle 1 200 tons of solid waste per day and to sort organic, plastic and metallic waste. Today, Vietstar employs 600 people.

Swedfund is also seeking to expand its investment in projects aimed at increasing global access to *clean water*. The company has completed two wastewater treatment projects and is actively involved in a third clean water project.

The first completed project, involving a SEK 37 million investment in 2002, was UZOS, a wastewater treatment plant outside St Petersburg in Russia. The plant, which has been in operation since September 2005, is capable of treating 330 000 cubic metres of water a day. Today, UZOS employs 600 people.

ASCE in Egypt was the other completed project. Here, Swedfund's investment, in 1986, amounted to SEK 6.3 million. ASCE produces aluminium sulphate, used in the treatment of Nile water. With an annual production capacity of 450 000 tons, ASCE is now the largest producer of aluminium sulphate in Africa. Swedfund sold its share in the company in 2007. When Swedfund invested in ASCE in 1986, the company had 67 employees. It now has 250 people on its payroll.

In addition to the two completed investment projects in the water sector, Swedfund invested in an activated carbon plant in southern India in 2008. The investment, in the form of an SEK 20 million loan to a Swedish company, Jacobi Carbons AB, was for the construction of the world's biggest plant for the production of coconut shell-based activated carbon for use in water treatment systems. Activated carbon is not just a more environmentally friendly raw material than coal. Its production from coconut shells means local farmers can sell shells to the plant instead of discarding them as waste. The Jacobi Carbons plant now employs 150 workers and staff.

## 2.3 RESULTS OF BILATERAL DEVELOPMENT COOPERATION: 25 RANDOMLY SELECTED CONTRIBUTIONS

In this section, the Government presents an account of a) Sida's summary assessment of the results of 25 randomly selected contributions primarily concerned with environment and climate in the sub-areas environmental management, energy, water, and agriculture and forestry (see Section 2.3.1), and b) the results of the contributions presented by sub-area, illustrated by seven examples (see Section 2.3.2). The areas were chosen in accordance with the Government's stated priorities in the 2008 Budget Bill (Govt. Bill 2007/08:1).

The sample was proportional to the number of contributions in the four sub-areas and was limited to contributions that begun before 1 January 2007 and completed not later than 1 January 2009. The population consisted of 166 contributions.

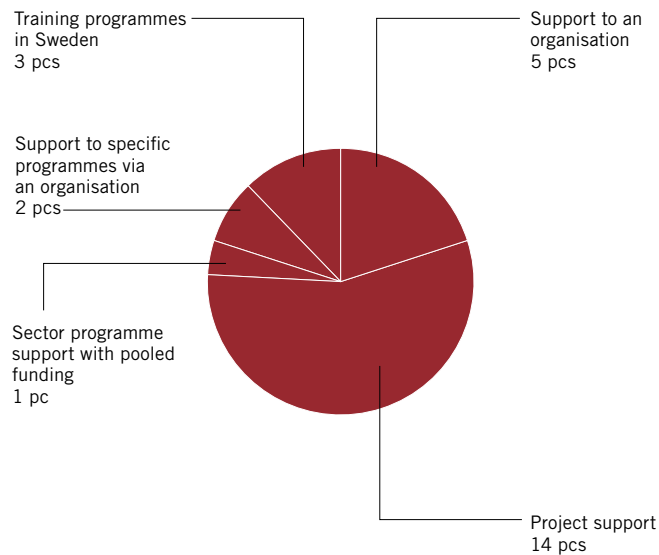
Disbursements for the 25 contributions totalled SEK 579 million for the period 1999–2009, approximately 19 per cent of disbursements for all contributions in the four sub-areas. Disbursements per contribution ranged from SEK 1.2 million to SEK 58 million.

**TABLE 2.3**  
**Breakdown of randomly selected contributions**

Area	Number of contributions	Average disbursement per contribution SEK thousand	Number of contributions
Environmental management	13	22 967	1 Sub-Saharan Africa, 5 Asia and Central Asia, 1 Latin America, 1 Eastern Europe, 5 Global
Energy	1	5 107	1 Sub-Saharan Africa
Water	8	26 996	2 Sub-Saharan Africa, 3 Asia and Central Asia, 1 Eastern Europe, 2 Global
Agriculture and forestry	3	19 642	1 Sub-Saharan Africa, 1 Eastern Europe 1 Global

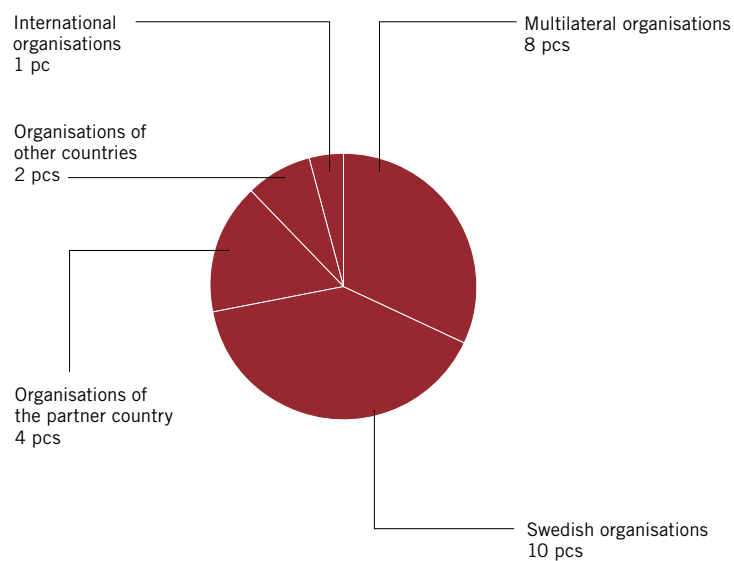
Of the 25 selected contributions, 14 were classified as project support, five as organisational support and two as programme support via an organisation. Three contributions involved training programmes, e.g. International Training Programs (ITP), and one involved sector programme support through a pooled fund.

**FIGURE 2.5**  
**Randomly selected contributions by aid modality**



Ten contributions were implemented by Swedish organisations, eight via multilateral organisations, four through organisations of the partner country, two via organisations of other countries, and one via an international organisation.

**FIGURE 2.6**  
**Randomly selected contributions by implementation partner**





### 2.3.1 Results assessment

The following assessment of the results of the contributions is based on responses to a questionnaire by officials responsible in each contribution. The officials were asked to *describe* the results achieved and to *assess* these in terms of relevance, goal fulfilment and cost efficiency on a scale of 1 to 4: high, satisfactory, less satisfactory and low. The following definitions were used:

**Relevance:** The extent to which a contribution was consistent with target group requirements, the country's needs, global priorities and partner country and donor policies.

**Goal fulfilment:** The degree to which the contributions objectives were achieved, or are expected to be achieved, taking into account its relative importance.

**Cost efficiency:** A measure of how economic resources (capital, know-how, time, etc.) were translated into results. Costs of contributions must be set against outputs.

The assessment in terms of relevance, goal fulfilment and cost efficiency should be studied with care. This is partly because the assessment criteria were not clear cut, and partly because the sample was too small to allow conclusions to be reached on differences between contributions or sub-areas.

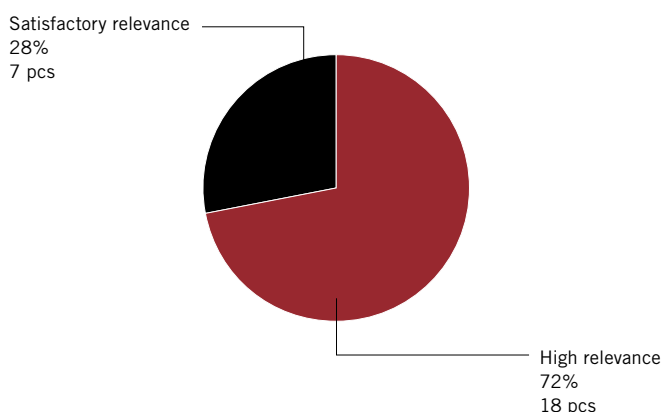
In its scrutiny of the Appendix to Sida's annual report for 2009, the National Audit Office also noted shortcomings in the quality assurance of the results obtained and concluded that the reliability of the results reported in this section was questionable.

Sida was tasked by the Government in its 2009 appropriation directions to introduce a coherent objective and results-based management system as soon as possible. As mentioned earlier, Sida is currently developing systems and tools designed to enable uniform assessment of results as part of this system (see also Section 1.2).

With systematic and rigorous management, Sida will in future be able to draw conclusions as to why certain contributions in any given portfolio are more effective than others.

72 per cent of the contributions (18) were ranked high on the relevance scale in terms of promoting the environment and sustainable development, while the remaining 28 per cent (7) were assessed as satisfactory.

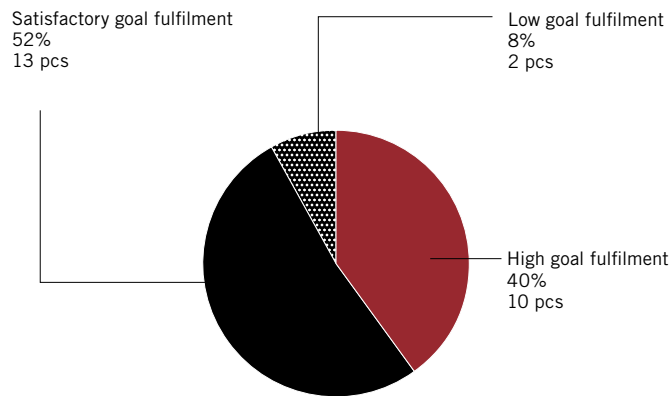
**FIGURE 2.7**  
Randomly selected contributions, by assessed degree of relevance





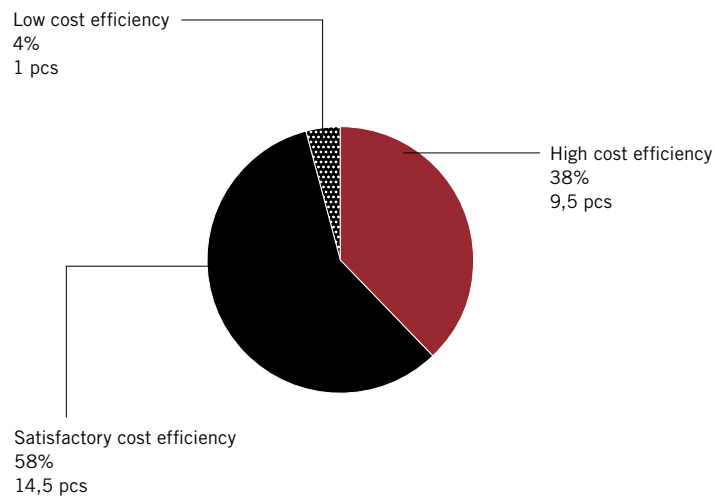
40 per cent (10) of the contributions were ranked high, 52 per cent (13) were deemed satisfactory, and 8 per cent (2) were ranked low in terms of goal fulfilment.

**FIGURE 2.8**  
Randomly selected contributions, by assessed degree of goal fulfilment



38 per cent (9,5) of the contributions were ranked high, 58 per cent (14,5) were deemed satisfactory and 4 per cent (1) were ranked low in terms of cost efficiency.

**FIGURE 2.9**  
Randomly selected contributions, by assessed degree of cost efficiency



In sum, the preponderance of contributions in the sample (23 out of 24) were assessed as 'high' or 'satisfactory' in terms of goal fulfilment and cost efficiency respectively. In addition, all the contributions in the sample were rated 'high' or 'satisfactory' in terms of relevance. Only two contributions were ranked 'low' on the goal fulfilment scale, while one was rated 'low' in terms of cost efficiency.

## 2.3.2 Results by sub-area

This section contains a summary report of the 25 selected contributions by sub-area. Each of the four sub-areas – environmental management, energy, water, and agriculture and forestry – is exemplified by two contributions. The exception is ‘energy’ sub-area, for which there was only one contribution in the sample.

### Environmental management

Preconditions for environmentally sustainable development are modern legislation, the emergence of efficient environmental management regimes, and greater expertise in and wider assumption of responsibility for environmental issues within public authorities outside the environment sector. Institutional and capacity development are acquiring increasing significance as greater focus is placed on sector and budget support.

The stated *objective* of most of the 13 environmental management contributions included in the sample is to strengthen organisations by helping to boost their capacity for environmental management, policy development, planning, regional cooperation and raising environmental awareness. Other objectives are to contribute to air quality improvement, marine environment protection, revision of environmental protection law, environmental safety and risk reduction at waste disposal sites, rehabilitation of mining areas, implementation of Agenda 21 provisions, and efforts to raise awareness of the relationship between poverty and environmental conditions.

Most of the *results* reported involved improved institutional frameworks for sustainable environmental management, e.g. new legislation, action plans, and models and principles for controlling and regulating environmental and climate impacts. It was also stated that some contributions helped raise awareness among political representatives and within civil society of the need for better environmental conditions.

### Capacity building at the Environmental Protection Bureau in Guizhou Province

Capacity building at the Environmental Protection Bureau in Guizhou Province, an contribution in the environmental management sub-area, yielded satisfactory results.

TABLE 2.4  
Capacity building at the Environmental Protection Bureau in Guizhou Province

Objectives	Assessment	Cost	Period
1) To boost capacity at the Environmental Protection Bureau	<b>Relevance:</b> satisfactory <b>Goal fulfilment:</b>	Total: SEK 11 million	2005–2009
2) To draw up a general plan for the ecological restoration and regeneration of old zinc mining wasteland areas	satisfactory <b>Cost efficiency:</b> satisfactory	Of which Sida's share: SEK 8 million	

### Objectives

1. To boost capacity at the Environmental Protection Bureau with a view to strengthening implementation of the country's environmental legislation, incorporating environmental concerns in planning and policymaking and raising environmental awareness among the general public.
2. To develop an overall plan for reclaiming old zinc mining wasteland areas and contribute to sustainable development of the zinc industry.

### Results

- Capacity building took the form of training programmes based on an integrated approach focused on the inter-relatedness of economic, environmental and socioeconomic factors. The training, which embraced areas such as environmental auditing, strategic environmental impact assessment and gender equality awareness, was used in the development of a plan for the restoration of areas impacted by previous zinc mining operations. More than 370 people from environmental offices at local and provincial level were trained.
- A plan for restoring areas where zinc mining had previously been conducted was completed, and four-year action plans were drawn up. It was anticipated that the action plans, which provided for volume estimates, and description and mapping of mining waste, could also be applied in other contaminated areas in the region. The plans addressed the urgent need to tackle the environmental and socioeconomic effects of discontinued zinc mining operations in the area. They also proposed solutions on how future mining operations and zinc processing can be managed in an environmentally and socioeconomically sustainable manner. These will involve restoring land, ensuring that extraction and processing are conducted in an environmentally sustainable manner, and finding alternative sources of income for the local population.

Sida's share of the total cost of the contribution totalled SEK 8 million, while China's contribution amounted to SEK 3 million.

### Nile Equatorial Lakes Subsidiary Action Programme

The Nile Equatorial Lakes Subsidiary Action Programme was judged to have yielded favourable results and could have potentially significant long-term effects.

TABLE 2.5  
Nile Equatorial Lakes Subsidiary Action Programme

Objective	Assessment	Cost	Period
To build regional confidence in and capacity for protracted cooperation and long-term sustainable development in the countries of the Nile region	<b>Relevance:</b> high <b>Goal fulfilment:</b> satisfactory <b>Cost efficiency:</b> satisfactory	Total: SEK 100 million  Of which Sida's share: SEK 26 million	2006–2009

### *Objective*

To build regional confidence in and capacity for protracted cooperation and long-term sustainable development in the countries of the Nile region, which include Burundi, Democratic Republic of the Congo (DRC), Kenya, Rwanda, Tanzania and Uganda.

### *Results*

- Annual reports show that the programme led to a number of outputs. Examples included the establishment of regional institutions, aid provision for several projects in the region, initial cooperation between existing regional institutions, and an increase in the number of specialists in the region in the field of integrated water resource management.
- Over the years, the countries of the region have gained confidence in the programme and national ownership has been developed, as shown by fact that the countries concerned now make an annual financial contribution to the programme.
- Through cooperation, the countries that share Lake Victoria have agreed on a common body of regulations for managing the lake. An example of cooperation with other regional institutions is the Lake Victoria Environment Management Project. Approved by the World Bank in 2009, the project is now being implemented by the East African Community (EAC) and the Lake Victoria Basin Commission (LVBC), in partnership with Burundi, Kenya, Rwanda, Tanzania and Uganda.
- One of the outcomes has been an increase in the exchange of previously classified information, such as hydrological data.
- Increased confidence and improved relations in the region have led to greater stability, peace and integration.

However, as the shared use of water resources is a politically sensitive issue, the programme's impact is associated with uncertainty and risk. Energy supply-related projects are especially risky.

The total cost of the programme was SEK 100 million. Sida's contribution for the period 2006–2009 was SEK 26 million.

### *Energy*

Access to energy is fundamental to economic growth, sustainable development and poverty reduction. The expansion of energy production in poor countries must be based to an increasing extent on renewable energy sources if it is to be environmentally sustainable. More efficient energy consumption is also important, particularly in middle-income countries (MICs). Sweden contributes to technical assistance and capacity building, and supports investment through grants, loans and loan guarantees.

*Objectives* in the energy sector are often framed in terms of the development and reform of environmentally sustainable energy systems capable of contributing to improved living standards for poor people.

Contributions supported by Sweden in the energy sector are often largely composed of infrastructure investment. However, the only contribution in our

sample is an example of how capacity building can help bring about conditions that are more conducive to sustainable energy distribution.

### International training programme on electricity distribution management

The international training programme on Electricity Distribution Management, part of Sida's International Training Programs (ITP), was designed for participants from Sweden's partner countries. The contribution pertained to the first year of a three-year programme.

**TABLE 2.6**  
**International training programme on electricity distribution management**

Objective	Assessment	Cost	Period
To help bring about conditions conducive to electricity distribution capable of contributing to lasting and sustainable social and economic development	<b>Relevance:</b> high <b>Goal fulfilment:</b> high <b>Cost efficiency:</b> satisfactory	Total: SEK 5 million Of which Sida's share: SEK 5 million	2007–2008

#### *Objective*

To help bring about conditions conducive to electricity distribution capable of contributing to lasting and sustainable social and economic development.

The following interim goals for the programme were defined: 1) that participants would learn to identify energy needs in their home country, 2) that participants would adopt a holistic perspective on their electricity needs, and 3) that participants would be equipped with the necessary tools to initiate cooperation with stakeholders and interested parties. A further objective was to promote the establishment of regional networks among the participants. During the programme, participants worked on individual project proposals such as investment, communication plans, legislative proposals, working methods and procedures, etc. A regional follow-up seminar was held half a year after the programme's inception.

#### *Results*

- Thirty-two participants had successfully completed the training when the programme ended.
- Examples of projects realised as a consequence of the participants' involvement in the programme were: improved maintenance of electricity systems in Mozambique, higher household connection rates in Rwanda, development of business plans for a small electricity network in Tanzania, a study for a biopower plant in Zambia, and a training programme for electricians as part of the reconstruction of the electricity network in Liberia.
- Although the participants developed a network during the programme, it was subsequently difficult for many of them to combine networking activities with their everyday commitments. However, some contacts were kept up, e.g. between participants from Rwanda and Uganda.

The cost of the entire programme for the period 2007–2009 totalled SEK 14 million. This contribution pertained to the first year of the programme and cost approximately SEK 5 million. Sida defrayed the entire cost of the programme apart from the participants' travelling expenses.

## Water

Water resource management, access to clean water and basic sanitation are vital, basic development cooperation issues.

Aid provided in this area includes support aimed at enhancing access by poor people to sanitation and clean water for hygiene, and support for the sustainable exploitation of the development potential of water resources through irrigation, electricity production, improvements in the fishing industry, etc. Sweden extends support for integrated programmes that combine reform with capacity development within public and non-public organisations, and for water infrastructure investment programmes.

Of the eight contributions in the water sector included in the sample, several have included support for capacity development. However, contributions in the water sector have often involved concrete measures, e.g. economically and environmentally sustainable implementation of infrastructure projects. The stated objectives of the contributions in the sample were to implement sustainable sanitation solutions, draw up water and sanitation strategies, raise water table levels in order to promote cultivation and access to drinking water, tighten controls on industrial effluents that leak into the water table, build biological wastewater treatment plants in order to reduce discharges into the Baltic, and contribute to the development of water resource management.

*Reported results* include increased access to drinking water and arable land, regional strategies for water resource management and joint investment, a helpdesk for integrated flood response, wastewater treatment plant construction, the establishment of regional knowledge centres, and implementation of eco-sanitary solutions.

### *Tarun Bharat Sangh*

Tharun Bharat Sangh, a contribution in the water sector which has yielded excellent results and had a widely favourable impact, ranked high on the goal fulfilment scale. Tharun Bharat Sangh is an Indian organisation actively involved with water resource issues and working closely with local populations. The contribution is an example of how Sida has operated in India, where civil society involvement has been a distinguishing characteristic.

**TABLE 2.7**  
**Tarun Bharat Sangh**

Objectives	Assessment	Cost	Period
1) To organise local populations in Rajasthan with a view to improving natural resource management and enhancing their livelihoods.	<b>Relevance:</b> high <b>Goal fulfilment:</b> high <b>Cost efficiency</b>	Total: SEK 17 million  Of which Sida's share: SEK 16 million	2003–2009
2) To exert influence on national policy and legislation, and to establish local control of natural resource management.	satisfactory		

### *Objectives*

1. To organise local populations in 1 058 Indian villages in Rajasthan with a view to improving natural resource management and raising the water table, thereby enhancing their livelihoods in agriculture and livestock farming.
2. To exert influence on national policy and legislation, and to establish local control of natural resource management.

### *Results*

- Since Sida began funding Tarun Bharat Sangh, 8 600 earthen check dams for rainwater collection, storage and percolation, locally known as *johads*, have been built in villages across Rajasthan in cooperation with local residents.
- The *johads*, combined with improved local management, have helped raise the water table in Rajasthan. This in turn has led to improved access to drinking water for people and animals, increased vegetation cover and an increase in the total area of arable land.
- Improved access to water and higher agricultural yields have led to a rise in income levels. In contrast to the past, people now own cattle and transport vehicles.
- Thanks in part to the *johads*, water now flows in the Maheshwara river for the first time in 20 years. The Maheshwara is the seventh river to have been rehabilitated through the activities of Tarun Bharat Sangh.
- Jal Vidyapeeth, a training centre devoted to water issues, was established at the initiative of Tarun Bharat Sangh. The organisation is a member of the Jal Vidyapeeth board and has participated in course development and teacher training.
- Tarun Bharat Sangh has also mobilised individuals to become involved in its network, Rashtriya Jal Biradari. The purpose of the network is to disseminate the lessons learned in Rajasthan on the key role of local populations in water resource management. The network took an active part in a successful campaign to give the Ganges river national status. The river can now be more easily protected from industrial pollution and inappropriate building development through environmental regulations at central government level. Jal Biradari is also a participant in the Swatcha Ganga (Clean Ganges) Programme.

One of the Tarun Bharat Sanghs' key messages is the importance of involving users of the river in water management discussions from a rights perspective. The organisation has shown how this can be done by forming the Arvari River Parliament in 1999. Tarun Bharat Sang has also been instrumental in the appointment by the Indian Government of the National Ganga River Basin Authority (NGBRA) as a controlling and coordinating authority with responsibility for protecting the Ganges river.

An independent evaluation found that the contribution has achieved results at impact level and media reports have confirmed that it has achieved its stated objectives. The results of aid to Tarun Bharat Sangh were achieved largely through sound cooperation at local level. Local ownership was vital to the sustainable management of water resources as responsibility for maintaining water collection and storage structures was in the hands of local residents.

Sida's contribution in the form of institutional support totalled SEK 16 million. The overall budget for the operation amounted to SEK 17 million.

#### *Ecosanres 2, 2006–2010*

Ecosanres 2, 2006–2010, the second phase of an contribution in the water sector initiated by Sida in 2001 through the Stockholm Environment Institute, was ranked low in terms of goal fulfilment and cost efficiency.

**TABLE 2.8**  
**Ecosanres 2, 2006–2010**

Objective	Assessment	Cost	Period
To develop and demonstrate sustainable sanitation solutions in less developed countries with a view to improving health, gender equality, poverty reduction and environmental quality.	<b>Relevance:</b> high  <b>Goal Fulfillment;</b> low  <b>Cost efficiency;</b> low	Total: SEK 90 million  Of which Sida's share: SEK 90 million	2006–2010

#### *Objective*

To develop and demonstrate sustainable sanitation solutions in less developed countries with a view to improving health, gender equality, poverty reduction and environmental quality.

#### *Results*

Achieving the stated objective involved collaboration with so-called knowledge nodes, regional organisations working on sustainability issues in the sanitation field.

- Knowledge nodes were established and developed in eight of Sweden's partner countries. The nodes are located inside well-functioning institutions.
- According to a mid-term review conducted in 2008, the contribution has led to increased expertise and influence in global terms with regard to ecological sanitation and its significance.

The knowledge nodes that embarked on projects were assisted during the project implementation stage by the countries they were based in. The countries



contributed in various ways and to varying extents to node activities, which were generally firmly rooted in the national context. In Bolivia, for example, the entire node establishment process and all related activities were undertaken in close cooperation with the Bolivian Ministry of the Environment and Water. In the Philippines, the nodes work closely with the country's Department of Health. In southern Africa, the node is located in the reputable Water Research Commission, whose primary focus is not South Africa but other countries in the region. Owing to the commission's regional character, the node does not operate in an exclusively national context, as is the case with other nodes.

Examples of project activities include demonstrating ecosanitary solutions, disseminating information via electronic and print media, establishing, coordinating and maintaining networks for sustainable sanitation, and providing advisory services. In a number of cases, nodes have been engaged by their respective countries to organise workshops and conferences.

It is essential that knowledge nodes be established through a transparent, actively participatory process. Although their establishment has posed challenges, efforts have so far been successful despite certain delays. The mid-term review itself found that the programme was progressing well, but reported that delays and unanticipated costs were affecting node establishment.

The total cost of the programme was approximately SEK 80 million, plus an extra disbursement of SEK 10 million to complete and deliver pilot projects. The project has been wholly funded by Sida.

### **Agriculture and forestry**

Development in the agriculture and forestry sector is clearly related to poverty reduction – directly in terms of food security, jobs and income, and indirectly in terms of economic growth. Agriculture and forestry activities can contribute to a sustainable environment and help reduce climate impacts.

Much agricultural and forestry support goes to market development initiatives, farmers' organisations, advisory services and local processes aimed at strengthening popular participation. Contributions are informed by efforts to promote sustainable agriculture and forestry, focused on ownership and rights of use.

Three contributions were selected for assessment. The *objective* of one of the projects was to improve natural resource management and access to land, while the other two were aimed at enhancing capacity for and knowledge of sustainable forestry through training programmes, and at introducing and implementing forest certification schemes.

Reported *results* of the contributions included newly established partnerships for economic development in rural areas and the certification of large areas of forest in accordance with the rules of the Forest Stewardship Council, a membership-based organisation for the certification of forests and forest products.

#### *Forest Programme in Russia*

The Forest Programme in Russia, a contribution launched in 2004 and scheduled to continue until mid-2010, was ranked high on the goal fulfilment scale.

**TABLE 2.9**  
**Forest Programme in Russia**

Objective	Assessment	Cost	Period
To transfer and develop new knowledge in sustainable forestry, and disseminate this knowledge primarily in north-west Russia.	<b>Relevance:</b> high	Total: SEK 45.5 million	2004–2010
	<b>Goal fulfilment:</b> high	Of which Sida's share:	
	<b>Cost efficiency:</b> satisfactory	SEK 45.5 million	

### *Objectives*

To transfer and develop new knowledge in sustainable forestry, and disseminate this knowledge primarily in north-west Russia.

### *Results*

- Regional forest norms were developed under the Pskov Model Forest Project for a full cycle of measures appropriate to a modern, sustainable forest. The cycle consisted of a full set of measures to be taken during a forest rotation period.
- A set of regulations governing forestry operations in the Pskov, Novgorod and Leningrad regions were drawn up. A number of regional forest norms have been approved for further testing at federal level.
- An optimised forest plan in the form of an economically based planning model for sustainable forestry was drawn up and is currently being tested.
- Modernisation of instruction has begun at one of the leading forestry colleges, Lisino, where model forest areas have been laid out for training purposes. Students now have access to good instruction material in the form of demonstration areas and modern textbooks on the subject.
- As a result of this contribution, the Russian Federal Forestry Agency and the Swedish Forest Agency have drawn up a Russian-Swedish forest strategy for the period 2009–2011. As part of the strategy, four joint working groups have been set up to address specific forest-related issues. This would indicate that the programme has not only produced results at outcome level, it can also be expected to have long-term effects.

The programme was launched as the reform process of the Russian forest sector got under way. By always staying several steps ahead of this process it has been able to meet emerging needs as successive reforms have been adopted and implemented. Programme activities have been well prepared, have had specific objectives and have been well documented. Activities have been directed at those with an interest in and the ability to bring about change. Implementation, however, has not been wholly problem-free; for example, progress has been somewhat spasmodic due to delayed legislation and changes at management level.

The programme has been wholly funded by Sida at a cost of SEK 45.5 million.

### **Community Land Use Fund**

The Community Land Use Fund, a contribution aimed at strengthening common land rights, was ranked satisfactory in terms of goal fulfilment and cost efficiency.

**TABLE 2.10**  
**Community Land Use Fund**

Objective	Assessment	Cost	Period
To strengthen common land rights among people in rural societies in the provinces of Gaza, Manica and Cabo Delgado in Mozambique	<b>Relevance:</b> high  <b>Goal fulfilment:</b> satisfactory  <b>Cost efficiency:</b> satisfactory	Total: SEK 40 million  Of which Sida's share: SEK 4.5 million	2006–2009

### *Objective*

To strengthen common land rights among people in rural societies in the provinces of Gaza, Manica and Cabo Delgado in Mozambique.

The focus here was on capacity development for land demarcation and registration of collective land titles at village level in accordance with existing real property laws and regulations. The aim of the programme, in addition to legalisation of land rights, was to provide advice and capacity-building support at local level for land-use planning and gender equal, productive natural resource utilisation.

### *Results*

The 2010 mid-term review found that the programme had achieved both the desired outputs and outcomes. In the early stages of the programme, a great deal of time was spent on establishing project management and follow-up systems and procedures. Vaguely formulated objectives in the initial phase contributed to delays and changes in the programme's direction and implementation. A system for programme management and implementation was subsequently introduced.

- Capacity building activities were undertaken for personnel within the programme, for cooperation partners responsible for implementation, for personnel in the public sector and for people in the villages where the programme was being implemented.
- Training courses were conducted to further knowledge at various levels regarding laws and regulations relating to land rights and sustainable natural resource management.
- Results at outcome level included more effective organisation of people in rural communities, strengthened land rights, fewer conflicts over land and resource utilisation and improved private sector capacity to deliver services.
- Forty-five projects were financed through the project implementation fund and 20 are currently under development. While it took a long time to develop projects in the early stages of the programme, there has been a clear trend towards an increased number of new projects.
- A cooperation agreement was entered into with the Millennium Challenge Corporation with the aim of applying the same methodology in its work on land rights in a further three provinces in northern Mozambique. This new partnership extended the programme's range of operation to a total of six provinces in the country. Lessons may be drawn from programme implementation in the first three provinces on ways in which implementation in the three new provinces – funded by the Millennium Challenge Corporation – might be made more cost-effective.

The need for capacity development in the sphere of land rights and related issues, not only for villagers but also for personnel within the programme, was underestimated in the project's early stages, a miscalculation which led to higher training costs than originally planned. However, it was considered that these costs would be repaid in terms of the greater capacity of the parties concerned, which in turn would improve prospects for long-term goal fulfilment.

The total cost of the original project proposal was approximately SEK 40 million spread over a five-year period, of which Sida's contribution would be SEK 5 million. By 2008, when the agreement came to an end, Sida had disbursed SEK 4.5 million.

### 2.3.3 Climate change adaptation and emissions reduction

The climate issue has been an important component of environment-related cooperation, particularly since the Government declared the environment and climate change a thematic priority. In 2008, environment and climate-related support from Sida totalled approximately SEK 9.3 billion (see Table 2.1), of which approximately SEK 2.2 billion was climate-related.

Of the 25 randomly selected contributions, 80 per cent (20 contributions) are regarded as having the potential to contribute to climate change adaptation and emissions reduction. Although a number of these contributions are stated to be of relevance to both climate change adaptation and emissions reduction, more are considered to have the potential to contribute to climate change adaptation than to emissions reduction.

The above trend agrees closely with the findings on climate-related aid in general, where the emphasis is on climate adaptation measures (see Table 2.2). Examples of initiatives regarded as directly related to climate change adaptation among the 25 randomly chosen contributions were support to Ecosanres 2, a programme aimed at developing and demonstrating sustainable sanitation solutions, and basic support to the Global Water Partnership Organisation (GWPO), which helps promote sustainable water resource management by supporting social, economic and environmental transformation processes in developing countries.

An integral part of the Ecosanres 2 programme are climate adaptation measures intended to ensure a viable agricultural sector and access to food in conditions of drought. The programme contributes to the implementation of productive sanitation systems, i.e. sanitation solutions which are combined with agriculture and water resource management to boost yields for small farmers.

With regard to support to the GWPO, this programme focuses on integrated water and resource management. A significant part of the programme is concerned with reducing the risk of climate shocks, such as water shortages, by using integrated water resource management to develop sustainable solutions designed to expand access to water, *inter alia* for people in the region around the Zambezi river.

Among the selected projects, mention may be made of Swedish support to the Ukrainian city of Lviv, as an example of a contribution that has helped reduce emissions. Two new biological wastewater treatment plants have been

built in the city. These are equipped with energy-efficient devices designed to help reduce greenhouse gas emissions and minimise pollution of recipient water bodies. Another example is the revision of Vietnam's Environment Act, which now lays down emission criteria and different provisions on environmental protection with the aim of mitigating climate change impacts.

In addition, support for the programme on Regional Air Pollution in Developing Countries (RAPIDC) is an example of a contribution regarded as a potential long-term contributor to greenhouse gas reductions. Above all, however, the programme is concerned with emissions that have received less attention in current international forums but which nevertheless contribute to global warming. These include nitrogen compounds and volatile organic compounds (VOCs).

Sida support to organisations such as the International Institute for Environment and Development (IIED), the World Wildlife Foundation (WWF) and the Stockholm Environment Institute (SEI) has also contributed to a range of climate-related activities. Support to the IIED has contributed inter alia to climate change management studies which point to the need for efforts to reduce emissions while developing climate change adaptation measures.

Support to the WWF has contributed inter alia to legislative revisions designed to promote the use of renewable energy sources (e.g. in the Philippines) and thereby help reduce CO<sub>2</sub> emissions. These contributions have also helped to implement measures to reduce deforestation in order to conserve forests as carbon sinks, and helped train civil society in ways in which it can influence decision-makers to reduce emissions and adopt climate change adaptation measures.

The bulk of support to the SEI has gone on climate-related research and development of solutions linked to preventive and adaptation measures. For example, the SEI has helped specific countries to formulate draft negotiation papers ahead of international climate change talks. One example is the position paper of the developing countries drafted ahead of the 15th Conference of the Parties held in Copenhagen in 2009. The paper was drawn up in cooperation with the Group of 77 (G-77) and the UN Department of Economic and Social Affairs (UN-DESA).

## 2.3.4 Summary

The 25 programmes/projects selected represent bilateral, regional and global contributions, most of whose objectives were to enhance capacity and knowledge in the environmental sphere with a view to promoting sustainable development.

In general, the contributions were aimed at building knowledge and capacity to deal with a range of environmental issues. Results, however, in the form of enhanced knowledge or increased capacity have been difficult to measure.

There are several examples of specific results at output level. These include the establishment of development centres, the drafting of laws and ordinances in the environmental sphere, and the development of environment-friendly technology.

Few contributions have made an impact on partner countries' policies on environmentally sustainable development. However, this could hardly be expected as all the contributions were only recently completed or are still under

way. Secure political support for environmental issues in different forums is a time-consuming process.

Many of the contributions that were ranked high in terms of goal fulfilment, and which produced attestable outcomes, targeted specific needs and were implemented through civil society or were closely related to nationally driven processes. Implementation in such cases was based on demand-driven cooperation and clear ownership of the issues concerned. On the other hand, contributions that ranked low on the goal fulfilment scale were frequently troubled by protracted, time-consuming implementation processes partly attributable to the absence of proactive actors and clear allocation of competencies.

## 2.4 EVALUATIONS OF BILATERAL DEVELOPMENT COOPERATION

The present section contains summaries of a number of evaluations in the environment and climate sphere based on reports from Sida. Relevant evaluations were gathered from Sida's Secretariat for Evaluation, the agency's internal network and the OCED-DAC database. A total of 18 evaluations were collected. To perform the task, Sida engaged a consultant to prepare a brief summary of the contents of the 18 identified evaluations and conduct an assessment of the overall results of the contributions in accordance with Sida's evaluation criteria (relevance, goal fulfilment and cost efficiency).

The evaluations forming part of this sample encompass a broader thematic area than the 25 randomly selected contributions discussed above, which were grouped under the area headings environmental management, energy, water, and agriculture and forestry. Areas such as urban development, air pollution and sanitation were also included in this sample.

The evaluations varied considerably in terms of content and quality. In some cases, information was lacking regarding the extent of Swedish support, the total cost of the intervention in question, or support from other funding sources.

The results reported in the evaluations were weighed together in accordance with Sida's evaluation criteria (relevance, goal fulfilment and cost efficiency). The evaluated contributions were then classified on a three-point scale: very satisfactory results, satisfactory results, and unsatisfactory results. Most of the evaluated contributions (13) were given a 'satisfactory results' ranking, three were found to have achieved 'very satisfactory results' and in two cases the results were deemed unsatisfactory.

The following section provides a summary of the three contributions that achieved very satisfactory results and the two whose results were deemed unsatisfactory.

### Examples of evaluated contributions which achieved 'very satisfactory' results

#### *Uri Hydroelectric Project, India*

Although the Uri Hydroelectric Project in India in reality constitutes an infrastructural investment, its environmental impact is regarded as significant.

The Uri hydroelectric plant was built between 1989 and 1997 and started



generating electricity in February 1997. During its first eight years in operation, the plant only generated 73 per cent of its design output. However, this was due to historically low flows in the rivers involved, caused in turn by reduced snow-fall in the mountain ranges behind them. 2006 saw completion of the transmission line connecting the plant to the electricity network in northern India. The evaluation accordingly concluded that the intended results had been achieved “for the foreseeable future”.

It has been estimated that the environmental impact produced by the phase-out of lignite-fuelled thermal power stations will be equivalent to an annual reduction of two million tonnes of CO<sub>2</sub>. The technological solutions have been shown to be sustainable. An earthquake in the project area in October 2006 measuring 7.6 on the Richter scale left hardly a trace on the construction.

The project is one of the largest ever Swedish aid contributions. Swedish support totalled SEK 3.3 billion in 1989 prices and accounted for approximately 65 per cent of the original project cost. The cost efficiency of the project was regarded as reasonable.

#### *Chemicals control in the Baltic States*

Funding for this project was negligible; Swedish support for the period 2002–2006 amounted to SEK 4 million. The objective of this small, targeted contribution was to help facilitate efforts by Estonia, Latvia and Lithuania to align their chemicals legislation with the *Acquis Communautaire* ahead of EU accession. The project was implemented with the help of the Swedish Chemicals Agency.

Though brief, the evaluation found that the contribution had achieved its objective. All three countries had succeeded in adopting necessary EU-compliant legislation, strengthening relevant institutions and allocating sufficient resources to chemicals control. Although the results were regarded as sustainable, further strengthening of academic instruction in toxicology and related subjects would have been an added advantage.

#### *The CATIE Institute*

The third successful contribution in the sample, which according to the evaluation yielded outstanding results, was support for the CATIE Institute. CATIE (Centro Agronómico Tropical de Investigación y Enseñanza) is a regional institute in Latin America for agricultural and environment-related higher education and research. Sweden began extending support to CATIE in the late 1980s. Precise information on this point was however not included in the evaluation, which was based on a joint assessment of all external funding bodies. Although Sweden only accounted for a small proportion of external project funding, the bulk of its support was not earmarked, unlike that of most of the other donors. CATIE, located in Costa Rica and now a prominent, highly regarded institution in its field, is a leading organisation in the region dedicated to developing methods for use in rural development and environmental protection. CATIE is regarded as the pre-eminent higher education institution specialising in the environment and agriculture in Central America. It maintains state-of-the-art laboratories and gene banks for coffee and cocoa, two vital crops for small farmers in the region, and is in some respects a world leader in the field.

Financial sustainability is a weakness, however. Budget support to CATIE from external funding sources is declining while tied project aid is on the increase. However, this is a problem that CATIE shares with research institutes the world over.

### Examples of evaluated contributions whose results were unsatisfactory

#### *Waste Management in Tegucigalpa*

Waste Management in Tegucigalpa was founded in the wake of Hurricane Mitch, which in October 1998 significantly aggravated an already precarious situation with regard to waste management and access to drinking water.

Cooperation was initiated between the Waste Management Department of the City of Stockholm and its counterpart in Tegucigalpa.

The evaluation reported a 30 per cent increase in waste collection and noted that this was “likely” a result of the project. Although preparations were made for the privatisation of waste management, no contractors were engaged during the project period. Certain improvements in hospital waste management were noted and more positive attitudes to waste collection in some areas of the city were reported.

With the exception of improved hospital waste management, however, the results achieved showed poor sustainability. As all public authority employees in Honduras are replaced after a change of government, and one such change took place following municipal elections held shortly after the project ended, any lasting results were limited.

#### *Ecological Sanitation Kampala*

According to the evaluation, two of the three objectives were met in part, while the third was not achieved at all.

The aim was to distribute ecologically sustainable toilets to 1 000 households. However, only about 150 households received a toilet. One important reason was that suitable prototypes had not been developed. The project was supposed to have developed five prototypes but only succeeded in producing one, which moreover was far too expensive. Although the project was deemed relevant, it would have benefited from a more thorough actor analysis. The partner authority in Kampala did not assume or exhibit ownership, its understanding of the advantages of ecological toilets remained poor and there was a general lack of acceptance. The potential benefit to agriculture of using urine as a fertiliser was not explored. However, the evaluation recommended a degree of continued support in order to ensure a better outcome. Otherwise there was a risk that ecosanitation as a concept would become discredited, thereby prejudicing future contributions.

## 2.5 RESULTS ACHIEVED BY MULTILATERAL DEVELOPMENT ORGANISATIONS AND THE EUROPEAN COMMISSION

This section provides an account of the four multilateral organisations/funds in the environment and climate thematic area that received the most aid in the form of core support or equivalent from Sweden in 2009: the Global Environment

Facility (GEF), the Clean Technology Fund (CTF), the United Nations Environment Programme (UNEP) and the Least Developed Countries Fund (LDCF). Also discussed are the four largest multilateral recipients of core support from Sweden: United Nations Development Programme (UNDP), The European Commission, the World Bank/International Development Association (IDA) and the African Development Bank (AfDB).

A short description is given of each organisation's mandate in the environmental and climate sphere along with an account of Swedish funding. This is followed by an assessment of the organisation's relevance and effectiveness, factors that also determine the results of its activities and its impact on the environmental and climate situation in the areas in which it operates. Also presented is a single example of a contribution by each organisation, along with the findings of any subsequent evaluation. As the development banks have numerous common features they are discussed together in Section 2.5.5.

### 2.5.1 Global Environment Facility

The mandate of the Global Environment Facility (GEF) is to contribute to global environmental benefits by funding agreed incremental costs of transforming projects in developing countries with the aim of achieving global benefits. The GEF serves as a financial mechanism for several environmental conventions, primarily the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), the Stockholm Convention on Persistent Organic Pollutants (POPS). As a financial mechanism with no field operations of its own, the GEF's function is to coordinate, make policy, maintain oversight, mobilise resources and make decisions, leaving project implementation to other organisations. Developing countries party to the above conventions can apply for GEF funds to be channelled through one of the ten GEF Agencies responsible for creating and managing GEF projects.

The World Bank serves as the GEF Trustee. The fund is replenished every four years following negotiations with the donors on the direction of its operations. GEF replenishment for the current period (GEF 4) totalled USD 3.1 billion. Sweden's pledged support amounted to SEK 850 million, equivalent to just under 5 per cent of the total GEF 4 budget.

#### Assessment

Since it began operations in 1991, the GEF has disbursed almost USD billion for environmental programmes and projects in developing countries. So far, just under a third of all resources has been allocated to climate-related contributions aimed at reducing emissions. A little more than one third has been disbursed on biodiversity-related projects, while other areas have received smaller amounts.

The organisational assessment of the GEF conducted by Sweden in 2008 found that the organisation was relevant to Swedish development objectives but drew attention to some deficiencies with respect to administrative efficiency. It noted that important reforms had been implemented with good results in some areas. For example, the project cycle had been shortened from an average of 66 to 22 months, and certain procedures had been simplified. In addition, strengthened dialogue with recipient countries and a new resource allocation

framework laid the groundwork for greater national ownership. The GEF was also singled out as one of the most transparent organisations working in development cooperation.

The most recent independent evaluation of the GEF – the Fourth Overall Performance Study of the GEF, OPS 4, was presented in the autumn of 2009 – largely confirmed the Swedish assessment. The study stated that 80 per cent of GEF projects had moderately satisfactory or better outcomes and that 70 per cent indicated that progress was being made towards long-term development impacts. However, the evaluation noted that funding to the GEF to date has not been in accordance with the organisation's mandate or with the guidelines on GEF operations set out in the conventions. There is scope for strengthening the partnership between the GEF and local actors in order to enhance national ownership and achieve sustainable results.

Although the GEF now has a results-based management system, this remains to be integrated into all strategies and policies.

### **Swedish action**

At the fourth replenishment negotiation with the GEF, which took place in 2005, Sweden and other donors pursued two key issues: strengthening the connection between development and the environment, and improving the efficiency and effectiveness of GEF operations. The result was the adoption of an action plan for reform, with priorities, targets and a timetable. Included in the plan was the development by the GEF of simpler methods for calculating added value and better follow-up and evaluation systems. Reform measures continue to be implemented as part of the regular work of the GEF Council, the organisation's main governing body. These have contributed to the efficiency and effectiveness referred to in the above-mentioned evaluation.

Negotiations on the next replenishment of the fund (GEF 5) are currently in progress. On the basis of the conclusions of the evaluation, Sweden and other donors are calling for even more far-reaching reforms focused on efficiency enhancements, follow-up of results and measures to strengthen national ownership. On a preliminary assessment, the response to these requests appears to have been favourable. This will mean that GEF contributions will be more closely linked to the plans and budgets of recipient countries, which in turn is a step towards greater national environmental management capacity in developing countries.

### **Example of a contribution: Small-scale civil society project for energy-efficient house construction in Pakistan**

The GEF has funded a small-scale grant-based research project in Pakistan aimed at finding ways of building energy-efficient, disaster-resilient homes at lower cost. The initiative was taken over and run by the UNDP in cooperation with local authorities in Pakistan. After nine months, 500 units had been built by NGOs at a low unit cost (USD 3 900). Strong local involvement, active participation by women and capacity building in energy efficient architecture contributed to the success of the project.

## 2.5.2 Least Developed Countries Fund

The Least Developed Countries Fund (LDCF) was established under the UN Climate Convention to help finance efforts by the Least Developed Countries (LDC) to prepare and implement climate change adaptation plans, known as National Adaptation Programmes of Action (NAPA). The LDCF, which is administered by the GEF, began work in 2006.

Twenty countries have pledged a total of USD 191 million to the fund. Since the project's inception, Sweden has contributed SEK 72 million.

### Assessment

To date, 48 countries have prepared adaptation programmes with assistance from the fund. When a programme is completed, the country can apply for funding from the LDCF to implement the measures identified in the plan. The GEF estimates the cost of implementing these measures at approximately USD 1 billion. This means that the funds currently available at the LDCF can only cover a small fraction of the total requirement.

In the autumn of 2009, the Danish Ministry of Foreign Affairs presented an evaluation of the LDCF. Although the organisation came in for some criticism and reforms were proposed, the evaluation concluded that the LDCF should continue to operate. Among the changes proposed were simplification of application procedures and co-financing requirements, and shorter project cycles. Other proposals were closer, more effective cooperation between the GEF, the UN Climate Convention and the implementing agencies, and more clearly defined priorities. Efforts should also be made to ensure predictable financing of the fund.

Representatives of the LDCs taking part in the reference groups during the evaluation confirmed that it was important for them that the fund should remain in place. The LDCF is the only adaptation fund where LDCs are not obliged to compete for resources with more developed developing countries. From their standpoint, the issue of predictable financing for the LDCF raises an important question of trust in the UN Climate Convention negotiations. At the same time, reforms corresponding to those implemented within the GEF would be required to make the LDCF a more effective instrument. However, the GEF is working to improve the situation in the LDCF and has recently developed a results-based management system which will be used to enhance the fund's effectiveness and disseminate lessons learned.

### Swedish action

As a member of the LDCF Council, Sweden is actively and systematically engaged in promoting more efficient management of the fund's resources. In particular, Sweden has pressed for a greater emphasis on results-based management in the LDCF, as a result of which the fund is currently introducing a results-based management framework for its contributions.

Sweden considers that the LDCF fills a gap in the climate change policy architecture by virtue of its unique focus on the needs of LDCs. Although shortcomings have been identified, Sweden considers that these can be remedied. Sweden accompanied an additional support to the LDCF in 2009 as part of the

Government's climate initiative with a continued demand for improved effectiveness. Sweden will monitor these reforms closely.

#### **Example of a contribution: Rehabilitation of agriculture in Haiti**

Among the most concrete results of the LDCF's activities were the 48 completed NAPAs drawn up by the LDCs, identifying and prioritising measures necessary for their adaptation to climate change. The next step is to implement the activities identified in the programmes. Although the work has only just begun, the following project will serve as an example.

After the devastating earthquake in Haiti in January 2010, the LDCF decided to contribute USD 2 million to a joint rehabilitation programme. The aim of the project, which includes the participation of the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD), is to rehabilitate agriculture in Haiti and make it more resistant to future climate-related disasters.

### **2.5.3 United Nations Environment Programme**

The United Nations Environment Programme (UNEP) is the principal UN body in the environment field. Its role is to set the global environmental agenda, promote the coherent implementation of the environment dimension of sustainable development within the UN system and serve as an authoritative advocate for the global environment. Its work is primarily normative. Its principal tasks are to promote international environmental cooperation, propose policies in the environmental sphere, monitor the global environmental situation and coordinate environmental activities within the UN system. The UNEP has no field presence of its own, its environmental skills and expertise are channelled to countries primarily through its cooperation with the UNDP.

The programme is funded through voluntary core support to the UN Environment Fund and earmarked grants. The UNEP also implements projects funded by the GEF. In 2007–2008, the total budget for the programme amounted to USD 300 million. In 2008–2009, the budget was increased to USD 381 million. Sweden's support in 2009 was approximately SEK 31 million in core support to the UNEP Environment Fund.

#### **Assessment**

Sweden considers that the UNEP is highly relevant to international efforts in the environmental and climate thematic area. The organisation works actively to promote the link between environmental aspects and different UN initiatives, particularly with regard to the importance of environmental issues in the broader context of UN reform work. The UNEP works together with the UNDP to integrate environmental issues into poverty reduction strategies (see example in Section 2.5.4), contributing to capacity building in developing countries. As host of most of the environmental convention secretariats, the UNEP plays an important part in promoting greater collaboration and synergies between the conventions. This has yielded tangible results in a number of areas, including the chemicals and waste management sector.

Sweden considers that the UNEP has made good progress towards more



effective, result-oriented working methods, although more efforts are needed before the impact of internal reforms is felt throughout the organisation. One weakness revealed by evaluations of the organisation's external operations is that many projects are short of financial and human resources. Swedish authorities that work with the UNEP have formed a generally favourable view of the way in which the organisation has carried out its tasks. However, there is room for further improvement in terms of the degree of analysis in the reporting and follow-up process.

The UNEP has stated in its programme performance report that it has succeeded in mobilising more resources from donors and has thus been able to implement a larger proportion of its programme than formerly. Further reforms are needed, however. In this year's policy statement, the head of the UNEP reported that less progress than expected had been made in terms of results-based management, that continued capacity development would be necessary and that information retrieval and strategic management analysis needed further improvement.

### Swedish action

In Sweden's view, it is important that the UNEP's normative function and its status within the UN system is further strengthened and that there is no shift towards intensified fieldwork. Sweden is following this up through formal and informal consultations with the UNEP. Sweden is also pressing for more effective UNEP governing council meetings and closer coordination and collaboration with other relevant UN bodies and funding organisations. There are a number of good examples of closer collaboration between the UNEP and other UN bodies. These include the Poverty and Environment Initiative (PEI) and the Environment and Security Initiative (ENVSEC), a cooperation project involving the UNEP, the Organization for Security and Co-Operation in Europe (OSCE), the UNDP, NATO, the United Nations Economic Commission for Europe (UNECE) and the Regional Environmental Centre for Central and Eastern Europe (REC). Sweden has played a proactive role in both projects.

In addition to its active involvement in matters relating to the UNEP as an institution, Sweden works through the organisation to promote international environmental policy-making. Since the beginning of 2000, Sweden has actively pursued the issue of international regulation of heavy metals. A decision to begin negotiations on a possible instrument for mercury was taken at a UNEP governing council meeting in 2009 and the first negotiating session will be held in Stockholm in June 2010. As a major funder, Sweden is a key contributor to the organisation's work in the chemicals sector and has been proactive in issues concerning the financing of chemicals and waste-related conventions. Consequently, following an informal process, the UNEP was given the mandate to establish an inclusive platform for discussing funding issues.

An example of a joint UNEP-UNDP contribution is given in Section 2.5.4 below.

#### 2.5.4 UNDP environment- and climate-related contributions

Energy and the environment is one of the four focus areas in the UNDP's Strategic Plan. The organisation supports general national capacity building as well as more specific operative contributions in the environmental sphere. The UNDP 2008–2011 climate strategy contains four priority areas: 1) supporting the design of integrated climate change (adaptation and mitigation) policies, strategies and quantified action plans that promote long term sustainability and poverty reduction; 2) promoting early adaptation actions and the long-term adaptive capacity of developing countries in a programmatic manner; 3) attracting and driving direct private and public investment towards lower carbon technologies and sustainable land use practices; and 4) integrating climate change into UN and UNDP development assistance at the global, regional and national levels, to effectively and efficiently service countries in addressing climate change.

For a long time, UNDP environmental programmes and projects were largely funded through the GEF. In the past two years, however, its operations have become more systematic and more resources for environmental work have been made available under the umbrella of poverty reduction. An estimated SEK 700 million, corresponding to approximately 10 per cent of the organisation's total programme delivery, were allocated for environmental and climate measures in 2008. In addition, the UNDP implements GEF-funded projects and programmes, the total annual value of which is approximately SEK 1.5 billion per annum. Sweden's share of the UNDP budget is approximately 10 per cent. Sweden's annual support to environment- and climate-related programmes and projects is approximately SEK 100 million.

##### Assessment

In the 2008 organisational assessment, Sweden noted that although the UNDP was impressive as an implementing organisation within the GEF, it did not have clearly defined priorities in the environmental sphere, nor had it sufficiently integrated an environmental perspective into its poverty reduction work.

The UNDP extends support to 75 countries at national and local level. In 2009, according to UNDP figures, 59 UNDP projects in 44 countries helped to prevent the emission of 26 million tonnes of CO<sub>2</sub>. The organisation also states that its climate projects contain knowledge components and that several also provide technical training.

An autumn 2008 evaluation of the UNDP's environment- and energy-related operations found that while the organisation's analytical capacity at the central level was good, environmental initiatives were insufficiently integrated into core activities and technical expertise was lacking in the country offices. Moreover, activities were unduly dependent on and controlled by GEF funds. The UNDP has acknowledged the criticism and a number of deficiencies have now been remedied. Similar conclusions were reached in an evaluation of the UNDP's operations in connection with the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), both established by the UN Climate Convention.

### Swedish action

Sweden has long argued that environmental concerns should form an integrated part of the UNDP's development work. Environment and energy were identified as one of four focus areas in the 2008–2011 Strategic Plan. In light of both the evaluation and the Swedish assessment, Sweden has actively sought to ensure that the UNDP's climate-related work is focused to a greater extent on support for climate change adaptation. The UNDP maintains that climate change adaptation and emissions reduction are interconnected and that both areas should be prioritised. It argues that the shift from almost complete dependence on GEF funding to a broader funding base creates scope for climate change adaptation contributions, as opposed to the GEF's primary focus on emissions reduction.

### Example of a contribution: Poverty and Environment Initiative

The UNEP and UNDP Poverty and Environment Initiative (PEI) is a global UN programme that helps partner countries integrate poverty-environment linkages into national and sub-national development planning. It provides governments with technical and financial support for institution and capacity building.

Co-founded by Sweden, the PEI now supports programmes in 16 countries around the world. Total estimated expenditure for 2002–2008 was USD 19 million. These funds were allocated as direct support to the PEI via bilateral donors such as Sweden, Norway, Denmark, the UK, the EU Commission, Spain, Ireland and Belgium, and via the UNDP's and the UNEP's own resources. Many embassies have also provided direct support at national level. There are plans to increase the number of countries to 25–30 over the next five years with a planned budget of USD 33 million.

The stated objectives of integrating poverty and environmental perspectives into national planning have been achieved in countries that have enjoyed economic and political stability. In some countries, the process has been hampered by conflicting internal interests and by insufficient capacity to get change under way in line with an agreed timetable. In general, it has taken longer than hoped to achieve objectives; bringing about change in this area requires a sustained presence, capacity-boosting activities and a high degree of trust between cooperation partners. Tanzania and Uganda have taken a major step forward and other countries are not far behind. Thus there is considerable variation from country to country in terms of goal fulfilment.

## 2.5.5 Multilateral development banks

The main function of the multilateral development banks is to contribute to economic and social development in borrowing countries and thereby help combat poverty. By virtue of its sheer scale, lending by banks has an immense impact on the local environment as well as on regional and global public goods such as air, water, forests and the global climate. For example, World Bank investment in the energy sector in 2009 totalled over USD 8 billion, corresponding investment by African and Asian banks amounted to over USD 3 billion and USD 2.5 billion respectively. In addition to investing in projects designed to have a direct, favourable impact on the climate and the environment, banks are

also increasingly climate-proofing their investments in other areas such as agriculture and infrastructure. In recent years, banks have significantly increased their commitment to environmental and climate-related issues. Examples of this include stricter guidelines in the area and increased investment in clean energy. They have also launched initiatives aimed at promoting inter-bank collaboration on the development and implementation of climate-related contributions.

### **International Development Association**

The goal of the International Development Association (IDA) is to fight poverty. In the climate sphere, IDA focuses primarily on climate change adaptation measures and on access to environment friendly and renewable energy. Sweden has contributed just over SEK 6.1 billion to the current IDA replenishment period, 2008–2010.

The proportion of IDA investment made in the climate sensitive sectors agriculture, flood protection, water and health has risen from 31 per cent to 35 per cent of the IDA's total commitment. The association has gradually strengthened the integration of climate-related issues in country strategies and helped to enhance knowledge about the impacts of climate change in poor countries.

#### *Swedish action*

During the recent IDA replenishment negotiations, Sweden actively sought to ensure that IDA took vigorous action to climate-proof its contributions and raise its ambitions with regard to its work on climate change adaptation. Investment volumes show that climate issues have assumed a much more prominent role in IDA lending and technical assistance. The Government has accordingly allocated an additional grant of SEK 705 million to the IDA for the period 2009–2011 as part of its climate initiative. Sweden intends to continue to pursue the climate change issue in the IDA replenishment negotiations, inter alia with the aim of further integrating climate-related efforts into the IDA's core operations.

#### *Example of a contribution: Hydroelectric power plants in Nepal*

Nepal is one of the world's poorest countries; only some 30 per cent of the rural population have access to electricity. Wood is often used as an energy source instead. In 2003, the Nepal Power Development Project was launched. The project, which involves the construction in rural areas of small hydroelectric power plants funded by the IDA, has been expanded several times since its inception. A total of USD 9.3 million has been allocated so far. As a result of the project, 40,000 households in 40 districts now have access to electricity from the plants. The inclusion of local groups has also generated jobs and locally supported environmental protection projects. The project was declared a success and the IDA accordingly extended it, allocating an additional USD 12 million in 2009 in order to electrify a further 36 000 households.

### **African Development Bank**

The overarching objective of the African Development Bank (AfDB) is to spur sustainable economic development and social progress in its regional member

countries, thus contributing to poverty reduction through mobilizing resources for investment and by providing policy advice and technical assistance to support development efforts. The AfDB leverages support to middle-income countries (MICs) through sovereign lending and through financing and catalysing private investment. The African Development Fund (AfDF) provides loans and grants to low-income countries in Africa. Since 2004, the AfDB has pursued an environmental policy that stresses the urgent need to protect the continent's natural resources. In 2008, the Clean Energy Investment Framework (CEIF) was also adopted. This was followed by the adoption in the following year of the Climate Risk Management and Adaptation Strategy (CRMA). The framework and the strategy are both aimed at integrating environmental perspectives in all sectors, with the emphasis on clean energy and greater energy efficiency. Poverty reduction and sustainable development are included as objectives. Investments worth USD 276 million were made in the agricultural sector in 2006–2010, resulting in improved irrigation systems on over 159 000 hectares of land and improved cultivation methods on almost 500 000 hectares. These improvements far exceeded the fund's targets for the period. In addition, some 400 000 farmers – six times the target number – received further training. Investment in infrastructure and the energy sector during the period totalled USD 378 million and USD 170 million respectively. The funds were used *inter alia* to build 8 000 km of roads and improve access to electricity for over 16.6 million people.

#### *Swedish action*

The Government considers that the AfDB and the AfDF are highly important channels for financing investment projects that will contribute to long-term sustainable development in Africa. Along with other member countries, Sweden has called for the integration of an environmental perspective in the bank's policy. Sweden has also sought to ensure that investment projects submitted to the board of directors meet the high standards laid down in bank policies and guidelines. Environmental and climate concerns are an increasingly prominent feature of programmes and projects. Since 2009, Sweden has pressed for the establishment of a uniform results framework that will enable better integration of climate-related measures in the institution's operation.

#### *Example of a contribution: Water project in Zambia*

Between 2001 and 2006, the AfDF, working in cooperation with the Zambian Government, funded an SEK 140 million project aimed at providing greater access to clean water and improving the health of the population. The project involved the construction of 3 500 water wells, 13 000 latrines and the distribution of 120 000 mosquito nets. It also included hygiene training, health and malaria prevention, and contributions to counter deforestation around wells. People living close to wells were educated on the relationship between forest conservation and access to water. In the past, forests had been felled to produce charcoal for sale. The project has encouraged the growth of alternative sources of income such as beekeeping and honey production. Moreover, there has been sharp fall in the incidence of malaria and waterborne diseases, and the proportion of the population suffering from diarrhea was cut by more than half, from 70 per cent in 2004 to 30 per cent in 2008.

## Clean Technology Fund

The aim of the Clean Technology Fund (CTF), the largest of the Climate Investment Funds (CIF), is to increase the use and dissemination of CO<sub>2</sub>-efficient technologies through loans on favourable terms via the regional development banks and the World Bank. Loans are geared towards renewable energy, high-efficiency technology for reducing CO<sub>2</sub> emissions, efficient transport systems and energy efficiency measures in industry and agriculture. Funding is based on an investment plan, a new instrument developed as part of the CTF, and can be made available to the private and public sector. Investment plans include a full description of what countries intend to do to reduce CO<sub>2</sub> emissions and how CTF funding will bring about change in the sector concerned. To ensure that the experience gained from these more innovative approaches is disseminated both within and outside the country's borders, additional knowledge management projects are built into each programme. Investment plans worth a total of USD 1.7 billion were approved in the first financial year. Swedish support to the CTF in the period 2009–2011 will amount to SEK 600 million.

As the CTF has only recently begun operation, the first evaluation has not yet been published and there are no results to report. Activities channelled through the CTF have led to new forms of cooperation between the regional development banks and the various agencies of the World Bank. Sweden has emphasised the need to draw lessons from the newly established methods as quickly as possible. For example, efforts should be made to ensure that actors cooperate within the framework of the countries' investment plans, which will probably be presented in 2011–2012. The results of single contributions can only be analysed within a 5–10 year time frame.

Sweden took part in establishing the fund and is a member of the Trust Fund Committee. Sweden has been proactive in efforts to bring about closer collaboration between the CTF and the GEF. The result is a clearer complementary role for the CTF.

## 2.5.6 The European Commission

Development cooperation from the European Commission is divided among several financial instruments. Environment-related development projects are funded *inter alia* by the Development Cooperation Instrument (DCI), which is both a thematic programme and a geographical instrument for Asia, Latin America and South Africa. The financial framework for the implementation of the Regulation which sets up the DCI for the period 2007–2013 is approximately EUR 17 billion, of which approximately 10 per cent is earmarked for environment-related programmes.

However, a large proportion of European Commission aid is channelled via the European Development Fund (EDF) to the African, Caribbean and Pacific (ACP) States under the Cotonou Agreement. The EDF is funded by EU Member States outside the regular EU budget. The 10th EDF (2008–2013) contains approximately EUR 23 billion, of which some EUR 843 million has been specifically allocated to natural resource related contributions. Sweden's allocation to the fund for 2008–2013 is EUR 632 million. Sweden also contributes approximately EUR 70 million to the DCI via the EU budget.



The European Commission's first strategy for integrating environmental concerns into development cooperation was drawn up in 2001 and subsequently evaluated in 2009. The evaluation drew attention to the need for better policy dialogue with partner countries, improved coordination between the Commission, Member States and other donors, more efficient implementation of development cooperation, and more systematic and coordinated environmental assessments. On the basis of this evaluation, the Council called on the Commission in June 2009 to prepare a new, ambitious strategy for environmental integration in development cooperation, to be presented to the Council at the end of 2011. During the Swedish EU presidency in the autumn of 2009, climate change and development was made a development cooperation policy priority, as a result of which the Council conclusions on climate change and development adopted in November 2009 are now prescriptive for future action in this sphere by the Commission and Member States (see also Section 2.2.3).

A so-called strategy document is drawn up jointly by the Commission and the partner country for every country/region where the DCI or EDF provide aid funding. Strategy documents must incorporate a number of specific environmental aspects. They must include a special chapter on the country's environmental situation and environmental impact assessments must be conducted. All project proposals are to be checked for possible climate impacts.

As the environmental and climate change components of the EU Commission's contributions are based on 2007–2008 programming, which followed on the EU Development Policy Statement: The European Consensus (DPS), the outcomes under the present framework consist of recently initiated contributions as opposed to concrete results. A more detailed examination of results may be expected when the mid-term reviews of the DCI and EDF are conducted in 2010 (for more on the DPS, see Section 2.2.3).

### Swedish action

In addition to key work in connection with Council conclusions, Sweden can bring influence to bear on the Commission's operative contributions by taking part in the EDF and DCI implementation committees that meet in Brussels once a month. Identifying concrete results is hindered by the fact that presentations of planned programmes and projects are not formulated in terms of objectives. Instead, they follow a descriptive approach, involving a discussion of focus areas and/or choice of actors or implementers. Evaluations of contributions focus largely on how successfully the latter have met the needs set out in the partner country's own poverty analysis. Sweden is actively seeking to ensure, through its representation on the committees, that a detailed account of how successfully these needs have been met is presented before new or continued contributions are approved.

Swedish diplomatic representatives at missions abroad engaged in aid operations have an important role to play: by collaborating with EU delegations in partner countries they can bring influence to bear on the Commission's implementation of its external aid instruments. The aims here are to ensure that country strategies meet the requirements laid down by the Council and to strengthen the impact of Swedish policies on EU aid. In a recently published

guidance, the environment and climate change were singled out as especially important issues to be followed up at country level.

#### **Example of a contribution: Gola Forest Trans-boundary Peace Park**

A national park on the border between Sierra Leone and Liberia has a dual function: it protects forest and a sensitive natural environment as well as contributing to peace in the region. The Gola Forest Trans-boundary Peace Park was opened on 15 May 2009. A total of 75 000 hectares of land in Sierra Leone (Gola Forest) and 180 000 hectares in Liberia (Lofa and Foya Forest Reserves) are protected. The forest is one of the last remaining rainforests in Africa and one of the richest in terms of species. The park is home to 250 bird and 50 mammal species, many of them threatened with extinction. The forest is also important for the people who live in the area, for example in terms of water supply. It also prevents soil erosion, which is important for agriculture. The project is jointly financed by a number of donors, the largest of which is the European Commission, which allocates approximately EUR 2.45 million via the Thematic Programme for the Environment and Sustainable Management of Natural Resources including Energy under the DCI, which amount corresponds to approximately 77 per cent of the project.

## **2.6 CONCLUSIONS CONCERNING THE ENVIRONMENT AND CLIMATE THEMATIC AREA**

Sweden seeks to bring about conditions that will enable people living in poverty to improve their lives in an environmentally sustainable way. Swedish development cooperation on environmental issues has had both short-term outcomes and long-term impacts. It has also helped to improve conditions for sustainable poverty reduction and development, both globally and in individual partner countries. Experience and lessons learned are gradually being incorporated into Swedish development cooperation.

Identifying and conveying the complex interrelationships between environment, poverty reduction and growth pose a considerable challenge. Moving on to integrate climate and other environmental issues in all sectors – including those in which poverty reduction and the environment are not traditionally linked – on the basis of insights into these interrelationships poses a further challenge.

Environmental issues assumed an increasingly prominent place in Swedish development cooperation in the period 2007–2009. In the last three years, aid to environment-related contributions via Sida has increased by some two percentage points per year.

The climate issue has gained increasing support and recognition in recent years, very largely due to a growing interest in partner countries, which in turn has been strengthened by the Government's designation of environment and climate change as a thematic priority. Eighty per cent of the 25 contributions referred to in Section 2.3.2 addressed or were concerned with climate change issues. This means that these contributions, directly or indirectly, contribute to climate change adaptation or emissions reduction.

There are several examples of contributions in which the outcomes of contributions can already be reported. These include emission reductions, hazardous waste management, establishment of new institutions, certification of forest reserves and improved access to water.

However, most of the results reported in this communication are at the output level. Examples include publications, advisory services, guidelines development, educational and information activities, and new laws and ordinances. An example of Swedish support which helped generate favourable conditions for development impacts was a contribution aimed at strengthening environmental management in Vietnam. Here, Sweden helped establish new environmental authorities and was instrumental in the adoption of a new law on environmental protection and chemicals management. These outputs have contributed to conditions favourable to the development impacts targeted by the contribution.

Many contributions have sought to integrate environmental issues into other sectors and enhance cross-sectoral cooperation between ministries in partner countries. One example is the dialogue on environmental issues currently being held as part of budget support in Mozambique. To facilitate successful integration of environmental concerns, Sweden has helped partner countries highlight environmental and climate dimensions through educational and strategy development projects.

In a number of cases, Swedish support has helped partner countries translate policy priorities into plans and programmes for better environmental monitoring and control. In addition to extending support for monitoring and development of national environmental policies, Sweden has strengthened countries' control and compliance capacity in some cases. An example of this is the Environmental Programme Support project in Kenya, in which Sweden has funded training for inspectors and set up partnerships with the Kenyan police in an effort to improve compliance with environmental regulations.

While it is difficult in the short term to affirm that these outputs have been effective in terms of better management of environmental issues, they are an indication that Swedish aid does contribute to environmentally sustainable development.

Initiatives undertaken in cooperation with civil society have in several cases yielded satisfactory results, both locally and at national policy level. In many cases they have also opened up prospects for greater political accountability. For example, the Indian advocacy group the Centre for Science and Environment (CSE) has successfully used the parliamentary process to improve the quality of the environment in India. Contributions of this kind have also been effective in reducing human vulnerability and poverty. Civil society can bring its influence to bear on and help push through decisions and action plans aimed at promoting a better environment. Support for the NGO Tarun Bharat Sangh (TBS) in India is one example. By uniting people around the water issue – water is a key resource in the desert state of Rajasthan – TBS, supported by small financial contributions, has radically transformed entire communities and made significant strides in multidimensional poverty reduction. Safe access to water, even during drought conditions lasting several years, and stronger social cohesion have multiplied agricultural yields and enabled girls to go to school instead of walking long distances to collect water every day. The contribution

has also transformed the politics – and policies – of Rajasthan and of India on this issue. For example, community-based management of local natural resources has been greatly strengthened.

Environment- and climate-related aid via Sida to multilateral organisations has doubled since 2008. This type of support is often combined with active dialogue. Dialogue has for example contributed to an increase in World Bank support for renewable energy in recent years, and to the commercialisation and wider availability of eco-sanitary solutions in Sweden's partner countries.

It is difficult to give a summary account of results for multilateral development cooperation, e.g. by organisation or sector, in view of the large number of actors involved, all with different mandates. Moreover, organisations responsible for different types of environment – related measures have very different ways of reporting results. In some cases, the basic results reporting procedures used by the organisations are themselves deficient. Strengthening results-based management and results reporting is a pervading issue in Sweden's dialogue with multilateral development organisations. The aim here is both to enhance the efficiency and effectiveness of multilateral organisations and ensure clear, accurate and comprehensive reporting of the results of their operations. These issues are regularly raised with all multilateral organisations. They also constitute core Swedish demands in replenishment negotiations. Although there has been a general improvement in terms of results orientation, this mainly applies to programming periods that have not yet ended.

A general conclusion is that multilateral organisations are especially important in the environment and climate sphere due to the transboundary character of the issues involved. The number of multilateral organisations and funds explicitly concerned with environmental issues has grown, as have the number of environmental and climate initiatives undertaken by the major development organisations. Sweden's success in pushing for clearly defined requirements for more efficient and focused operations within the various organisations has helped to improve their potential for achieving results.

A number of lessons relating to Swedish bilateral and multilateral development cooperation in the environment and climate thematic area are worth highlighting. These are set out below:

- Preventing future environmental problems in developing countries by avoiding immediate short-term gains is often politically difficult. Historically, environmental and climate-related issues have not featured prominently in national poverty reduction strategies. However, this situation has steadily improved. Partner countries' explicit policy priorities in the environment and climate sphere are not always translated into legislation, plans or budget allocations. Sweden will continue to advance environmental and climate-related issues as a basis for dialogue and development cooperation, both bilaterally and multilaterally.
- Integration of environmental issues into all sectors enable partner countries to deal more effectively with the underlying socioeconomic forces and factors that give rise to environmental problems. Strategic advocacy work and high-level political dialogue can help further cross-sectoral integration of environmental issues. Sweden intends to intensify efforts to integrate environmental issues into all sectors.

- Environment- and climate-related development cooperation can be a long-term process; the desired impacts may not be apparent until many years later. Development issues in this area are often complex; many actors with different views and interests are involved. This complexity makes it difficult to establish uniform indicators or to create robust, easy-to-use systems for follow-up and results reporting. Achieving sustainable results is predicated on effective follow-up systems with clearly defined indicators and detailed, accurate information on initial conditions. Above all, capacity building contributions require a long-term perspective, sustainability, clear ownership and the ability to adapt to changing circumstances. Sweden has learned that it must continue to work to improve partner countries' own follow-up systems.
- It is often simpler to plan and budget for a short-term programme or project restricted to a limited area and with a clearly delimited objective. It is also often easier to achieve the intended results in such cases, as this communication shows. Contributions aimed at reducing emissions to air and water have often yielded good results and lasting impacts. In many cases, however, the criteria of a successful contribution with favourable results – in addition to the mere identification of a development and/or environmental problem – are how much knowledge of the causes of the problem has been generated, the extent to which the associated administrative/management structure has been reformed, and whether technical improvements have been introduced. Which aspects Sweden chooses to support will depend on local conditions and on Swedish expertise and experience. In general, it may be said that Sweden tends to move back along this chain with a view to remedying the root causes, as opposed to alleviating the symptoms. The ability to influence developments tends to increase the earlier in the process a contribution takes place. However, this makes it more difficult to identify and follow up its outcome or impact. Careful planning of and clearly defined objectives for the activities Sweden is supporting are even more important with this type of contribution. Similarly, planning for continuous follow-up is vital, and any information on initial conditions needs to be collected.
- Partner country ownership and the political will to prioritise environmental and climate-related issues are essential to achieving results. A number of challenges with respect to partner country ownership of environmental and climate-related aid may be noted. Environmental problems are often transboundary in character and are thus difficult for single countries to address on their own. Achieving results normally presupposes effective regional cooperation and shared responsibility. Environmental issues, moreover, often need to be dealt with jointly and in several sectors at the same time. However, it can be difficult to determine which institutions and/or authorities in a country have primary responsibility for a particular policy area. The low priority often given to environmental issues in partner countries' national budgets means that national resources to implement environmentally beneficial measures are lacking. Clearly articulated strategies specifying when and how partner countries should assume full responsibility for a contribution – including funding – are therefore essential. Sweden will press for greater partner country commitment and ownership in the environment

and climate sphere. The challenge for Swedish development cooperation is to provide strong, result-oriented support without prejudicing partner country ownership.

- Efforts to heighten knowledge and awareness of the relationship between environmental problems and poverty among decision-makers and the general public are often necessary. Swedish support for capacity development has had a significant effect in a number of countries. Among other things, it has contributed to sector reform, organisational development, improved human resource skills, strategy and framework development, and the strengthening of data collection systems and information exchange. Sweden also extends support for capacity development in the environmental sphere via multi-lateral organisations such as the GEF, the UNEP, the UNDP and development banks. However, levels of awareness and understanding of environmental problems vary across many of Sweden's partner countries and demand for measures to improve the environment may not be strong. The capacity to monitor compliance with environmental legislation is often lacking. We have learned that capacity development, which helps create greater understanding and awareness of environmental and climate problems, can in turn contribute to strategic budget allocation and results-based activities, and is thus an important part of environmental and climate aid.
- The steep rise in the number of global environmental initiatives via actors such as bilateral and multilateral organisations, global and/or vertical programmes and funds has resulted in greater fragmentation in the environmental sphere. A substantial proportion of environment- and climate-related aid is still project-based. To reduce fragmentation and enhance coordination, efficiency and national ownership, support through programme-based approaches should be stepped up and the principles governing aid effectiveness should also be followed in multilateral contexts, as stipulated in Sweden's strategy for multilateral development cooperation. Sweden should actively promote these measures. As part of efforts to boost the effectiveness of international development cooperation as a whole, Sweden should also press for closer collaboration and coordination between multilateral organisations.
- Strategic dialogue and advocacy work based on a sound knowledge of local conditions, both in budget support contexts and sector working groups, are essential if we are to increase our focus on environmental and climate-related problems. Sweden is regarded among joint donor groups as having comparative advantages in terms of knowledge and expertise in the environmental sphere and is expected to play a major role. Advocacy work should be undertaken wherever there is a strong, direct link to environmental and climate-related issues, e.g. environmental management, energy and water, and in sectors where aspects of environmental sustainability are not traditionally integrated as development issues.
- Private individuals and groups must be given access to information on national environmental and climate policies. People must be able to find out what aims and objectives have been set, how aid is being used and what results have been achieved. Civil society and the media have an important role to play in encouraging demand for a clean, functioning environment, e.g. through educational and training initiatives. The same applies with regard

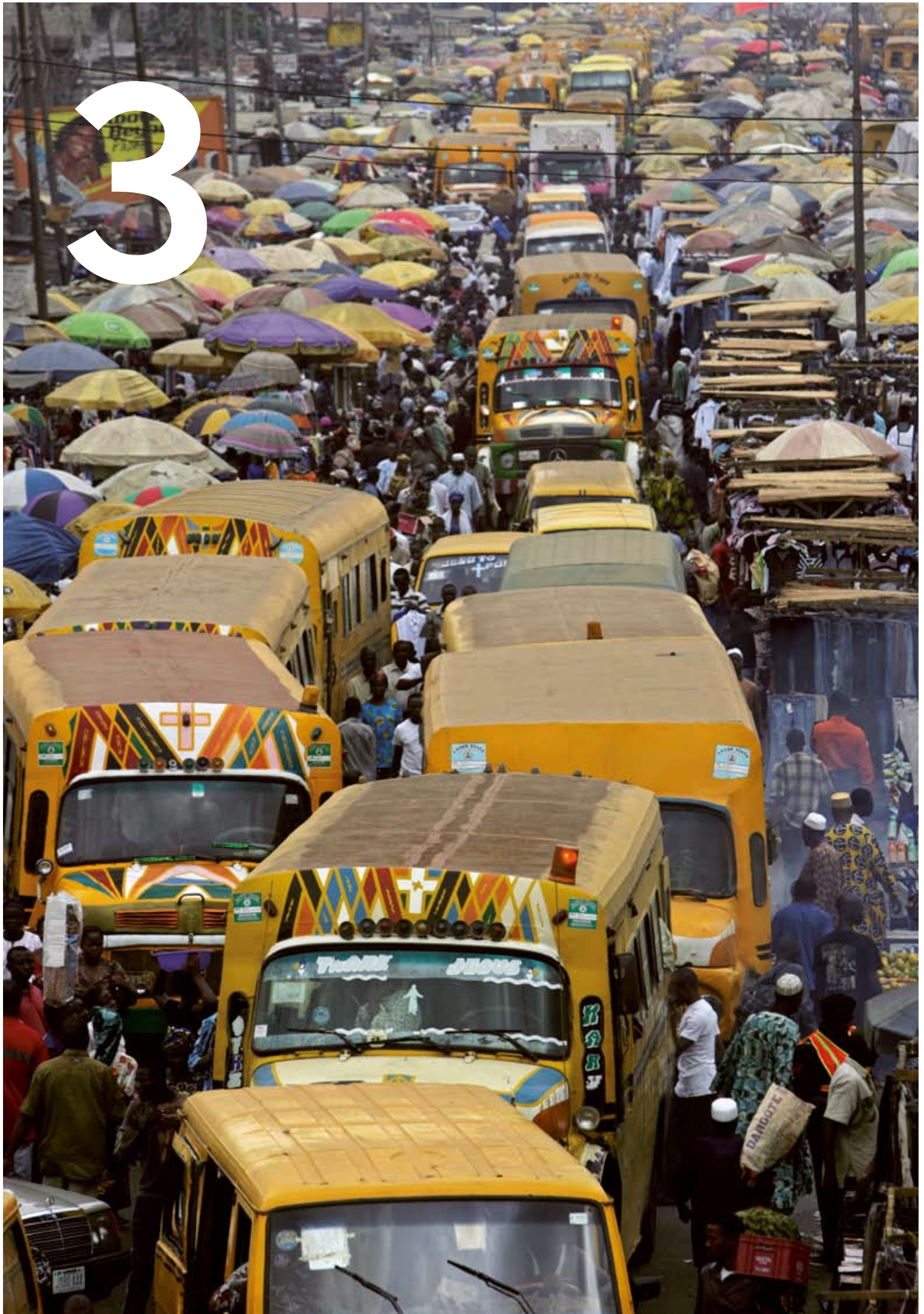


to disseminating knowledge about the environment and climate conditions. The introduction of environmental indicators in partner countries' follow-up and statistics systems can play a significant part. Sweden intends to work to strengthen global, regional and national mechanisms for accountability in the environmental and climate sphere. Sweden will also seek to ensure that partner countries create opportunities for their citizens to participate in governance and decision-making, and to access information and thereby demand accountability. In addition, Sweden will strive to ensure that programmes receiving development aid enjoy broad support in popularly elected assemblies and among key stakeholders in the environmental and climate sphere.

- It will become increasingly important to review and report financial flows directly related to climate change adaptation and emissions reduction in developing countries, in order to get an overall picture of the extent to which the total volume of international financing covers actual needs. It is therefore essential that climate aid be characterised by transparency and openness and that more donors report on what proportion they are allocating to climate change adaptation and emissions reduction. The OECD-DAC has developed a system for reporting flows of climate aid, which should provide a good basis for future work. Sweden is pushing hard for the EU and other donors to openly report what volumes they allocate to climate-related contributions in development cooperation.



3





# Assessment of the results of cooperation with four partner countries

**T**his chapter contains results achieved by four Swedish partner countries according to results assessments conducted in 2009 ahead of a new strategy period. The countries were Burkina Faso, Mali, Georgia and Turkey.

Burkina Faso and Mali belong to Country Category 1, Long-Term Programme Cooperation, while Georgia and Turkey belong to Country Category 3, Reform Cooperation in Europe.

Of all Swedish aid (including humanitarian aid and support to NGOs and research) extended to countries engaged in long-term programme cooperation, 10 per cent went to Burkina Faso and Mali in 2009. In the case of reform cooperation in Europe, 13 per cent of Swedish aid went to Georgia and Turkey.

In 2009, the Swedish National Audit Office scrutinised the general budget support for poverty reduction (budget support) provided to Mali. In recent years, the agency has also examined budget support provision to other countries. It concluded that Sida's management was deficient with regard to control and follow up of budget support programmes within the organisation, and recommended ways to remedy these shortcomings. The Government has accordingly taken steps to ensure an appropriate response from Sida to the criticism levelled by the National Audit Office. It has given Sida specific instructions in the matter in the latter's appropriation directions and assigned the National Financial Management Authority to secure improvements in Sida's internal management and control processes. The Government further intends to clarify the rules governing provision of budget support in its forthcoming new guidelines on cooperation strategies.

## Burkina Faso and Mali

Swedish development cooperation with Mali and Burkina Faso began in the late 1990s. The two countries are among those included in Sweden's West Africa Strategy, which originally ran from 2004 to 2006 but has since been extended for a further four years. New cooperation strategies are to be drawn up for both countries in 2010.

Burkina Faso and Mali lie just south of the Sahara and are two of the world's poorest countries. They rank 177th and 178th respectively in a comparative study of 182 countries undertaken by the UNDP every year. Both countries are beset by extremely difficult climatic conditions.

## Georgia and Turkey

Georgia was included in Sweden's cooperation strategy for the western Caucasus, which covered the period 2006–2009. When the country focus approach was introduced in 2007, it was decided to phase out Swedish support to Armenia and Azerbaijan and to concentrate more on Georgia. The cooperation strategy for Turkey covered the period 2005–2009. In early 2010, the Government approved new cooperation strategies for Georgia and Turkey. As the old strategies were drawn up before the Government had revised its cooperation strategy guidelines, the strategy objectives are framed in very general terms.



## 3.1 BURKINA FASO

### 3.1.1 Direction of development cooperation

The overarching objective of Swedish development cooperation with Burkina Faso for the period 2004–2010 is to help create conditions that will enable poor people to improve their living conditions. This is to be achieved by supporting three cooperation areas:

1. Poverty-oriented and sustainable growth
2. Democratic governance and social development
3. Sustainable development of natural resource sectors

The main areas in volume terms during the strategy period will be items 1 and 2 above. Special emphasis is to be placed on gender equality and the rights of women and girls. Programme-based support – i.e. budget support or sector programme support – should be utilised, provided the necessary conditions for such forms of cooperation are present. Better harmonisation and coordination and closer cooperation between donors are to be sought.

As Table 3.1 shows, Swedish support to Burkina Faso in 2004–2009 totalled SEK 800 million, of which support for research accounted for SEK 53 million. In volume terms, the main areas of cooperation were sustainable development – Sweden contributed to Burkina Faso's poverty strategy through the provision of general budget support totalling SEK 360 million – and social development – Sweden helped fund the sector programmes for health and education.

In addition to programme-based support, Sweden has channelled aid via joint donor funds for the financing of contributions both in the natural resource sector and in the fields of democracy, human rights and gender equality. Some of this funding has been channelled via international NGOs and national counterparts.

Total aid provision to Burkina Faso for the period 2006–2008 amounted to approximately 12–15 per cent of the country's gross national income, GNI.

**TABLE 3.1**  
**Development cooperation with Burkina Faso, 2004–2009, by sector**

SEK thousand

Sector	2004	2005	2006	2007	2008	2009	Total
Health	19 117	23 962	22 437	25 335	19 881	20 316	131 048
Education	8 430	10 346	9 425	23 651	33 803	779	86 435
Research	7 332	14 344	5 497	7 013	7 344	11 594	53 124
Democracy, human rights and gender equality	9 417	9 118	9 959	9 638	8 233	33 511	79 875
Conflict, peace and security	0	0	51	257	211	199	717
Humanitarian aid	–72	5	0	998	998	8 014	9 941
Sustainable infrastructure and services	141	2 093	4 410	9 031	8 919	6 179	30 772
Market development	6	9	34	106	126	105	386
Environment	0	0	0	0	0	10 558	10 558
Agriculture and forestry	80	283	166	4 746	2 911	4 241	12 428
Budget support for poverty reduction	40 000	50 000	50 000	60 000	70 000	90 000	360 000
Other sectors	3 673	4 183	5 733	6 592	2 155	1 453	23 789
<b>Total</b>	<b>88 125</b>	<b>114 344</b>	<b>107 712</b>	<b>147 366</b>	<b>154 580</b>	<b>186 947</b>	<b>799 074</b>

The following report contains results from a selection of representative contributions in each cooperation area.

### 3.1.2 Results

#### Poverty-oriented and sustainable growth

In the area of *poverty-oriented and sustainable growth*, Sweden will promote the stable macroeconomic development and increased, environmentally sustainable growth needed to enable implementation of Burkina Faso's Poverty Reduction Strategy Paper (PRSP) and benefit the poorest sections of the population, especially poor women and girls in rural areas.

Sweden supports PRSP implementation through general budget support. During the strategy period, this has contributed to activities which have yielded some favourable results. The table below illustrates this development, using a number of indicators found in the PRSP.



**TABLE 3.2**  
**Development in Burkina Faso, indicators from the PRSP**

Indicators	Level 2000/01	Outcome 2004	Outcome 2006	Outcome 2008	Objective 2008	Objective 2010
Proportion of poor people (1998)	45.30	44.60	42.10	42.80	42.70	38.60
Number of trained midwives	–	504	456	697	–	–
Number of malnourished children	–	9.20	8.40	10.87 (2007)	–	–
Proportion of care provision that meets staffing standards	–	80.00	75.39	76.26	78.00	80.00
Proportion of births attended by trained staff	–	35.00	42.90	61.50	57.00	60.00
Proportion of urban population with access to drinking water	–	–	63.00	78.00	78.00	82.00
Proportion of urban population with access to sanitation	–	–	15.00	19.00	17.00	22.00
Proportion of children starting school	44.40	56.00	66.60	71.20	71.60	78.20
Proportion of girls starting school	36.20	48.30	61.20	67.60	66.40	78.10
Proportion of children completing basic education	27.20	28.80	36.40	51.20	43.90	51.30
Number of children per teacher	52	52	54	53	53	52
Proportion of population with access to electricity	–	–	16.50	19.90	21.00	27.00
<i>Global BFA</i>	–	–	3.12	3.62	3.05	–
<i>Rural areas</i>	–	–	–	–	–	–

The following is a selection of results achieved within the framework of the Burkina Faso PRSP.

- Macroeconomic policy has remained sound despite frequent external shocks to the country's economy. Economic growth has been favourable, maintaining a stable level of approximately 5 per cent during the period. This may be compared with the Burkina Faso Government's own target of 7 per cent growth, which was also the target in the previous poverty strategy for 2004–2006. However, the steep population growth rate of more than 3 per cent per annum has meant a drop in economic growth per capita. It has also increased the pressure on basic social services since the number of children born is rising faster than the social service system can be expanded.
- Although the proportion of poor people has declined by an estimated 4-plus percentage points since 2003, over 40 per cent of the population are still considered to live below the poverty line. The objective of reducing the proportion of poor people to less than 35 per cent of the population by the end of 2015 is unlikely to be achieved at the present rate of growth. Burkina Faso's own target is slightly below that set in the Millennium Development

Goals. The country's poverty benchmark is less than USD 1 a day, taking into account local eating habits. The same criterion was used during the strategy period, which allows comparisons over time.

- The system of public financial management has been strengthened.
- The share of public funding earmarked for the country's social sectors has increased.
- The central government system for procurement, control and auditing has improved during the period. For example, the share of public procurements subjected to external scrutiny has risen from 10 to 34 per cent.
- The business climate has also improved. For example, the country has more than halved the number of days required to deal with formalities associated with starting up a business venture, from 36 to 14.
- In the water and sanitation sector, the Government of Burkina Faso has invested in infrastructure expansion, including wells, dams and latrines, in urban and rural areas. Despite this investment, infrastructural development is proceeding too slowly in relation to the substantial and growing needs that exist and to the aims expressed by the Government in its poverty strategy. It is unlikely, therefore, that the Millennium Development Goals relating to access to drinking water will be met on time.

### Democratic governance and social development

In the area of *democratic governance and social development*, Sweden supports democratic and social development for all sections of the population in Burkina Faso, regardless of sex, age, ethnicity or disability. Special attention is devoted to the empowerment of girls and women and to their safety, security and opportunities in life.

Sweden's general budget support and sector programme support in the education sector is deemed to have contributed to the following (Table 3.2):

- An increase in the percentage of children starting school.
- An increase in the percentage of children completing basic education.
- A reduction by half of the difference between the number of boys and the number of girls starting school.

However, it is unlikely that the Millennium Development Goal of universal primary education by 2015 will be met, although the Government of Burkina Faso has prioritised education-related expenditure. Educational standards are below par, due in part to the shortage of trained teachers in rural areas.

Although the number of teachers is steadily growing, this is not enough to improve the teacher-pupil ratio in the country as a whole, particularly in urban areas, where many pupils are having to share relatively few teachers and classrooms. The number of primary schools increased by 37 per cent during the period 2000–2007.

Swedish general budget support and sector programme support in the health sector is deemed to have contributed to the following:

- A rise in the number of trained midwives (Table 3.2).
- An increase in the percentage of births attended by midwives (Table 3.2).
- Maternity care has become partly free of charge during the period.

- Maternity care has improved.
- Economic and staffing resources have reached districts, regions, hospitals and NGOs.

Despite extensive international aid in the health sector, poor people still have only limited access to basic medical and health care, and the national health system is under-financed. This also applies to the objective of reducing malnourishment in children, an area where there has been no appreciable improvement during the period. It is estimated that more than one child in ten suffered from malnourishment in 2008. It is unlikely that the health-related Millennium Development Goals – a reduction of maternal mortality and child mortality – will be met by 2015.

Sweden and other donors extended financial support to the Ministry for Human Rights through a joint donor fund. This support has contributed to the following:

- The ministry has implemented an activity plan as part of its efforts to promote human rights.
- A special civil registration campaign has been launched. Registration is fundamental to the realisation of a number of human rights and benefits.
- As part of its activity plan, the ministry has actively sought to establish an independent national commission of human rights, in accordance with the principles laid down in the Paris Declaration.
- The Government has adopted a draft law on the rights of people with disabilities following the country's ratification of the UN Convention on the Rights of Persons with Disabilities. It is not yet clear when the law will be brought before parliament for formal approval.
- Parliament has approved ratification of the Additional Protocol to the UN Convention Against Torture.
- The ministry is actively pursuing the issue of the abolition of capital punishment in the face of political opposition.

By providing project support for long-term capacity building, Sweden has paved the way for an institutional partnership between Statistics Sweden (SCB) and its counterpart in Burkina Faso. A total of SEK 28 million has been made available for this purpose in 2008–2011. The support has contributed *inter alia* to the following:

- Greater attention has been focused on the national statistics system; once highly disparate contributions on the part of numerous donors are now being coordinated.
- Sweden has cooperated directly with the national statistics body on a number of matters, including capacity building, with favourable results.

In July 2009, the Government of Burkina Faso adopted a gender equality policy intended to serve as a basis for a special action plan. Sweden has supported efforts to develop this plan in a number of ways, e.g. by extending project support to civil society organisations engaged in gender equality issues. Efforts by civil society to promote democracy, human rights and gender equality have been supported via the NGO Diakonia. This support has contributed *inter alia* to the following:

- Advisory offices have been opened around the country.
- Numerous legal cases have been filed, including 527 cases of forced marriage, 40 rapes, four cases of incest and 50 cases of sexual mutilation. As abuse of this kind is normally silenced, these results are indicative of progress.

Swedish support to REN-LAC (the NGO Réseau National de Lutte Anti-Corruption) has contributed *inter alia* to the following:

- REN-LAC is actively engaged in uncovering cases of corruption and informing the general public about corruption in Burkina Faso.
- On average, REN-LAC handles seven suspected corruption cases per day.
- Several serious cases of corruption have been exposed and dealt with.

The Government frequently refers to the organisation's assessments of corruption levels in its own anti-corruption work.

In an effort to strengthen women's influence in national life, Sweden has extended project support to the democracy-promoting organisations the National Democratic Institute and Centre pour la Gouvernance Démocratique. This has contributed to the following:

- The adoption of a law that provides for a 30 per cent quota for the less represented gender on the electoral register at general elections. The law will have an impact on the outcome of the forthcoming elections in 2010.

Swedish support to Burkina Faso's ombudsman system between June 2008 and September 2009 helped strengthen the system's capacity and contributed to the following:

- The number of incoming cases tripled in 2009.
- With the help of Swedish funding, Burkina Faso's ombudsman was able to take part in the International Ombudsman Institute's 9th World Conference in Stockholm, at which the Ombudsman was appointed IOI regional representative for Africa.

### Sustainable development of the natural resource sectors

In the area of *sustainable development of the natural resource sectors*, Sweden will support an environmentally sustainable increase in productivity in the natural resource sector (sustainable infrastructure and services, environment, agriculture and forestry) and thereby help enhance the incomes and security of poor people, particularly women and girls.

Development cooperation in the natural resource sector has focused on building national capacity in the long term in areas such as drinking water and sanitation, integrated water resource conservation and the environment sector. Sweden has supported this sector via joint donor funds. Support in the drinking water and sanitation area totalled SEK 30.7 million in the period 2004–2009 (Table 9.3). This has contributed *inter alia* to the development of:

- A sector programme focused on drinking water and sanitation.
- A better dialogue in this sector and a national strategy for sanitation.

- A better national follow-up system which is expected to provide more reliable statistics.

According to available data, access to clean water increased from 56 to 78 per cent in urban areas and from 52 to 55 per cent in rural areas between 2005 and 2008. Access to sanitation in urban areas rose from 15 to 19 per cent over the same period. This development is the cumulative result of support from many different donors, including Swedish general budget support and support for institutional capacity building.

Sweden and Denmark have jointly supported the national programme for integrated water resource conservation, PAGIRE since 2005. Swedish support to PAGIRE (part of the sustainable infrastructure and services sector) amounted to SEK 19.1 million in the period 2005–2009. This cooperative undertaking has resulted in the following measures and developments, in accordance with previously established objectives:

- Greater national awareness and capacity with regard to water conservation.
- Training for 20 female water engineers.
- A national information system on access to and use of water.
- The establishment of the River Basin Agency, the first water administration body for the Nakambé river catchment area, and the creation of 20 local water conservation committees.
- New legislation drafted by PAGIRE on efficient, sustainable water management in the catchment areas was approved by the national parliament.

This legislation was used to set up bodies responsible for national coordination of water usage and for qualitative regulation of wells, dams, etc.

In the *environment, agriculture and forestry area*, Swedish support in the form of special funding to the Ministry of Environment and Water in 2004–2009 has resulted in:

- Increased national ownership and long-term planning in the environment sector.
- A coordinated programme for the environment sector as a whole (including forest, fauna, climate adaptation and waste management in rural areas) has been formulated in a broad-based process involving the participation of all stakeholders in the country.
- A number of activities have been launched in preparation for the sector programme, including the training of environment ministry staff, improved environmental legislation and efforts to strengthen the follow-up systems in this sector.

The sector programme is scheduled for implementation on 1 January 2011.

*Research, advocacy work, aid effectiveness, multilateral cooperation, etc.*

Swedish capacity-building support to the national research council and to two universities involved in research into natural resources totalled just over SEK 53 million in the period 2004–2009. This support has contributed *inter alia* to the following:

- A general improvement in institutional strength.

- Twenty-two enrolled PhD students from Burkina Faso, of whom 15 obtained degrees in local forest management, livestock management and anthropology by February 2009.

Sweden's advocacy work through dialogue has focused chiefly on anti-corruption issues, gender equality and aid effectiveness. Corruption is a standing issue in the budget support dialogue, and Sweden has been particularly active in matters concerning external and internal auditing and controls and in relation to public insight into government use of public funds. This dialogue has helped expand and improve key institutions and legitimised resource allocations from the national budget for this type of activity. Sweden also contributed to a critical debate on corruption through REN-LAC.

Swedish dialogue on gender equality has had an impact on government policy. Sweden's analysis of gender equality in the country has provided an important basis for the country's newly adopted gender equality policy.

Sweden has been one of the prime movers behind reforms aimed at making aid to Burkina Faso more effective. It has consistently prioritised approaches to and modes of aid that lead to increased national ownership, to the use of national systems, and to coordinated dialogue and follow-up with other donors. By its example, Sweden has contributed to the development of new forms of support, including sector budget support in the water and sanitation sector and programme support in the environment sector.

Sweden has worked closely with multilateral organisations and the European Commission in Burkina Faso. The Commission is an important partner in aid effectiveness efforts, and its local representation has assumed an active and leading role in the harmonisation and coordination of aid in the country. The constructive presence of the International Monetary Fund in Burkina Faso has helped bring about open dialogue on macroeconomic issues and valuable exchanges of information. The World Bank has extensive operations in the country and is active in most of the priority sectors. Until recently, coordination with other donors had worked less well, but in the past year the bank has made a concerted effort to take part in joint cooperation and dialogue.

A joint coordination mechanism was established in 2009 among bilateral and multilateral donors under the leadership of a troika. The UN is one of the members of the troika, and it is hoped that aid provision and the dialogue with donors will be more effective and coherent in future under the leadership of the Burkina Faso Government.

### 3.1.3 Assessment

Sweden has been engaged in development cooperation with Burkina Faso for over ten years. The overarching objective of the current strategy for 2004–2010, to help to create conditions that will enable poor people to improve their lives, is an objective that Sida finds difficult to achieve, given the relatively short period that cooperation has been ongoing, and particularly bearing in mind the country's pervasive poverty and the severe lack of capacity found at all levels of society.

However, with the help of Swedish support, a measure of progress has been



made in the three cooperation areas, which could eventually bring about an improvement in the lives of poor people. Burkina Faso is pursuing responsible economic policies and has applied its poverty strategy relatively well during the strategy period.

In accordance with the terms of the first cooperation area, Sweden has supported Burkina Faso's efforts to strengthen the administration's capacity to pursue sound poverty reduction policies. Development in certain sub-areas is moving in the right direction. Aid is probably playing an important part, although poverty levels remain high and poor people's quality of life is improving far too slowly. As regards budget support, it may be noted *inter alia* that tax collection has improved, priority sectors have received their share of the national budget and more money has been distributed to the municipal authorities.

Good results have been noted in the second cooperation area, *democratic governance and social development*, where key indicators have shown favourable trends. These include a decline in maternal and child mortality and an increase in the number of children starting school. However, Burkina Faso is still a long way from achieving the Millennium Development Goal for this area.

In the cooperation area of *democracy and human rights*, Swedish support for long-term capacity development in the statistical field has worked well. Swedish support has been and still is strategic; the availability of reliable statistics is crucial to the task of measuring results and assessing development. The newly adopted law establishing a quota (30 per cent) for the less represented gender on the electoral register at general elections is an example of a objective achieved through Swedish advocacy work and support to NGOs.

In the third cooperation area, the *natural resource sector*, the aim is to support the sustainable use of natural resources. Here, results may be noted in the form of successful processes in the water and forest sectors, where the emphasis has been on strengthening Burkina Faso's ownership and the participation of women and girls. The benefits gained from explicit local ownership of the processes have been achieved partly at the expense of a slower pace of development in the programmes Sweden supports.

In the field of bilateral research cooperation, research students have completed their studies and their doctorates in accordance with established objectives. The objective of supporting the creation of an independent research fund was not achieved. The doctors who completed their training are now working in their regular research environments, which have been indirectly strengthened thereby. In this respect, the objectives have been partially achieved.

The relatively slow decline in poverty recorded during the strategy period may be partly explained by the country's precarious situation. The economy is extremely vulnerable and sensitive to external influences (no seaport, a difficult climate, a large proportion of the population reliant on subsistence farming, etc.), while periodically poor harvests and low international prices have restricted cotton's potential as an engine of economic growth.

The strategy period has been marked by recurrent crises, which have reduced government revenue and domestic business income, compounded by rising prices for vital imports and higher living costs for ordinary citizens. The price hikes for food and oil had a severe impact on Burkina Faso in 2008–2009, particularly on the poor. These factors have restricted the country's development

potential and made it more difficult for poor people to improve their living conditions. In addition, the serious lack of capacity at most levels in the country's administration pose a particular challenge to current efforts to decentralise to regional and municipal level, a process aimed at bringing decision-makers and the population closer together.

According to the assessment included in the external results analysis, strategic choices of methods and forms focusing on donor harmonisation remain relevant and are of considerable interest to national parties. The analysis shows that Swedish aid in the form of general budget support has helped reduce poverty, made public administration more effective and improved access to social services.

## 3.2 MALI

### 3.2.1 Direction of development cooperation

The overarching objective of Swedish development cooperation with Mali in the period 2004–2010 is to help to create conditions that will enable poor people to improve their living conditions. This objective is to be achieved through support in three cooperation areas:

1. Poverty-oriented and sustainable development
2. Democratic governance and social development
3. Sustainable development of the natural resource sectors.

The main areas in volume terms during the strategy period will be items 1 and 2 above. Special emphasis is to be placed on gender equality and the rights of women and girls. Programme support – i.e. budget support and/or sector programme support – should be utilised, provided the necessary conditions for such modes of cooperation are present. Efforts should be made to achieve better harmonisation and coordination, and closer cooperation between donors.

As Table 3.3 shows, Swedish support to Mali during the period 2004–2009 totalled SEK 1 billion. In volume terms, the main areas of cooperation were economic development – where Sweden contributed to Mali's poverty reduction strategy through the provision of general budget support totalling SEK 490 million – and social development – where Sweden has helped finance the sector programmes for health and education. As of 2009, funding for education has formed part of budget support.

Swedish support for democratic governance has largely been channelled through UNICEF and international NGOs. Sweden has also provided strategic project support for targeted capacity building in central government administration via an institutional partnership between Statistics Sweden and its counterpart in Mali.

Support to the natural resource sectors (sustainable infrastructure and services, environment and agriculture and forestry) became increasingly important during the strategy period. It took the form of project support for decentralised forest administration, household energy, and integrated water resource management.



Total aid provision to Mali in the period 2006–2008 amounted to approximately 11–15 per cent of the country's gross national income, GNI.

**TABLE 3.3**  
Development cooperation with Mali, 2004–2009, by sector

SEK thousand

Sector	2004	2005	2006	2007	2008	2009	Total
Health	121	35 237	35 451	35 454	45 496	35 225	186 984
Education	42 572	40 405	50 641	50 760	50 766	455	235 599
Democracy, human rights and gender equality	11 192	10 522	15 462	10 504	15 577	25 620	88 877
Conflict, peace and security	46	46	150	257	236	111	847
Humanitarian aid	–105	1 288	–143	0	0	0	1 040
Sustainable infrastructure and services	812	658	903	636	1 043	1 696	5 748
Market development	1 509	49	51	95	138	4 047	5 890
Environment	0	0	0	0	0	7 465	7 465
Agriculture and forestry	289	299	189	391	740	13 424	15 332
Budget support for poverty reduction	50 002	70 000	80 000	80 000	80 000	130 000	490 002
Other sectors	3 928	4 963	5 699	3 111	974	2 295	20 970
<b>Total</b>	<b>110 366</b>	<b>163 467</b>	<b>188 404</b>	<b>181 208</b>	<b>194 970</b>	<b>220 340</b>	<b>1 058 754</b>

The following report presents results from a selection of representative contributions in each cooperation area.

### 3.2.2 Results

#### Poverty-oriented sustainable growth

In the area of *poverty-oriented and sustainable growth*, Sweden will promote the kind of stable macroeconomic development and environmentally sustainable growth that will facilitate implementation of Mali's Poverty Reduction Strategy Paper (PRSP) and benefit the poorest sections of the population, especially poor women and girls in rural areas.

Sweden contributes to the implementation of Mali's poverty reduction strategy through general budget support. During the strategy period, budget support helped fund activities that yielded favourable results in a number of respects. The following table illustrates this development, using indicators found in the PRSP.

**TABLE 3.4**  
**Development in Mali, indicators from the PRSP**

Indicators	Level 2001	Outcome 2006	Outcome 2008	Objective 2008	Objective 2015
Proportion of pregnant women receiving prenatal consultation	–	75.0	85.0	79.0	80.0
Child mortality (under five years of age) per 1 000	229.0	191.0	–	–	–
Maternal mortality per 100 000	582.0	464.0	–	–	–
Proportion of chronic malnutrition in children under five years of age	38.0	34.0	–	–	–
Proportion of births attended by trained staff	–	55.0	61.0	56.0	65.0
HIV prevalence, age group 15–49	1.7 (2004)	1.3		1.3 (2011)	
Number of visits to a care centre, per person/year	0.23 (2003)	0.26	0.29	0.5 (2005)	
Proportion of urban population with access to drinking water		67.4	71.7	70.3	80.4
Proportion of children starting school		75.0	80.0	80.0	91.0
Proportion of children starting school					
<i>girls</i>		65.1	70.7		
<i>boys</i>		85.1	89.5		
Proportion of children completing basic education		48.5	53.3	56.4	82.5
Proportion of population with access to electricity		16.9	25.4	23.4	64.6
Number of days need to start up a business		41.0	25.0		

A selection of results achieved within the framework of the Mali growth and poverty reduction strategy follows below.

- Economic development has been relatively strong, with a growth rate of approximately 5 per cent/year. Growth has not however reached the 7 per cent target laid down in the PRSP. Mali has pursued sound macroeconomic policies and has gradually introduced structural reforms in accordance with the objectives set out in the country's IMF programme.
- Despite the relatively favourable growth rate, poverty has not declined as much as expected. According to government estimates, the proportion of poor people fell from 68 per cent in 2001 to 64 per cent in 2006. This falls far short of the target of a 47.5 per cent reduction in poverty by 2006. One explanation is the high rate of population growth coupled with insufficient economic growth and inadequate access to basic social services. Despite this, a number of socioeconomic indicators, such as maternal and child mortality, show some improvement, as illustrated in Table 3.4.
- The country's infrastructure has improved somewhat during the strategy period. Maintenance work was carried out on 3 600 kilometres of road in 2008.

- Although access to drinking water and electricity has improved, levels are still well below those targeted in the PRSP, particularly in the case of electricity.
- The business climate has improved, according to the World Bank's Ease of Doing Business Index. The time required to start up a business, for instance, was reduced from 41 to 15 days between 2006 and 2009.

Prospects of implementing the poverty strategy and achieving welfare improvements for the poorest sections of the population depend both on policy direction and on the quality of central government financial systems. Swedish budget support has contributed to the following improvements:

- The development of a reform programme for public financial management.
- Progress with regard to the Malian procurement framework.
- New procurement legislation adopted in 2008 and a supervisory authority established in 2009.

However, a recently completed evaluation of the programme noted that implementation was proceeding slowly and that the pace of reform was affected by the complexity of the reforms and the limited technological, financial and human resources available.

Among the issues raised by Sweden in the budget support dialogue were the fight against corruption, the importance of strengthening public financial systems, transparency and accountability, and the rights of women and children. As part of the preparations for a national anti-corruption conference, Sweden organised a week-long visit to Mali by Norad's anti-corruption expert, who took part in media outreach activities, debates with civil society representatives and in parliament, and held consultations with ministers and representatives of the justice system.

### Democratic governance and social development

In the area of *democratic governance and social development*, Sweden supports democratic and social development that extends to all sections of the Malian population, regardless of sex, age, ethnicity or disability. Special attention is being devoted to the empowerment of girls and women and to their safety, security and opportunities.

Swedish support in the form of budget support and sector programme support for education has helped boost the education sector's share of the national budget, which now stands at just over 17 per cent. Swedish support in this sphere has contributed inter alia to the following:

- The number of children – boys and girls – attending school has increased substantially (Table 3.4).

The rapid pace of population growth, however, has put a considerable strain on the education system. There is a shortage of teachers, especially in rural areas, and the pupil-teacher ratio is high (1:68) even though children often attend school in shifts. The quality of education is deficient due to inadequate resources. Indicators include few trained teachers, a shortage of textbooks and educational aids and the low proportion of pupils who complete their education. A study has shown that only 49 per cent of the pupils achieve the literacy targets

established by the school authorities. In the case of mathematics, the corresponding figure after two years of schooling is 41 per cent.

In the health sector, Swedish aid in the form of budget support and sector programme support has also helped boost resources. Support in this sphere has contributed *inter alia* to the following:

- A decline in maternal mortality.
- A decline in mortality among children under five years of age, due in part to increased vaccination.
- A decline in chronic malnourishment among children under five years of age from 38 per cent (2001) to 34 per cent (2006). Despite this progress, about one child in five in Mali dies before the age of five.
- Increased access to medical care.

However, the number of people consulting the health care service has not increased to the same extent. One explanation for this is that fees are charged for medical care and that the average price per prescription has risen.

Although Mali produces key data for PRSP follow-up, the statistical system as a whole is still weak. In order to strengthen the follow-up of results, Swedish budget support was supplemented by a special initiative – based on a partnership between Statistics Sweden and the Malian statistical agency, INSTAT – aimed at providing long-term support for capacity building in the statistical system. Sweden plays a leading role in coordinating statistical input from donor countries. Funding in this area will total approximately SEK 30 million in 2009–2011. The aim is to strengthen INSTAT's ability to produce and disseminate reliable statistics. Swedish support has contributed *inter alia* to the following:

- An initial, donor-coordinated sector-wide review of the statistical system.
- A poverty study.
- A national census, conducted in 2009.

Sweden has also supported international and local NGOs engaged in promoting democratic governance and conflict management at local level. Support to the Local Democratic Governance programme (LDG) has contributed *inter alia* to:

- An increase in the number of women candidates eligible for official posts in local elections from 120 to 754, the result of a project implemented in three regions.

Sweden also contributed SEK 18 million to UNICEF's child protection programme in 2005–2009. The aim is to promote the long-term development of institutions and capacity for protecting children and safeguarding their rights. UNICEF has sought to identify factors that could boost national registration of children, one of a number of important prerequisites if children are to assert their rights as citizens. Swedish support via UNICEF has contributed *inter alia* to the following:

- A total of 1 373 new national registration centres were opened as the lack of such centres was identified as an obstacle to registration.

UNICEF has engaged in opinion-making activities to combat the sexual mutilation of women, child marriages and child trafficking. Although the proportion



of adult women exposed to genital mutilation in Mali declined from 92 per cent in 2001 to 85 per cent in 2006, the practice is still widespread. Swedish support in this area has contributed *inter alia* to the following:

- Development by the Malian Government of educational and training material.
- The Government has drawn up a national plan of action to combat female genital mutilation in 2008-2012.
- 48 local committees have been set up to implement the action plan.

### **Sustainable development of the natural resource sectors**

In the area of *sustainable development of the natural resource sectors*, Sweden will extend support for environmentally sound productivity increases in the natural resource sectors and thereby help improve incomes and security among poor people, especially women and girls. Swedish development cooperation with Mali in this area focuses on forest (project support to GEDEFOR), water and sanitation (PROSEA), and on natural resource management. As the PROSEA and GEDEFOR agreements were concluded in 2009, results cannot be reported here.

In 2004–2009, Sweden ran a nature resource management project in cooperation with the Netherlands and the International Union for Conservation of Nature (IUCN). The aim of the project was to replant forest and help the local population realign its production so as to encourage sustainable development. Swedish support (part of the agriculture and forestry sector) amounted to SEK 6.2 million during the period. The objectives were achieved and Swedish support contributed *inter alia* to the following:

- Five hectares of vegetable garden were laid out.
- Six hectares of village crop plantation were laid out.
- 531 hectares of destroyed forest have been replanted.
- Agricultural production increased following the rehabilitation of approximately 200 hectares of degraded arable land.
- Some 850 women have been given access to financial and advisory services.
- Welfare among both families and the community at large has increased because the project was implemented at village level, where the inhabitants themselves had chosen to invest their resources in sustainable and more productive activities.

### *Aid effectiveness*

During the strategy period, Swedish actively encouraged implementation of the Paris Declaration on Aid Effectiveness and the EU Code of Conduct on Complementarity and the Division of Labour in Development Policy. The proportion of Swedish support using Mali's financial systems reached 85 per cent in 2009. Sweden actively contributed to joint follow-ups and to the establishment of an institutional mechanism for donor coordination. Through its work on statistics and the strategic long-term capacity development project in the statistics domain, Sweden has helped the European Commission, UNICEF and the World Bank coordinate their efforts more closely in this sphere.

### 3.2.3 Assessment

Sweden has been engaged in development cooperation with Mali for over ten years. In Sida's view, the overarching objective of the current strategy for 2004–2010 – to help to create the kinds of conditions that enable poor people to improve their lives – will be difficult to achieve, given the relatively short period that cooperation has been under way, and particularly bearing in mind the country's deep poverty and the serious lack of capacity at all levels.

Within the framework of the strategy's three areas of cooperation, however, some progress has been made with the help of Swedish support provision in the form of budget support, sector programme support for health and education, and project support in the sphere of democratic governance (NGOs, UNICEF and institutional capacity support), all of which could, in the slightly longer term, help poor people improve their lives. Mali is pursuing responsible economic policies and has implemented its poverty strategy relatively well during the strategy period.

In terms of income poverty, however, results during the strategy period have been relatively modest, although poverty has been reduced to some degree. One reason is that growth, which has largely been confined to the mining sector, has not benefited the poor. In the agricultural sector, from which over 70 per cent of the population derive their livelihoods, the pace of economic growth has scarcely kept up with that of demographic growth. The latter is expected to be 3.6 per cent for the period 1998–2009, which means that the population will double in size in just 20 years. As a result, rural incomes have stagnated. The dramatic rise in population is also putting a considerable strain on social services, schools, care services, water, sanitation, roads, etc. Thus the considerable efforts made in these sectors by the Malian Government and donors, including Sweden, have not succeeded in significantly improving living conditions among the population and thereby improving welfare for the poorest and most vulnerable citizens.

Institutional capacity in Mali is very weak. As part of its budget support programme, therefore, Sweden has sought to boost Malian capacity by improving the country's public financial systems. This is a long-term initiative aimed at opening up central government activities and making them more efficient in order to give citizens access to better services, to increase transparency and to make it easier to reach the poor. The shortage of institutional capacity, however, means that progress in these areas is slow. This is particularly evident in the challenging and complex task of reforming public financial governance (the PAGAM/GFP programme). Progress in this sphere is vital to efforts to combat corruption, which otherwise constitutes one of the primary obstacles to development and poverty reduction.

Good results have been noted in the sphere of democratic governance and social development, where key indicators such as maternal and child mortality are pointing in the right direction and more children than before are starting school (Table 3.4). In the democracy and human rights sector, Swedish support in the statistics area through the project on long-term capacity building has been strategic. More focus was placed on the national statistics system, and what were previously highly disparate contributions by a wide range of donors are now being coordinated. The availability of reliable statistics is crucial to the

task of measuring results and assessing development, which is why Sweden's support was and remains strategically important.

Although formal democratic structures were introduced over ten years ago, poor people have found it difficult to take part in democratic political processes, not least because literacy in the country is very low (approximately 30 per cent). Poor women and men are often unaware of their rights and have little influence over their situation. It is difficult to say to what extent Swedish support for human rights work – in the form of support to NGOs (LDG) and aid channelled via UNICEF – has yielded results.

Another Sida objective was to find ways of supporting civil society in its independent role as a public watchdog demanding accountability from officialdom. Here, however, much remains to be done, both as regards devising effective aid modalities and enhancing the strength of civil society organisations and their capacity to fulfil their watchdog function. Initiatives in civil society and to some extent in the natural resource sector have created new scope for democratic participation and opportunities for people to take control of their life situations. This is essential if democracy and respect for human rights in Mali are to be strengthened over time.

In the natural resource sector, the objective has been to support the sustainable use of natural resources. Thanks to the two initiatives taken in the water sector (PROSEA) and the forest sector (GEDEFOR), a solid foundation has been laid for achieving the strategy's relatively long-term objective. In the latter sector, Sweden has proactively assumed a coordinating role, emphasising national priorities and encouraging the ministry to take a lead. In the water sector, cooperation with Denmark has served as an impetus for Sweden. Here, too, Sweden has a strategic role to play in encouraging and pursuing Mali's own priorities and actively promoting national ownership. Sweden is seeking to transform its input into sector programme support.

According to the external results analysis, Sweden's support to Mali during the strategy period was relevant in terms of the stated objectives. Swedish aid has yielded mixed results and effectiveness has been lower than expected. Two reasons for this are the short time the two countries have been cooperating, and the partner's low implementation capacity.



### 3.3 GEORGIA

#### 3.3.1 Directions of development cooperation

The overarching objective of Swedish development cooperation with Georgia during the period 2006–2009 was to help bring about conditions that would enable poor people to improve their living conditions. Cooperation has mainly taken place in two priority areas:

1. Strengthening democracy and respect for human rights.
2. Promoting sustainable economic development.

Swedish support to Georgia during the strategy period totalled SEK 377 million.

The annual allocation during this period increased from SEK 68 million in 2006 to SEK 103 million in 2009. The main area in volume terms was strengthening democracy and respect for human rights. In 2009, over SEK 80 million went to projects and programmes in this sector (see Table 3.5). In the period 2007–2010, the EU, the largest donor in Georgia, allocated EUR 30 million per year on average via the European Neighbourhood and Partnership Instrument (ENPI). The lessons learned from the ENPI and the direction of this support significantly influenced the structure and composition of Swedish bilateral aid to Georgia, which among other things is intended to supplement the ENPI.

Total aid to Georgia amounted to approximately 5–7 per cent of the country's gross national income, GNI in 2006–2008.

**TABLE 3.5**  
**Development cooperation with Georgia, 2006–2009, by sector**

SEK thousand

Sector	2006	2007	2008	2009	Total
Health	492	418	21	31	963
Education	168	0	64	193	425
Democracy, human rights and gender equality	33 899	26 752	40 103	80 730	181 485
Conflict, peace and security	894	7 006	915	157	8 973
Humanitarian aid	990	2 040	22 535	9 550	35 115
Sustainable infrastructure and services	20 000	14 250	6 600	0	40 850
Market development	-2	0	26	72	96
Environment	0	0	50 000	0	50 000
Agriculture and forestry	10 397	17 348	14 993	12 251	54 990
Other sectors	1 158	3 035	0	64	4 257
<b>Total</b>	<b>67 996</b>	<b>70 850</b>	<b>135 258</b>	<b>103 049</b>	<b>377 153</b>

The following report presents the results of 14 contributions, nine of which are currently in progress. The selection, which does not include humanitarian aid, was intended to give as representative a picture as possible of support provided for under the cooperation strategy. Emphasis has been placed on ongoing contributions in order to be able to assess results achieved to date. Accordingly, newly launched contributions are not included in the report. On 31 December 2009, Sida was funding 20 ongoing contributions in Georgia.

### 3.3.2 Results

#### Enhanced democracy and greater respect for human rights

The objectives in the cooperation area *democracy and human rights* are:

- *strengthened the capacity to enhance public institutions to provide democratic and effective governance,*
- *improved respect for human rights.*

In the *democracy* sphere Sweden is funding a partnership between the National Agency for Public Registry (NARP), the Swedish National Land Survey and the former Swedsurvey. Sweden's contribution to the current phase is expected to

total approximately SEK 24 million up to the end of 2011. The objective of this partnership is help to create a functioning property market and to improve service levels for citizens in the regions. This has been achieved by:

- Establishing one-stop shops where citizens can complete property transactions from start to finish. This was previously a time-consuming and costly process involving several institutions.

As some 300 000 property transactions are undertaken each year, there are considerable savings to be made from more effective processing. In to Sida's assessment, the cost efficiency of this project is high: transaction times are substantially reduced, resulting in major economic gains.

Sweden's SEK 11.5 million aid contribution makes it a leading donor to the International School of Economics at Tbilisi State University (ISET), which offers a Master's programme in economics. The objective of the project is to endow a new generation of economists in Southern Caucasus with the ability to understand and apply international economic analyses and strategies. Swedish support has contributed *inter alia* to the following:

- 22 students have obtained degrees during the two years in which the programme has been in existence.
- 38 students are currently in their second year of study.
- ISET has built an international reputation, and five students have been admitted to postgraduate courses at universities abroad, including Boston University and the University of Pennsylvania.

The economic sustainability of the programme will continue to pose a challenge. In Sida's assessment, the school will remain dependent on external funding for a long time to come.

The Swedish Prison and Probation Service headed a European Commission project in 2006–2008 in partnership with the Georgian Ministry of Justice. Sweden contributed SEK 5 million to the project. Swedish support has *inter alia* resulted in:

- Training capacity was increased at a training centre in Rustavi.
- In 2008–2009, a total of 1 573 people received training at the centre.

The centre, which provides basic and further training for prison and probation officers, prison guards and prison management staff, fills the vacuum left in this sphere by the collapse of the Soviet Union. The centre is well established and is now responsible to the recently created Ministry of Correction and Legal Assistance.

Swedish support for decentralisation and regional development totalled SEK 29 million. The aid, which was channelled via the UNDP, resulted *inter alia* in:

- A number of legislative changes aimed *inter alia* at clarifying the role and position of the country's governors.
- Greater international exposure following study visits to and guidance on decentralisation from the European Commission for Democracy through Law, better known as the Venice Commission.

By establishing a ministry responsible for these issues, Georgia has significantly strengthened its ownership of decentralisation and regional

development measures. In Sida's assessment, however, this contribution will not achieve its stated objectives. Cooperation with the UNDP continued up to March 2010 and will be evaluated before any further commitments are made.

In the area of *human rights*, Sweden has funded a number of initiatives involving the promotion of political democracy and the rights of minorities and women. An independent evaluation has shown that Swedish-funded gender equality projects have yielded favourable results both as regards strengthening women's organisations in the regions and conflict areas, and empowering women in general. Their effect on policy, however, proved limited. Swedish support channelled via the UNDP, aimed at increasing the number of women in parliament, was criticised in the evaluation. A further Swedish allocation channelled through the UNDP has contributed to:

- The establishment of a parliamentary committee on gender equality.

The committee was given permanent status in December 2009 but has had little impact so far. However, it is expected to help give greater prominence to gender equality issues in parliament in the future.

With regard to Sweden's contribution via the National Democratic Institute for International Affairs (NDI) of just over SEK 3 million towards the reform of Georgia's electoral processes, the objective of enhancing public confidence in the electoral system has been partially achieved. Swedish support has contributed *inter alia* to the following:

- Attitude surveys, analyses of voting behaviour, the introduction of digital maps of election results and the establishment of electoral registers have given election and voting patterns greater visibility.
- Increased awareness of political democracy.
- Local election monitoring has improved and the number of complaints has declined as a result of capacity development. In Adjara, for instance, the election results for a whole district were annulled after a local cooperation partner detected a number of irregularities.

Sweden funded multilingual tuition via the OSCE High Commissioner on National Minorities with a view to improving the integration of the Armenian minority group in Samtskhe-Javakheti. The OSCE has reported a rise in tolerance, as evinced by a growing interest in learning Georgian. In Sida's assessment, Swedish support has helped reduce ethnic tensions. This contribution has also shown that a less resource-consuming terminal phase can be highly effective in ensuring that results are sustainable and that local and national budget resources are available for use in further activities on completion of the project. The project has contributed *inter alia* to the following:

- 11 195 people have received legal counselling free of charge.
- 5 789 teachers in 235 minority schools have had access to teaching manuals and to the journal 'The Teacher' translated into both Armenian and Azeri.
- 683 ethnic Armenian officials and 569 university students have undergone Georgian language training.
- Armenians living in Akhalkalaki, Ninotsmida and Akhaltsikhe can now watch Georgian news programmes with simultaneous interpretation into Armenian.



- The Georgian Ministry of Education has decided to introduce multilingual tuition in 40 minority schools and has allocated the requisite resources for this purpose.

From 1998 to the end of 2008, Sweden was a major contributor, through the Raoul Wallenberg Institute, to the Public Defenders Office, the Georgian ombudsman institution. Swedish funding amounted to approximately SEK 15 million. The objective of this partnership was to strengthen capacity at the Public Defenders Office, initially and mainly in the human rights field, and to improve cooperation with other institutions and agencies. In 2006, an external evaluation of the institution recommended increased support for capacity building, focused in particular on administrative procedures and leadership issues. Although an attempt was made to adjust the programme, this was not entirely successful largely due to weak ownership and high staff turnover at the ombudsman office. The project contributed *inter alia* to the following:

- Recommendations for strengthening institutional capacity.
- Measures to strengthen the position of the ombudsman.

Swedish support is felt to have been less effective in strengthening institutional capacity. The individual holding the ombudsman's office at the time failed to act upon recommendations put forward by the project. These recommendations are still in place; the new ombudsman is aware of them and intends to follow them. Thus the project can still contribute to increased institutional capacity.

Sweden supports some 50 local organisations, mainly via two cooperation partners: the Eurasia Partnership Foundation (EPF) and Kvinna till Kvinna (KtK). Between 2008 and 2011, Swedish support for the EPF programme will total SEK 19 million. The aim of this contribution is to improve capacity in civil society. The programme has proved effective both in terms of dealing with the queries and needs of civil society and in facilitating dialogue between civil society and the Georgian Government. The project has also resulted in the following:

- Twelve 'youth banks' have been established and now provide funding for more than 30 projects initiated and undertaken by young people around Georgia.
- Over 720 people have undergone training in a number of subject areas, including business start-ups.

To increase women's active participation in the development of a democratic society, Sweden extended SEK 14 million in aid to KtK and its partners between 2007 and 2009. This enabled thousands of women to gain access to training courses of various kinds, to legal counselling and to gynaecological examinations. The project contributed *inter alia* to the following:

- 8 521 women received psychological counselling and/or legal assistance.
- 7 808 women received help from a gynaecologist.
- 2 140 women underwent language training or training in accounting, computer processing or vehicle driving.
- 3 794 women were helped to start a business.
- 15 049 were given training in human rights, the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) and UN Resolution 1325

- Women's self-determination and ability to act were strengthened.
- Women's organisations receiving support through KtK established a number of networks. This improved communication and coordination between organisations in the region and helped raise the profile of the women's movement.

In Sida's assessment, this contribution yielded favourable results. The agency has decided to provide support totalling SEK 22 million for a new three-year initiative. The objective remains the same: to enhance women's self-determination and ability to act.

Media cooperation through the Media Development Loan Fund – aimed at supporting the development of independent, commercially viable media companies in order to strengthen the democratic process in the country – yielded limited results. This was mainly due to difficulty in identifying independent media likely to remain economically viable in the long as well as the short term. Swedish support, which had hitherto amounted to almost SEK 3 million, has now been terminated. This support contributed *inter alia* to the following:

- Both the radio station and the newspaper that received Swedish support developed favourably and increased their advertising revenue.
- The newspaper won a number of awards from the Norwegian foundation Fritt Ord and the German Zeit Foundation, among others.

As a group, the 280 000 displaced persons in Georgia constitute the poorest section of the population. After the war in August 2008, the Government's guarded attitude towards these refugees altered. The need for sustainable solutions and the integration of displaced persons was brought onto the agenda. At the same time, Sida decided to extend support amounting to SEK 27 million to projects operated by the Danish and Norwegian refugee councils. This support contributed *inter alia* to the following:

- Housing provision.
- The provision of vocational training; many young people have been promised employment on completion of their training.
- Livelihood assistance for refugees in the form of cattle and tools; support in the form of one or two heads of cattle can rapidly improve a household's subsistence prospects.
- Better living standards for families through support in the form of building materials and technical expertise.

### Promoting sustainable economic development

The objective for the cooperation area *sustainable economic development* is:

- *Sustainable economic development in the agricultural sector that will enhance livelihood opportunities for poor men and women.*

Sweden support for a major project in the milk and dairy industry was aimed at enhancing knowledge about farming and enterprise among producers, strengthening agencies' capacity to promote sustainable economic growth in the agricultural sector, improving training in this sector and supporting the alignment with Community law of agricultural institutions, norms and regulations. Swedish support contributed *inter alia* to the following:

- Higher income for poor farmers.
- The establishment by 2008 of 24 associations of milk producers with a membership of some 2 000 households. The associations are owned by their members and democratically run, which is unusual in Georgian rural areas. Half the associations have set up milk collection centres.
- In 2008, more than 500 farmers delivered milk worth SEK 5.5 million, i.e. an average of just over SEK 10 000 per supplier. Most members, however, use the milk to produce cheese and yoghurt and for their own consumption.
- A 30–40 per cent rise in members' milk production, according to the project's own estimates.

Following the armed conflict with Russia in August 2008, Sida decided to introduce a new component of winter feed for livestock in the conflict zone. The project contributed *inter alia* to the following:

- The development of locally produced silage, concentrated feed and mineral blocks for dairy cows. The aims were to ensure that 1 000 cows survived the winter and to boost milk production per cow by 50 per cent during the winter months.

A national milk producer organisation was established to safeguard the interests of dairy farmers. In Sida's assessment, this component is a good example of how humanitarian aid can be profitably combined with development aid. The organisation provides a variety of services to its members and produces and sells the new winter feed for dairy cows.

The project is also instrumental in furthering food safety; it helps the Ministry of Agriculture to train food inspectors in preparation for the stricter legislation due to be introduced at the beginning of 2010 as part of Georgia's EU harmonisation and alignment process. As implementation of the law has been delayed, it is difficult to assess results at this stage. The cost of the project for the period up to the end of 2009, was approximately SEK 47 million. Cost efficiency was lower than anticipated, due among other things to the decline in the world market price of milk since 2007 and the fact that imports of cheap milk powder to Georgia remained high. However, the project should be assessed in a more long-term perspective. Cost efficiency is expected to rise as the new methods make a wider impact.

In addition, Swedish-funded investment in the water sector through the European Bank for Reconstruction and Development (EBRD) has improved access to and the quality of drinking water for some 50 000 people in Poti in western Georgia.

### 3.3.3 Assessment

Swedish support to civil society, internally displaced persons, environmental investment through the EBRD and support for milk and dairy projects have together helped improve the lives of tens of thousands of people in Georgia. The cooperation strategy has been wide-ranging, spanning two cooperation areas, three objectives and 17 interim objectives, as well as cooperation with the EBRD on infrastructural investment.

Since the development effects of most of these contributions can only be assessed in the long term, determining the extent to which objectives have been met at outcome or impact level while programmes are still under way has proved difficult.

Following the conflict with Russia in the summer of 2008, the flow of foreign investment to Georgia declined while the flow of foreign aid to the country rose sharply. Aid has focused principally on investment and reconstruction. The security policy situation overshadows almost everything else in Georgia, with corresponding consequences for the national development agenda. No platform exists for conducting a policy dialogue with the Government on development cooperation. This is due to high turnover of staff in important positions in the Georgian administration, as well as a lack of sector-based strategies in many cases. The security policy situation has also affected Georgia's openness to dialogue on development issues. Although the need to strengthen coordination is a recurring issue, results so far can best be described as negligible. Sida has actively engaged in dialogue with other donors – including the UNDP and the European Commission – on gender equality and on issues relating to ownership, harmonisation and closer coordination. However, it has not been possible to assess the outcome of these efforts.

There has been very little opportunity to engage in programme-based approaches due to the lack of long-term strategies at sector level and to a relatively poor level of coordination between donors. The lack of sector-based strategies also restricts the ability to follow up and evaluate the results of Swedish-backed initiatives and relate them to results at sector level. Sweden's most ambitious contribution in the rural development sphere has proved highly relevant from a poverty reduction standpoint and has been widely appreciated in Georgia. However, the country's liberal trade policies and the free import of milk powder in particular have come to affect sustainability and cost efficiency in a way that could not have been foreseen initially.

An aggravating factor in the case of projects designed to build institutional capacity has been the centralised leadership culture in Georgia and the high rate of staff turnover, particularly in senior posts. Despite this, good results have been achieved in projects aimed at developing the counterparts to Sweden's National Land Survey and Prison and Probation Service. In Sida's assessment, much of this success is due to Georgia's strong ownership of the projects and to close cooperation between agencies.

With regard to support to civil society, excellent results have been achieved at contribution level. However, it is more difficult to gauge the effect at national level. It is clear, however, that Swedish contributions have contributed to a closer dialogue between civil society and the Government and that the rights of certain groups, including women and internally displaced persons, have been highlighted and improved at national level, if only to a limited extent.

The present composition of Swedish aid – major initiatives supplemented by smaller projects – is well suited to the current situation in Georgia. Further efforts should be made, however, to strengthen programme-based approaches and make aid more effective, for instance by increasing the share of Swedish aid channelled via the country's own systems.



## 3.4 TURKEY

### 3.4.1 Directions of development cooperation

The overarching objective of Swedish development cooperation with Turkey in the period 2005–2009 has been to strengthen the continuing democratisation process and respect for human rights, and contribute to Turkey's alignment with European community of values and European cooperation structures.

Total Swedish support to Turkey in 2005–2009 amounted to SEK 150 million. The allocation rose from just over SEK 18 million in 2005 to just over SEK 42 million in 2009. Support predominantly targeted interventions aimed at promoting democracy, human rights and gender equality. In 2009, SEK 42 million were disbursed for projects and programmes in this sector (see Table 3.6). Swedish support to Turkey has been characterised by a small number of projects with a limited strategic perspective. The bulk of support was channelled via international organisations and Swedish government agencies.

In 2009, the EU, the largest donor of aid to Turkey, allocated almost SEK 5.7 billion in accession support under the Instrument for Pre-Accession Assistance (IPA). Swedish support has been marginal in comparison. The IPA has five components: support for transition and institution building, cross-border cooperation, regional development, human resources development and rural development. The policy aims of the IPA combined with the conclusions of EU progress reports have helped Sweden shape its cooperation with Turkey.

Total aid to Turkey amounted to approximately 0.1–0.3 per cent of the country's gross national income, GNI during the period 2006–2008.

**TABLE 3.6**  
**Development cooperation with Turkey, 2004–2009, by sector**

SEK thousand

Sector	2005	2006	2007	2008	2009	Total
Health	153	157	–6	0	0	304
Education	0	2	0	0	0	2
Democracy, human rights and gender equality	18 119	23 632	31 366	32 888	41 970	147 97
Conflict, peace and security	13	15	–1	0	48	76
Agriculture and forestry	73	77	1 318	–219	309	1 558
Other sectors	182	65	11	0	0	258
<b>Total</b>	<b>18 541</b>	<b>23 947</b>	<b>32 688</b>	<b>32 669</b>	<b>42 327</b>	<b>150 172</b>

The results of five of the 22 contributions running in 2009, representing about half the country's aid portfolio in volume terms, are presented below. The selection was designed to provide as representative a picture of Swedish-Turkish cooperation as possible. Support was divided among a range of subsectors, central government and civil society.

### 3.4.2 Results

Since 2006, Sweden has supported an initiative involving cooperation between Turkish and Swedish municipalities entitled Municipal Partnership Networks. The objective is to improve understanding of local administration, to clarify the division of responsibility between politicians and officials, to develop better executive performance and human resource management, to strengthen citizen participation, to further knowledge about the EU and about the Community's funding application processes, and to develop capacity within the Union of Municipalities of Turkey (UMT). Sweden, which is the only donor, approved support totalling SEK 22 million in 2006–2009. The project was delayed by language and culture-related difficulties. To date, it has only been possible to describe results at output level. Experience shows that it takes time to develop a shared understanding of needs and of the project's expected results. Confidence-building measures are required, and this takes time, particularly if the difficulties are caused by language and culture differences. The selection of results presented below shows that the project contributed to following:

- A total of 23 Turkish municipal councils (15 were originally planned) entered into partnerships with Swedish municipalities.
- A waste management manual was produced to help improve the handling of 15 000 tons of waste per day.
- The municipalities in the Bursa region now have a better understanding of executive performance and human resource management.
- A gender equality study was conducted among the participant municipalities.

Cooperation between the Raoul Wallenberg Institute and the Istanbul Bilgi University has been under way since 2005. Sweden has contributed just over SEK 23 million to the project. The objective is to boost capacity and expertise among NGOs, judges and regional bar associations with regard to the human rights of women and people with disabilities. A selection of results shows that the project has contributed to following:

- Training courses in human rights. However, some sections of the target group (judges) showed a lack of interest in the project, as a consequence of which results did not come up to expectations.
- A training programme targeting NGOs on the rights of people with disabilities. This, however, proved successful. Initially, the level of knowledge among participants was very low, but positive results emerged in the form of increased activity aimed at strengthening the rights of disabled women.
- The Ministry of Justice used material developed by the Istanbul Bilgi University for training judges to deal with violence against women.

Since 2008, Sweden has contributed almost SEK 6 million to the United Nations Development Program/Governance Assessment Portal (UNDP/GAP) for a project in south-eastern Anatolia aimed at increasing women's participation in public life, their awareness of their rights and their knowledge of entrepreneurial networks and training opportunities. A selection of results shows that the project has contributed to:



- The establishment of workshops for the production of local products which can then be sold elsewhere in Turkey.
- The establishment of a new company and a clothing brand. The clothes are now sold in Istanbul and Ankara. The project has resulted in the creation of 200 new jobs for women.
- Over 400 women benefited from the training activities and took part in the production process, which generated a turnover of 173 036 Turkish lira (compared with a turnover target of TL 212 000).

There is ample indication that the project helped integrate more women into the production process in the region. The fact that women have access to training and are able to contribute to the family's income in an economic crisis, is viewed favourably in the communities concerned.

Since 2007, Sweden has provided support amounting to SEK 5.6 million to the organisation Women for Women's Human Rights (WWHR). The objective of the contribution is to develop a human rights training programme for women in the most neglected regions of Turkey. The programme, which is being implemented in collaboration with social authorities in Turkey, is targeted primarily at civil society organisations and social workers in various regions. The results of this support up to June 2009 included:

- Training in human and legal rights for 865 women (compared with a target of 2 000 women by April 2010).

The training has brought about a positive change in many women's day-to-day lives, by boosting their self-confidence and their ability to express themselves. In addition, they have acquired a better understanding of how the justice system works and what assistance they are entitled to. In addition to providing this training, the WWHR is coordinating Turkish shadow reporting on the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) as part of its planned advocacy work.

Between 2006 and 2008, the Olof Palme International Center (OPIC) received SEK 17.8 million from the Government to implement a programme in Turkey. The aim of the programme was to strengthen the capacity of Turkish NGOs to promote human rights. Swedish support contributed *inter alia* to the following:

- A total of 59 projects involving cooperation between Turkish and Swedish organisations have received OPIC support. An evaluation of the programme carried out in early 2008 found that good results had been achieved at project level.
- The Turkish LGBT organisation KAOS has succeeded in generating debate on LGBT concerns, in its own journal and elsewhere.
- Cooperation between Swedish Lawyers Without Borders (AUG), the Turkish Human Rights Association (HRA), and the Foundation for Society and Legal Studies in Turkey (TOHAV) has been highly successful.
- AUG representatives have undertaken more than 21 exchange visits to Turkey to take part in human rights seminars, discuss methods and in particular to participate in joint observation of trials.
- Turkish lawyers have visited Sweden to learn about Swedish legislation, follow-up methodology and human rights.

- The Swedish and Turkish organisations have jointly observed 25 trials in all, while the Turkish organisations have independently monitored 75. Among other actions, the Turkish HRA appealed 74 cases of violence against women to a higher court.

### 3.4.3 Assessment

Although Swedish development cooperation with Turkey has high relevance, its contribution to development in the country, given the stated objectives, must be considered marginal. Under the previous strategy, broad participation of Swedish government agencies, businesses, popular movements and municipalities was to be sought, and personal interaction was deemed essential. Partly as a result of this approach, support was fragmented and implemented without full coordination between Swedish actors. Direct links between Swedish development cooperation and Turkey's overarching national reforms were tenuous. Development cooperation was spread over too many areas to contribute to sustainable results, and dialogue was limited.

Contributions have largely been undertaken by a Swedish agency or organisation in cooperation with a Turkish counterpart. Where the Turkish organisation was strong, Turkish ownership was also strong; otherwise, the Swedish partner assumed the leading role. To a great extent, programmes have been demand driven. Where action plans were in place, good relations were established and all the parties involved had a good understanding of what the contributions could be expected to achieve. Most of the contributions achieved the expected results at outcome level. These largely involved strengthening processes of various kinds, such as capacity and knowledge building.

The Swedish consulate-general in Istanbul had certain funds at its disposal in addition to the support provided through Sida. In addition, a certain amount of support has been channelled via the Swedish Institute. The division of roles between these Swedish actors has been unclear, and collaboration has been confined to exchanges of information. If Swedish support is to be more successful in bolstering Turkey's reform process, the following will be required: a clearer definition of roles and closer coordination between the Swedish actors, concentration on fewer sub-areas, and a strategic dialogue with Turkish partners. Sweden should also seek to enhance aid effectiveness by applying a programme-based approach as far as possible. For instance, where feasible it should use the country's or the organisations' own planning, implementation and follow-up systems, or seek to persuade more donors to collaborate on joint funding allocations to institutions or programmes. At present there is no arrangement for coordination in Turkey.

## 3.5 CONCLUSIONS CONCERNING DEVELOPMENT COOPERATION WITH FOUR COUNTRIES

Sweden is engaged in long-term development cooperation with Burkina Faso and Mali. In the case of Georgia and Turkey on the other hand, the focus is on reform cooperation. Swedish development cooperation with these countries

differs in a number of respects, e.g. in the direction, scale and scope of projects and programmes, aid modalities, channels used and donor harmonisation.

Sweden has been engaged in long-term development cooperation with Burkina Faso and Mali since the late 1990s. The overarching objective of Sweden's current development strategy for 2004–2010 is to help create conditions that will enable poor people to improve living conditions. Progress has been made in terms of cooperation strategy objectives: contributions have helped to create conditions that could contribute in the long term to better living conditions for poor people. Burkina Faso and Mali are pursuing responsible economic policies and have applied their poverty strategies relatively well during the strategy period.

Swedish support to Burkina Faso and Mali has been relevant to the stated strategy objectives. General budget support extended to Burkina Faso has contributed to poverty reduction, greater efficiency in public administration and broader access to social services. In Mali's case, contributions supported by Sweden have had mixed results and have been less effective than expected. Good results have been evident mainly in the spheres of democratic governance and social development, where indicators such as maternal and child mortality are pointing in the right direction and more children than before are starting school.

An example of a contribution in the area of democratic governance supported by Sweden in both countries is funding support to the statistical sector. This support has been strategic, since access to reliable statistics is crucial to the ability to follow-up results and assess developments in Sweden's partner countries. As a result of this initiative, greater attention has been focused on the countries' national statistics systems and previously highly disparate contributions on the part of many different donors are now being harmonised. Sweden will continue to support contributions aimed at strengthening institutions responsible for producing and managing statistics.

A number of lessons common to both countries have been noted. Institutional capacity in both countries is very weak. As part of its budget support, therefore, Sweden has sought to boost capacity by improving the two countries' systems' of public financial management. At the same time, weak capacity means that progress in this area is slow. Insufficient capacity is a constant obstacle to effective aid provision. Sweden will seek to continue providing clearly defined, targeted support aimed at enhancing knowledge, strengthening decision-making processes and improving and simplifying administrative procedures.

The overarching objective of Swedish development cooperation with Georgia during the period 2006–2009 has been to help create conditions that enable poor people to improve their living conditions. Cooperation was based on a broad cooperation strategy. Swedish support to civil society, to internally displaced persons, for environmental investment and to milk and dairy projects have helped improve the lives of tens of thousands of people in Georgia.

Swedish aid to Georgia comprised major contributions supplemented by smaller projects, and was well adapted to the current situation in the country. One obstacle to development cooperation has been the absence of a platform for pursuing a policy dialogue with the Georgian Government. Although the need to strengthen coordination is a recurring issue, results so far can best be described as negligible.

Opportunities to engage in programme-based approaches have been very limited, both due to the lack of long-term strategies at sector level and to relatively poor coordination between donors. The lack of sector-based strategies has also restricted the ability to follow up and assess the results of contributions supported by Sweden and relate them to results at sector level.

The overarching objective of Swedish development cooperation with Turkey in the period 2005–2009 has been to strengthen the continuing democratisation process and respect for human rights, and contribute to Turkey's alignment with European community of values and European cooperation structures. Swedish development cooperation with Turkey is deemed to have been relevant. In relation to the strategy objectives, however, the results of this cooperation and its contribution to development in the country must be considered marginal. Under the previous strategy, broad participation of Swedish government agencies, businesses, NGOs and local government authorities was to be sought, and personal interaction was deemed essential. Partly as a result of this approach, support was fragmented and implemented without full coordination between Swedish actors. Direct links between Swedish aid and Turkey's overarching national reforms were tenuous. Development cooperation was spread over too many areas to contribute to sustainable results, and dialogue was limited.

Support was mainly implemented by a Swedish agency or organisation working in cooperation with a Turkish counterpart. Where the Turkish organisation has been strong, Turkish ownership has been strong; otherwise, the Swedish partner has assumed the leading role. Several contributions have achieved intended results at output level. These were mostly aimed at strengthening processes of various kinds, such as capacity building and knowledge development.

Based on the experience gained from cooperation with Georgia and Turkey, the Government has concluded that Sweden should intensify its efforts to increase the share of programme-based approaches in its reform cooperation with Eastern Europe and as far as possible use the partner countries'/organisations' own systems for planning, implementation and follow-up. Sweden should also seek to ensure that more donors collaborate on common support to institutions and/or programmes. In Georgia, donor coordination is relatively weak, while in Turkey it has yet to be established.

The Government has decided to include these four countries in its communication to the Riksdag since all four have been the subject of a results assessment ahead of a new strategy period. The cooperation strategies for these countries were drawn up before 2007, when the Government began the work of strengthening results-based management. Partly for this reason, the strategy objectives are frequently worded in general terms, with phrases such as 'strengthening respect for human rights' or 'promoting democracy'. Under these circumstances, the Government considers that Sida has provided a good account of the results of cooperation with these countries.

Much work remains before we have results-oriented development cooperation at all levels and before we have established working procedures that will make it possible to assess the results of contributions supported by Sweden systematically. The Government needs to continue its efforts to improve the management of development cooperation by establishing realistic, clearly

defined objectives. Sweden will also seek to ensure that objectives set for contributions supported by Sweden are more clearly defined so that it will subsequently be possible to determine the extent to which the desired results have achieved. In order to improve governance and results reporting, it is important that Sida begin to implement the contribution follow-up system currently under development as soon as possible.





4



# Agency outputs

**T**his chapter provides a summary of outputs in 2009 for agencies financed under Expenditure Area 7, International Development Cooperation.

The agencies concerned are Sida, the Swedish Agency for Development Evaluation, the Nordic Africa Institute and the Folke Bernadotte Academy.

The agency outputs are taken from each agency's annual report and refer primarily to the tasks set out in their government instruction.

## 4.1 SIDA

The Swedish International Development Cooperation Agency (Sida) is the central government authority responsible for administering Sweden's bilateral development cooperation. Its task is to help ensure that the objectives laid down by the Government and Riksdag for Swedish development cooperation and reform cooperation in Eastern Europe are achieved.

In 2009, the volume of Swedish aid rose by SEK 1.3 billion compared with 2008, while the number of contributions over the past two years declined from 5 051 to 4 053, i.e. by approximately 20 per cent. Sida has accordingly improved the effectiveness of its operations in accordance with government policy. The reduction in the number of contributions also meant that average volumes per agreement rose in 2009.

In 2009, SEK 16.9 billion of a total available SEK 17.6 billion were disbursed. Sida also entered into 996 new agreements amounting to SEK 18.5 billion.

In 2009, Sida approved 368 contributions via Swedish agencies (115), NGOs (101) and the business sector (156). In addition, Sida held a number of meetings, including dialogue meetings, with all three categories of Swedish cooperation partners in order to find ways of improving cooperation. One conference was attended by 44 Swedish municipal councils, five county councils, three regional councils, an association of local authorities and the Swedish Association of Local Authorities and Regions (SKL). Three meetings were held during the year with the heads of Sida's 15 Swedish framework organisations. While drawing up strategy proposals and policy documentation presented to the Government in 2009, Sida made a point of drawing on previous experience by consulting Swedish public administrators and representatives of the trade union movement, private enterprise and NGOs. In communicating with the business community, Sida

organised three meetings on the role of the private sector in tackling climate change adaptation, and a further three meetings were held on the themes of Business for Development, Corporate Social Responsibility, and the fight against corruption.

In 2009, Sida approved 229 contributions via multilateral organisations. Of these, 149 were via the UN, 31 via the World Bank, the IMF and regional development banks, and 49 via other multilateral organisations. In addition, the agency conducted 18 portfolio reviews of current aid to the largest organisations to ensure that their efforts complement one another and to ensure that Sida is not contributing to further fragmentation of the aid architecture.

In 2009, Sida took part in board and committee work at multilateral organisations such as the UNDP, UNICEF, the World Bank and a range of EU committees. Issues addressed by Sida in this connection included, *inter alia*, the need to improve UN cooperation within the regional Middle East cooperation, to concentrate UNDP operations more, and to transition from individual project-oriented contributions in the ILO to programme-based thematic approaches. Special priority was also given to more clearly defined aid architecture in the health and climate spheres. In addition, Sida undertook assignments in the EU geographical executive committees the European Development Fund (EDF), the Development Co-operation Instrument (DCI) and the European Neighbourhood and Partnership Instrument (ENPI South).

In 2009, Sida took part in the assessment of five multilateral organisations in ten countries as part of the agency's commitment to the Multilateral Organization Performance Assessment Network (MOPAN), which assesses the relevance and effectiveness of such bodies.

At the Government's request, Sida also produced supporting data for two thematic policies (democracy and human rights and trade-related development cooperation), as well as ten draft strategies for bilateral cooperation (Burundi, Rwanda, Timor-Leste, Afghanistan, Indonesia, India, China, Iraq, Georgia and Turkey). In addition, Sida submitted a proposal for a regional development cooperation strategy for sub-Saharan Africa, a proposal for a strategy for research cooperation, and a proposal for a communication and information strategy. Sida also provided background data and documentation for the development of an operational framework for aid effectiveness during Sweden's presidency of the EU.

In 2009, Sida made reporting and targets of the Paris Declaration indicators part of its regular reporting process. Sida's annual report for 2009 deals with seven of the indicators that affect aid donor work.

Internal efforts to improve the planning, management and follow-up of Sida processes have been intensified. During the year, Sida has taken steps in a number of areas to boost efficiency and quality in the administration and implementation of development cooperation. Some of the measures were introduced as a result of shortcomings noted in both external and internal studies.

In its annual report, Sida systematically goes through the shortcomings identified and states what measures it took in 2009 to remedy them. These included training, conducting surveys and drawing up inventories, introducing new systems, tools and methods in the agency's work, introducing new regulations, ensuring that checks and controls were properly documented, etc. Also at

the Government's request, Sida has begun introducing a new and more uniform results-based management system.

It is essential that the above measures have the desired effect. The Government intends to follow developments closely.

The Government has expressly instructed Sida to increase the proportion of staff in the field. In 2009, Sida was allocated an additional SEK 10 million to enable it to strengthen its field presence. There was no significant change in this respect in the period 2006–2009, and Sida must accordingly intensify its efforts to get more of its staff into the field.

To help prevent and combat corruption in the partner countries, Sida approved a total of 212 contributions in 2009 intended directly and/or indirectly to help prevent and fight corruption. Examples include skills development in anti-corruption and auditing, risk assessment and risk management at the planning stage, and the handling of suspected cases of corruption.

During the year, it was discovered that funds provided as part of programme support to the Zambian health sector had been embezzled. Subsequent studies noted general failings in Sida's internal management and control.

Sida needs to continue to pursue efforts to correct the shortcomings that have come to light on a number of occasions in the past year. In the autumn of 2009, the Government tasked the National Financial Management Authority and Sida with improving the agency's internal management and control mechanisms and ensure they continue to operate. The Government has further instructed Sida in its 2010 appropriation directions to put in place a robust and independent function for dealing with corruption issues, including what is termed a whistleblower system.

## 4.2 THE SWEDISH AGENCY FOR DEVELOPMENT EVALUATION

The task of the Swedish Agency for Development Evaluation (Sadev) is to independently or in collaboration with other actors evaluate Swedish international development cooperation and Sweden's reform cooperation in Eastern Europe. In 2009, Sadev undertook four evaluations, of which three were at its own initiative and one was undertaken jointly with the UNDP.

Two of the agency's own evaluations were published in 2009 in the Sadev Reports series. One, 'Dressed for Success?', assesses whether Swedish missions abroad are appropriately managed and organised to influence representatives of the EU Member States and the European Commission working in development cooperation at field level. The other, 'Mainstreaming the Environment', assesses the degree to which the connection between environment and poverty finds expression in Swedish development cooperation and examines at the degree of coherence in Sida's work in the environmental sphere. The third evaluation, initiated by the agency itself, 'Party Cooperation in a Results Perspective', was undertaken in 2009 but not published until the spring of 2010. It focuses on the results of support channelled via Party Affiliated Organisations (PAOs) with the aim of promoting efficient political party systems, democracy and human rights in partner countries.



The evaluation conducted jointly with the UNDP was an independent review of the UN agency's evaluation policy. It was published in January in the report *Independent Review of the UNDP Evaluation Policy*.

In the course of 2009, Sadev collaborated with international evaluation institutes on a number of assessments, including an evaluation focused on support and projects in the fight against corruption. The partners here were the Asian Development Bank (AsDB), the Danish International Development Agency (Danida), The Norwegian Agency for Development Cooperation (Norad), Sida and the (UK) Department for International Development (DfID).

### 4.3 NORDIC AFRICA INSTITUTE

The Nordic Africa Institute is responsible within the Nordic region for promoting research on social, political and economic development in Africa. The institute conducts high-quality research of its own, encourages research on Africa by others, and facilitates cooperation and communication between Nordic and African researchers.

In 2009, the institute organised its research into four thematic clusters: 1) Conflict, Displacement and Transformation, 2) Rural and Agrarian Change, Property and Resources, 3) Urban Dynamics, and 4) Globalisation, Trade and Regional Integration. In addition, the institute runs a research programme, Cultural Images and Expressions. The purpose of the new cluster organisation is to facilitate recruitment of new researchers and the dissemination and application of research findings in policy circles.

In 2009, the institute pursued a range of activities aimed at encouraging research on Africa. It organised conferences, including the Nordic Africa Days, awarded scholarships, e.g. through travel scholarship and study scholarship programmes, invited guest researchers, in part with the aid of a scholarship programme for PhD candidates, and delivered a series of lectures on its subject area.

To promote Nordic-African cooperation, the institute runs a guest programme for African researchers. Its purpose is to offer opportunities for meetings, interaction and cooperation. In 2009, a total of 107 researchers from 25 countries each spent 2–3 months at the institute.

In 2009, the institute actively sought to boost its external financing by taking on outside commissions. These included a Sida contract for 2009–2011 on the theme of Poverty Reduction, Social Exclusion and Inequality, a two-year partnership with the Swedish Defence Research Agency designed to give the institute's researchers an insight into Swedish defence and security policy processes, and a partnership with the Norwegian University of Life Sciences' Department of International Environment and Development Studies, Noragric, aimed at promoting field work in Mozambique and Zimbabwe.

### 4.4 THE FOLKE BERNADOTTE ACADEMY

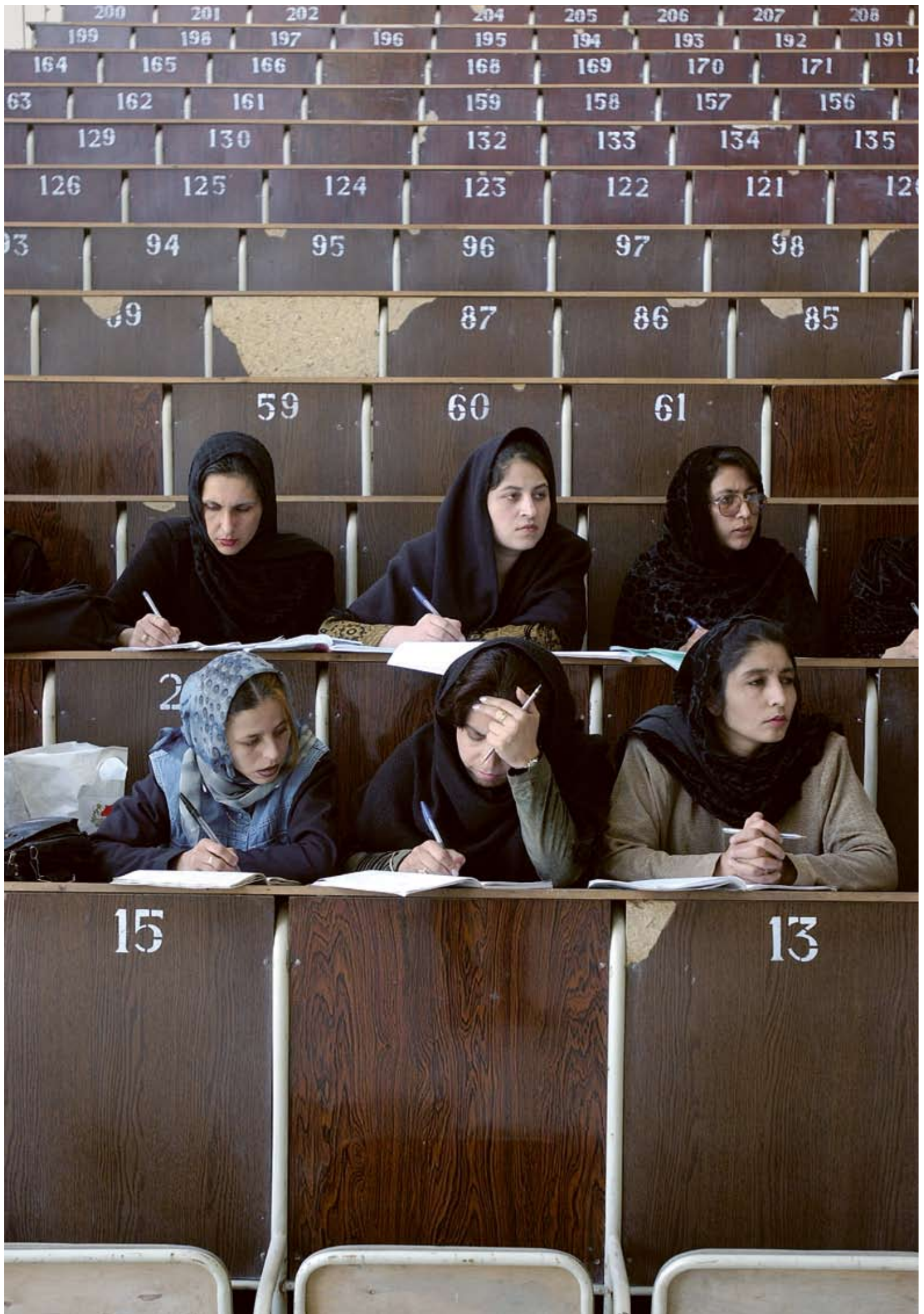
The task of the Folke Bernadotte Academy is to contribute to coordinated and effective implementation of peace and security operations, conflict and crisis

management contributions and other initiatives of a similar nature. In 2009, it took an active part in the activities of a wide range of councils and committees, groups and forums, both national and international. Nationally, it operates a reference group that acts as a forum for cooperation and coordination between government agencies within the academy's sphere of activity and the International Council, which comprises experts and representatives of important organisations in the sphere of international conflict and crisis management. Internationally, the academy has supported the EU-funded EC Project on Training for Civilian Crisis Management and Stabilisation Missions led by the British organisation International Alert,. It has also taken part in the International Forum for the Challenges of Peace Operations. The aim of the latter is to draw up policy recommendations for improving implementation of multi-dimensional peace support operations and to develop implementation strategies for these recommendations.

One of the academy's tasks is to provide the training, coordinated training and exercises which, along with input from other agencies, are essential to preparing Swedish and foreign personnel for service in international operations. In 2009, the academy offered 13 generic courses, training a total of 279 people – 122 from Sweden, 75 from other EU countries and 82 from elsewhere. It also organised a series of other training courses and programmes.

Both the academy's research and its research promotion activities in 2009 were largely based on the activities of previous years. In 2009, the academy further improved its capacity to coordinate and encourage relevant research and also strengthened its position within the research community by for instance maintaining the Folke Bernadotte Collections on Sweden's participation in international peace operations, and by organising a national postgraduate conference to promote closer ties and cooperation between PhDs at different higher education institutions.





## APPENDIX 1

# Global Development Cooperation

THERE IS AN AGREED international global development agenda. The UN Millennium Declaration in 2000, the Millennium Development Goals, the 2002 Monterrey Conference on Financing for Development, and the High-Level Forum on Aid Effectiveness held in Paris in 2005, together constitute a framework for international development cooperation. Among the commitments they entail are increased aid volumes, the assumption of greater responsibility by partner countries for their own development, and measures to make development cooperation more effective.

In 2000, the Millennium Review Summit was held in New York. At this meeting, the world's heads of state and government reached agreement on a Millennium Declaration that was subsequently adopted by the UN General Assembly. The Millennium Declaration states that global development requires an integrated and holistic approach. Peace, security, poverty reduction, health, the environment, human rights and democracy are interconnected issues that need to be addressed through integrated initiatives. On the basis of the Millennium Declaration, the Millennium Development Goals were formulated. These comprise eight goals and 21 targets, to be achieved by 2015 at the latest. They deal with global development issues such as poverty reduction, education, gender equality, child mortality, maternal health, HIV/AIDS and sustainable development. One of the goals is specifically directed at rich countries, calling for a stronger global partnership for development. The Millennium Development Goals are:

1. to eradicate extreme poverty and hunger
2. to achieve universal primary education
3. to promote gender equality and empower women
4. to reduce child mortality
5. to improve maternal health
6. to combat HIV/AIDS, malaria and other diseases
7. to ensure environmental sustainability, and
8. to set up a global partnership for development.

Since 2002, the UN has issued an annual report on progress towards the Millennium Development Goals. According to the latest follow-up report, a number of goals are expected to be achieved by 2015. Progress varies from region to region, however, and sub-Saharan Africa is in danger of missing all the goals. Moreover, there is a risk that climate change will undo the results achieved so far.

In a bid to make international aid more effective, a high-level meeting was held in Paris in 2005, resulting in what came to be known as the Paris Declaration. It was signed by 120 donors, partner countries and organisations. The declaration sets out commitments in twelve areas. Four of these are to be implemented by partner countries and eight by donor countries. The commitments are primarily concerned with relations between bilateral and multilateral donors and partner

countries (states). Donors and partner countries must be better at reporting results, partner countries are to assume greater responsibility for their own development, and donors are expected to coordinate their efforts more closely and simplify the aid provision process. Partner countries are called upon to continue implementing economic and political reforms aimed at strengthening their own administrative systems, and to build up democracy as a means of combating poverty. Donors are expected to adapt their aid to conditions in each partner country. Follow-up meetings to monitor progress on the Paris Declaration were held in 2006 and 2008.

The 2008 meeting was held in Accra, the capital of Ghana. It was attended by some 100 government ministers from all parts of the world. Sweden played an active part in the proceedings. The meeting resulted in the Accra Agenda for Action (AAA), reflecting a stronger international consensus on the need for results-oriented, effective aid. The AAA emphasises the use of partner countries' own systems and the provision of advance information on donor aid planning (predictability) as key elements in enhancing effectiveness and sustainability of development cooperation. It also stresses the importance of broadening democratic ownership of development plans and results in the partner countries by engaging with and supporting actors who contribute to democratic governance, such as national and local parliaments, civil society and the media. The Accra Agenda also identifies the prevention and combating of corruption as a means of removing obstacles to development.

In 2009, during the Swedish presidency of the EU, the Union adopted an operational framework for Member States' development cooperation efforts. Its purpose is to promote mutual learning among European donors and encourage common approaches in the EU as called for in the Paris Declaration and the Accra Agenda for Action. In brief, the operational framework involves arriving at a division of labour between countries in accordance with the EU Code of Conduct on Complementarity and Division of Labour, the aim of which is to reduce fragmentation of international development cooperation. The framework also underlines the importance of using partner countries' own systems and of giving priority to technical capacity development in the countries as a way of ensuring that they are capable of strong ownership.

## 1.1 AID VOLUMES

The UN target for donor countries: 0.7 per cent of gross national income (GNI) in development aid was first declared in a resolution adopted by the UN General Assembly in 1970. Since then, the target has been reaffirmed on a number of occasions: in the Monterrey Consensus – the concluding document from the Conference on Financing for Development held in Monterrey, Mexico, in 2002 – and at the Doha Review Conference held in Qatar in 2008. The Millennium Declaration also states that aid from donor countries is to be increased to 0.7 per cent of their GNI by 2015.

In pursuit of the 0.7 per cent target by 2015, the EU Member States agreed in 2005 on a common interim target of 0.56 per cent of GNI by the year 2010. The Union's old Member States were assigned a lower interim target of 0.51 per cent



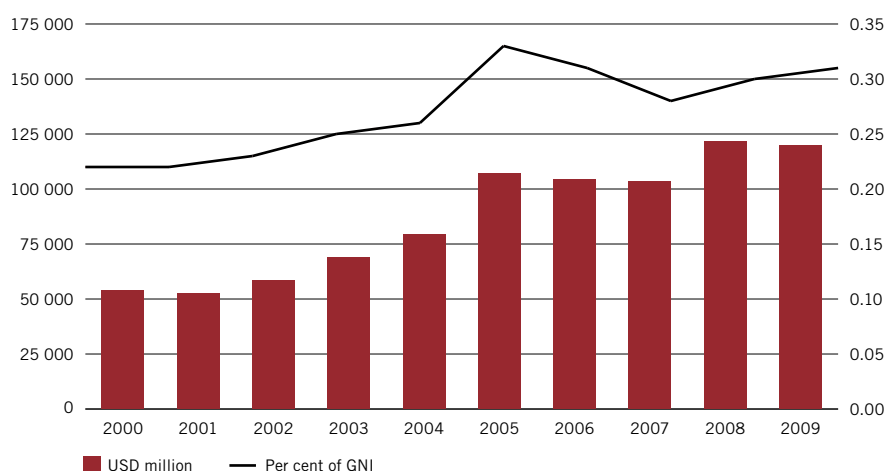
of GNI, while the countries that had joined the EU after 2002 were given a target of just 0.17 per cent for the same year. The countries already allocating 0.7 per cent or more of their GNI in development aid pledged to continue maintaining this level.

Despite the donor countries' commitment to the 2015 target of 0.7 per cent, states outside the EU have been unable to agree on a timetable for how the target is to be met.

Global development aid flows have increased in recent years. Statistics from the OECD/DAC show that aid from DAC member countries more than doubled, from USD 52 billion in 2001 to almost USD 120 billion in 2009. There was a sharp rise between 2004 and 2005 when aid increased by over USD 27 billion. Much of this increase may be attributed to debt cancellations, particularly in the case of Iraq and Nigeria. As debt cancellations as a proportion of total aid provision decreased after 2005 so development aid as a proportion of member countries' GNI decreased. In real terms, however, development aid has continued to increase.

The EU (EU Member States and the European Commission) is the largest aid donor in the world. In 2009, it accounted for more than 60 per cent of the OECD/DAC countries' total aid, having risen from 47 per cent in 2000.

**FIGURE 1.1**  
International aid in current prices and as a share of GNI, 2000–2009



Despite increased aid volumes, only a few donor countries meet the target of 0.7 per cent of their GNI being used as aid. Sweden, Norway, Luxembourg, Denmark and the Netherlands were the only countries to meet this target in 2009. In 2009, Sweden delivered the largest amount of aid in the world as a proportion of GNI. Trends in aid volumes vary within the EU. Austria, for instance, reduced its aid by 31.2 per cent between 2008 and 2009, while the UK increased aid provision by 14.6 per cent over the same period. In absolute terms, Sweden was the eighth largest aid donor in 2009. A number of major donors in absolute terms, e.g. the US and Japan, provided only 0.20 per cent and 0.18 per cent of GNI respectively in development aid.

New donor countries such as Brazil, India, China, Russia and South Africa

are becoming increasingly involved in development cooperation work. Aside from commitments to higher aid volumes, EU enlargement has boosted the number of donor countries. Private donors, both individuals and foundations, are also becoming increasingly common. As these donors are not DAC members they are not included in the body of statistics on international development aid compiled by the OECD/DAC.

**TABLE 1.1**  
**Aid per bilateral donor ranked according to share of of GNI and in absolute terms**  
**(in parantheses), 2009**

			Per cent of GNI	USD million
1	(8)	Sweden	1.12	4 546
2	(9)	Norway	1.06	4 086
3	(22)	Luxembourg	1.01	403
4	(12)	Denmark	0.88	2 810
5	(7)	Netherlands	0.82	6 425
6	(14)	Belgium	0.55	2 601
7	(16)	Finland	0.54	1 286
8	(18)	Ireland	0.54	1 000
9	(4)	UK	0.52	11 505
10	(15)	Switzerland	0.47	2 305
11	(2)	France	0.46	12 431
12	(6)	Spain	0.46	6 571
13	(3)	Germany	0.35	11 982
14	(10)	Canada	0.30	4 013
15	(17)	Austria	0.30	1 146
16	(13)	Australia	0.29	2 761
17	(23)	New Zealand	0.29	313
18	(21)	Portugal	0.23	507
19	(1)	US	0.20	28 665
20	(20)	Greece	0.19	607
21	(5)	Japan	0.18	9 480
22	(11)	Italy	0.16	3 314
23	(19)	Korea	0.10	816
<b>Total, OECD /DAC</b>			<b>0.31</b>	<b>119 573</b>

## 1.2 DISTRIBUTION BY REGION AND INCOME CATEGORY

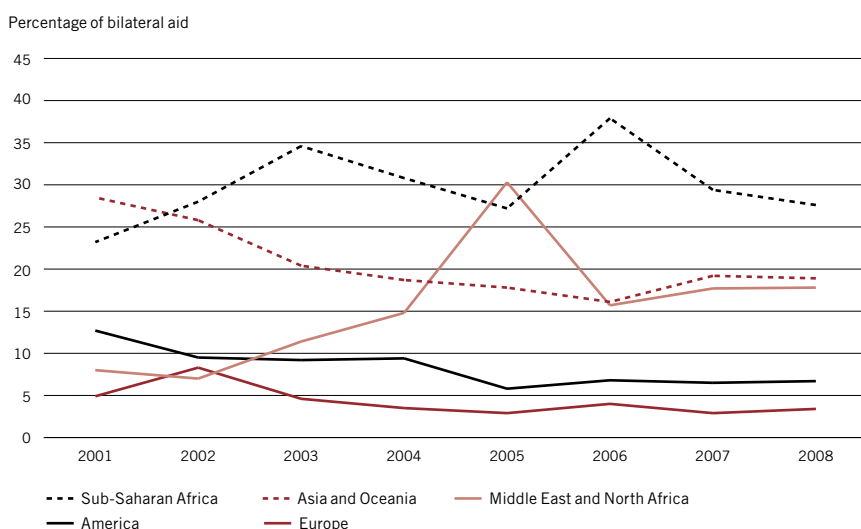
According to the UN follow-up of the Millennium Development Goals, Africa is the world region that will have the most difficulty meeting the targets. In some parts of the African continent development is in fact negative. The donor countries therefore decided to focus their development cooperation efforts on Africa in particular. In 2005, the EU Member States decided that at least half the increase in EU aid was to go to Africa. In 2005, the G8 countries (the heads of state and government of France, Italy, Japan, Canada, the UK, Germany, the US and Russia) pledged to double development aid to Africa, a commitment

subsequently endorsed by the EU. The interim target was to be an increase of at least USD 25 billion by 2010.

The bulk of development aid goes to sub-Saharan Africa. In 2008, the donor countries channelled 28 per cent of their bilateral aid to the region. In addition to bilateral aid, development aid to Africa is channelled via multilateral organisations and the European Commission. In 2008, 48 per cent of aid from multilateral organisations and 34 per cent of aid from the European Commission was channelled to Africa. 2006 saw a substantial increase in aid to Africa in the form of a major debt cancellation for Nigeria.

The share of international aid delivered to the Middle East has also risen since 2002. In 2005, there was a substantial increase in aid to the region in the form of a major debt cancellation for Iraq. The region whose share of international aid funding has declined the most since 2001 is Asia.

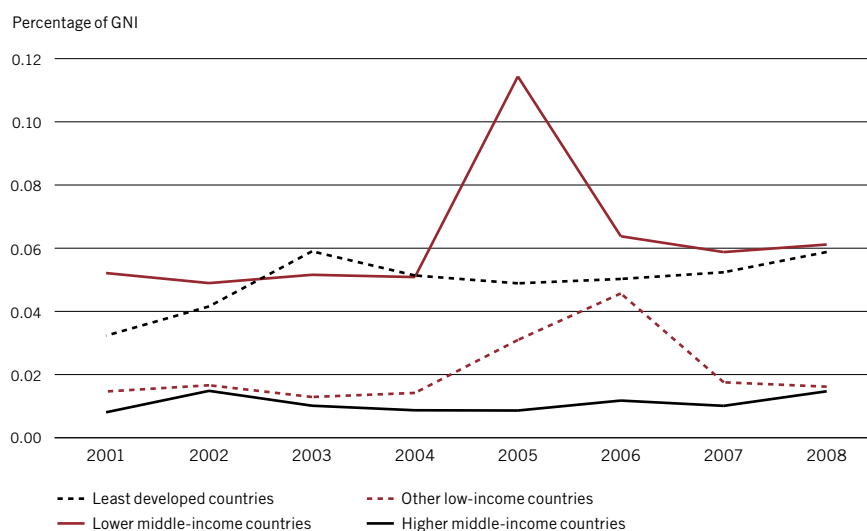
**FIGURE 1.2**  
**Bilateral aid per region, 2001–2008**



The world's developing countries are divided into income categories. Forty-nine of the world's poorest countries belong to a category characterised by extremely low income per capita, a weak human capital base and high economic vulnerability. These are the so-called least developed countries (LDCs). Thirty-three of them are in Africa. The LDCs are deemed to be in particular need of assistance from the international community and the UN has therefore decided that 0.15–0.20 per cent of the GNI of donor countries is to go to them.



**FIGURE 1.3**  
**Bilateral aid per income category as a share of GNI, 2001–2008**



Despite the UN decision, statistics from the OECD/DAC show that only a small share of the GNI of donor countries goes to the LDCs. In 2008, they received only 0.06 per cent of the total amount delivered. In 2001 the corresponding figure was 0.03 per cent. In the other income categories, distribution has been fairly stable, aside from an increase for lower middle-income countries in 2005 and for other low-income economies in 2006, due primarily to debt cancellations for Nigeria and Iraq.

### 1.3 BILATERAL AND MULTILATERAL AID

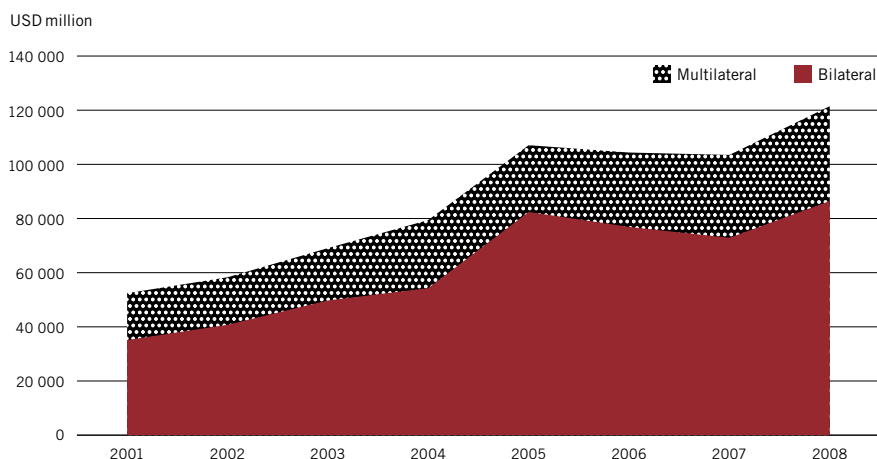
The OECD/DAC divides development aid into two categories: bilateral aid and multilateral aid. Bilateral aid involves cooperation between a donor country and a recipient country (partner country). This category includes aid implemented via NGOs (in Sweden and in the partner countries) and the costs associated with aid management in the donor countries, which the OECD/DAC also counts as aid. Another form of bilateral aid is known as multi-bi aid. This refers to support channelled via a multilateral organisation but where the funding is earmarked for a specific purpose or a specific country.

Multilateral aid, according to OECD/DAC's definition, is aid channelled to developing countries in the form of core support extended to multilateral organisations such as the UN, the World Bank, regional development banks and development funds. The multilateral category also includes support via the EU. Core support goes to the organisation's operation as a whole. It is then up to the organisation's board and management to decide how the money is to be used. As a member, a donor country can bring influence to bear on an organisation's operation and priorities by taking part in its board activities.

About two thirds of aid from donor countries is bilateral while one third is multilateral. This ratio has been fairly constant in recent years, except when Nigeria and Iraq had their debts cancelled in 2005, which boosted the share of bilateral aid.

The three largest recipients of multilateral aid from donor countries in 2008 accounted for 78 per cent of the total aid amount: the European Commission (37 per cent), the World Bank group (24 per cent) and the UN system (16 per cent).

**FIGURE 1.4**  
**Bilateral and multilateral aid, 2001–2008**



## 1.4 AID MODALITIES

Aid is provided as project support or programme support. Project support involves a clearly specified amount of support for an contribution or part of an contribution in a partner country. This may be a teacher training course, for instance, or a road-building project. Programme support involves supporting a substantial share of the partner country's development policy actions, often the regular operations of central government or municipal administrations. The programme may be a broad one, encompassing the health sector, for instance, in which case it is known as sector programme support. This type of support is usually provided in collaboration with other donors. The term 'programme-based approaches' is sometimes used to describe aid that is partly coordinated with other donors, or which represents a first step towards outright programme support.

Programme support may also be used to strengthen the partner country's overall strategy for reducing poverty. In such cases it is called general budget support for poverty reduction, or simply budget support. A distinguishing feature of budget support is that it is paid into the partner country's national budget and managed within the regular budget processes and auditing and control systems. Budget support is usually provided in collaboration with other donors. Usually, it is linked to the achievement of targets developed on the basis of the Millennium Development Goals, and a large number of indicators are followed up in the joint donor dialogue. This form of support gives donors an insight into the partner country's financial systems and an opportunity to influence and support their development. Areas in which budget support makes a contribution include the strengthening of domestic administration systems, the improvement of budget processes and stabilisation of the economy. Budget

support also makes it easier to fight corruption. The strengthening of public financial systems is therefore crucial to budget support provision.

The advantage of budget support as a mechanism is that it brings donors together around a common agenda and enables the parties to address issues such as key reforms and policy and budget priorities in a vigorous and coordinated way.

In 2006, the OECD/DAC reported the results of a wide-ranging international evaluation of budget support provided to seven countries between 1994 and 2004. Sweden took part in the evaluation along with a number of other donors. The results were cautiously favourable, showing for instance that budget support had enhanced access to social services in several of the countries reviewed. However, it also noted that lack of access to proper data made it difficult to assess the impact on poverty in the seven countries. The evaluation further showed that budget support had helped strengthen coordination between aid donors, and that donors had adapted their operations to partner countries' policies. Clearly, improvements to the budget processes and financial systems of partner countries have taken place. According to the evaluation, there is no evidence that budget support is more prone to corruption than other forms of aid. A corrupt or ineffective administration reduces the effectiveness of all aid, whether it is programme or project support. If they are to be effective, aid-funded projects, too, are dependent on the government funds that will eventually finance them not being exposed to corruption. Budget support gives donors the opportunity to conduct an open dialogue on reforming the country's fight against corruption and its administrative systems in general, and to support it in this endeavour. This in turn makes all aid to that country more effective.

## APPENDIX 2

# Swedish Development Cooperation

SWEDEN'S DEVELOPMENT POLICY comprises coherence policy (policy for global development), international development cooperation (aid) and reform cooperation in Eastern Europe. Coherence policy involves ensuring that all policy areas interact and together contribute to the common goal of equitable and sustainable global development. This policy is based on two perspectives: the perspective of poor people on development and a rights perspective. This means that the needs, interests and opportunities of poor people are to be given a central place in Swedish policy and that human rights are to constitute a basis for Swedish development cooperation. The objective of Sweden's international development cooperation is to help create conditions that will enable poor people to improve their lives. The objective of reform cooperation in Eastern Europe is strengthened democracy, equitable and sustainable development and closer relations with the EU and its values.

## 2.1 DISTRIBUTION BY COUNTRY CATEGORY AND REGION

In 2007, the Government launched its country focus initiative, the aim of which was to reduce from 67 to 33 the number of countries with which Sweden engages in in-depth development cooperation. These 33 countries were divided into cooperation categories in order to clarify the reasons for Sweden's presence. The table below lists the countries targeted by Sweden as a matter of priority.

**TABLE 2.1**  
**Prioritised partner countries**

Category 1 Countries with which Sweden engages in long-term development cooperation.	Africa	Burkina Faso, Ethiopia, Kenya, Mali, Mozambique, Rwanda, Tanzania, Uganda, Zambia
	Asia	Bangladesh, Cambodia
	Latin America	Bolivia
Category 2 Countries and regions in conflict and/or post-conflict situations with which Sweden engages in development cooperation.	Africa	Burundi, Democratic Republic of the Congo, Liberia, Sierra Leone, Somalia, Sudan
	Asia	Afghanistan, Timor-Leste
	Latin America	Colombia, Guatemala
	The Middle East	Iraq, West Bank-Gaza
Category 3 Countries and regions in Eastern Europe with which Sweden engages in reform cooperation.	Europe	Albania, Bosnia and Herzegovina, Georgia, Kosovo, Former Yugoslav Republic of Macedonia, Moldova, Serbia, Turkey, Ukraine

Besides the 33 countries with which Sweden engages in development cooperation on a priority basis, Sweden seeks to promote democracy and human rights in a

smaller number of other partner countries. Swedish development cooperation is also being phased out in some countries. These other countries are listed in the table below.

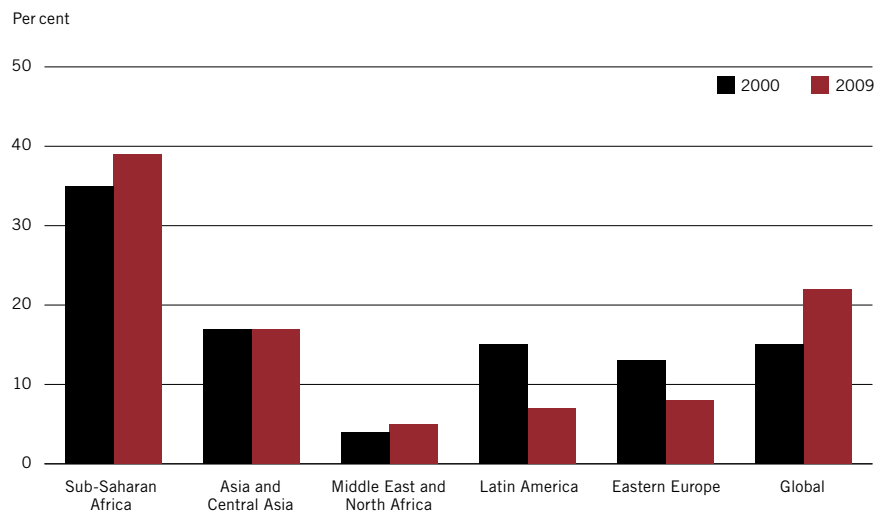
**TABLE 2.2**  
**Other countries**

Category 4 Countries in which Sweden engages in efforts under alternative forms to promote democracy and human rights.		
Category 5 Countries where Swedish cooperation is being phased out but where selective cooperation is still in progress.	Africa	Botswana, Namibia, South Africa
	Asia	India, Indonesia, China, Vietnam
Category 6 Countries where cooperation is being phased out and where relations are being supported by means other than bilateral development cooperation	Africa	Angola, Côte d'Ivoire, Malawi, Nigeria
	Asia	The Philippines, Kyrgyzstan, Laos, Mongolia, Pakistan, Sri Lanka, Tajikistan, Thailand
	Latin America and the Caribbean	Chile, El Salvador, Haiti, Honduras, Nicaragua, Peru
	Europe	Armenia, Azerbaijan, Montenegro, Russia
	The Middle East	Libanon

Sweden also extends support to a further group of countries, e.g. via humanitarian aid and via Swedish NGOs.

### Distribution by region

**FIGURE 2.1**  
**Development cooperation via Sida, by region, 2000 and 2009**

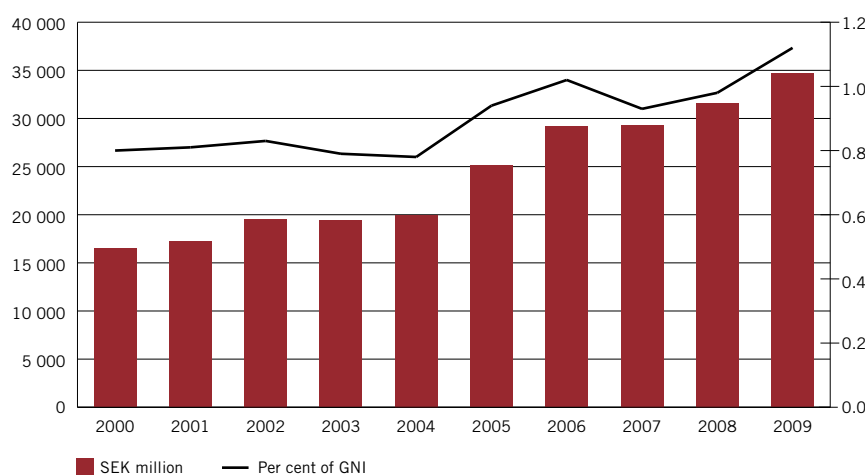


The majority of Sweden's partner countries are in sub-Saharan Africa. In 2009, 39 per cent of Sida's bilateral development aid went to Africa. In 2000, the corresponding figure was 35 per cent. Eight of the ten countries to which

Sweden extended most support in 2009 were located in sub-Saharan Africa. The Government's efforts to concentrate the number of partner countries clearly reflects a desire to give Africa precedence. Nine of the twelve countries with which Sweden engages in long-term development cooperation are to be found in Africa, as are six of twelve conflict or postconflict countries with which Sweden cooperates.

## 2.2 AID VOLUMES

**FIGURE 2.2**  
Swedish aid reported to the OECD/DAC, 2000–2009



Every year, the Riksdag decides on the size of the aid budget. Since 2006, one per cent of estimated GNI has been established each year for the aid budget. In 2009, the total outcome of Swedish aid was SEK 34.7 billion, which corresponds to 1.12 per cent of GNI. The discrepancy between the prescribed aid budget and the outcome reported to the OECD/DAC is due to such factors as GNI shifts and differences between budgeting and reporting under OECD/DAC guidelines.

The Government bases its definition of aid on the OECD/DAC guidelines. This means that costs from other parts of the national budget classed as aid under these guidelines are included in the Swedish aid budget. These are the costs of refugees from developing countries, Sweden's contribution to the EU's Community development assistance (EC assistance), costs associated with the administration of development cooperation by Swedish missions abroad, and debt cancellations. In 2009, these costs totalled approximately SEK 4.4 billion, or about 13 per cent of the aid budget. In 2000, the costs amounted to SEK 1.8 billion, which also corresponds to approximately 13 per cent of the aid budget.

The costs of refugee reception from developing countries during the refugees' first year in Sweden are included in the aid budget. This is justified both from an aid perspective and in international humanitarian law. Thus a refugee during his/her initial time in Sweden is just as entitled to help from Sweden as a person in need of protection in a refugee camp in, say, Tanzania. In 2009, the reception cost for refugees from developing countries, counted into the aid budget, was SEK 2.3 billion, or approximately 7 per cent of total aid provision. In 2000, these



costs totalled approximately SEK 763 million, corresponding to about 5 per cent of the aid framework.

Under the OECD/DAC guidelines, bilateral debt cancellations are to be counted as part of the aid programme. Accordingly these are also included in the Swedish aid budget. Debt cancellations promote development since they give developing countries the opportunity to use funds for poverty-reducing measures that would otherwise have gone to meet interest and amortisation payments. In 2009, the cost of bilateral debt cancellations amounted to approximately SEK 156 million, corresponding to about 0.5 per cent of the aid budget. In 2000, Sweden's bilateral debt cancellations were not included in the budget sum.

## 2.3 BILATERAL AND MULTILATERAL AID

TABLE 2.3  
Swedish development cooperation, by aid channel, 2008

	SEK million	Proportion (%)
Multilateral	10 617	34
<i>Of which EU</i>	<i>2 474</i>	<i>8</i>
Bilateral	20 990	66
<i>Of which multi-bi</i>	<i>4 765</i>	<i>15</i>
<b>Total</b>	<b>31 607</b>	<b>100</b>

Swedish development cooperation is channelled to the partner countries in the form of bilateral and multilateral aid. In 2008, bilateral aid comprised 66 per cent of total aid. The ratio of bilateral to multilateral aid has largely remained constant since 2000, although the multilateral share has increased marginally.

Bilateral aid is mainly managed by Sida, whose tasks include implementing cooperation strategies drawn up by the Government. In addition, the Swedish National Audit Office undertakes certain development cooperation activities within its area of expertise. Another actor in the bilateral aid sphere is Swedfund International AB (Swedfund). This is a state-owned, aid-financed venture capital company that makes funds and expertise available for investment both in developing countries and in certain countries in Eastern Europe (non-EU members).

The Nordic Africa Institute conducts research and holds seminars focused on Africa. The Folke Bernadotte Academy undertakes initiatives aimed at strengthening the capacity of both Sweden and the international community in the conflict and crisis management sphere. SADEV carries out evaluations of Swedish international development cooperation and reform cooperation in Eastern Europe.

In addition, the Swedish Civil Contingency Agency is required to maintain emergency preparedness for international aid and disaster operations, and to implement them. The National Police Board contributes to international crisis management, conflict solution and conflict prevention by making Swedish personnel available for peace, security and conflict prevention.

Part of Sweden's bilateral aid is channelled via civil society organisations. In countries with authoritarian regimes, and in fragile states, cooperation with local NGOs is an important means of access to channels and information.

Multilateral aid, in the form of core support to the UN, the World Bank, regional development banks and development funds, is largely managed by the Ministry for Foreign Affairs. It also includes Sweden's contribution to EC assistance.

This assistance consists of parts of the EU budget and of the separately financed European Development Fund (EDF). In 2009, Sweden's support to EC assistance amounted to approximately SEK 2.3 billion, of which about 1 billion was financed via the EDF. In that year, Sweden's share of the EU budget was 1.7 per cent. In 2000, Sweden's support to EC assistance was SEK 757 million (no aid was disbursed to the EDF in that year).

EC assistance has geographical and thematic components. Geographically, the EDF is governed by the Cotonou Agreement and embraces countries in Africa, the Caribbean and the Pacific. Asia and Latin America are covered by the EU development instrument, the Western Balkans and Turkey by the pre-accession instrument and Eastern Europe and the Mediterranean region by the neighbourhood and partnership instrument. Thematically, the development instrument includes global programmes. Also global in scope are the stability instrument (development and stability), the instrument for democracy and human rights, and the instrument for humanitarian aid.

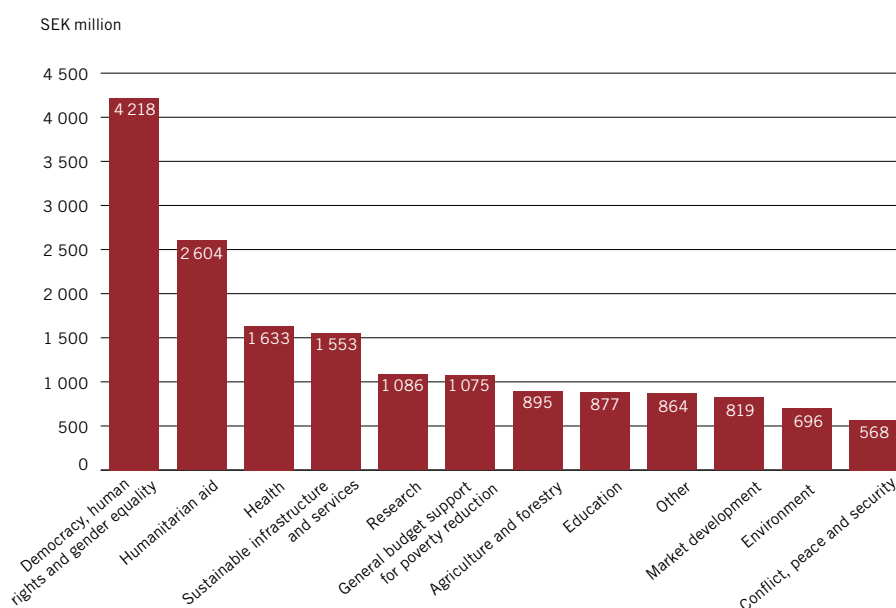
The European Commission engages in development cooperation with almost all the developing countries and in a wide range of sectors. EC assistance is provided as part of a broad-based EU development agenda. The Council of Ministers working groups formulate the Community's development policy as a whole following discussions at a more technical level within expert groups. Sweden is also involved in the process of shaping country strategies in the EC assistance programme through participation in the policy implementation committees and via embassies in the field.

## 2.4 SECTORS

To reduce the administrative burden that having numerous donors in each sector imposes on partner countries, and to facilitate the administration of increased aid volumes, Sweden made further efforts in 2009 to confine bilateral development cooperation to three sectors per country at the most. Aside from these three sectors, Sweden is able to provide general budget support, support to civil society, humanitarian aid, and, in cases where smaller sums are involved, research and trade-related assistance. The cooperation strategies formulated by Sweden in 2009 contain significantly fewer sectors than was the case before work in this area began. In 2009, Sweden concentrated activities within these sectors by reducing the number of contributions, increasing their size and boosting the share of programme-based support.

**FIGURE 2.3**

**Swedish development cooperation via Sida, by main sector, 2009**



The single largest sector in Sweden's bilateral development cooperation programme in 2009 was democracy, human rights and gender equality, which accounted for almost a quarter of development aid provided through Sida.

## 2.5 AID MODALITIES

A growing share of Sweden's development cooperation is provided in the form of programmes. In 2009, approximately 58 per cent of Swedish development cooperation provision through Sida was programme-based. Of this, some 10 per cent was in the form of general budget support, 2 per cent comprised sector budget support and 12 per cent comprised sector programme support with pooled funding. Thirty-seven per cent of Swedish development cooperation through Sida was provided via projects and five per cent via experts.

As Sida's aid modalities were re-classified in 2009, no direct comparisons can be drawn between the way support was distributed across modalities in that year and distribution in previous years. As a result of this re-classification, there are now eleven dedicated forms of cooperation compared to 40 or so previously.

**TABLE 2.4**  
**Swedish development cooperation via Sida, by aid modality, 2009**

SEK million

<b>Aid modality</b>	<b>2009</b>
Programme	9 813 (58%)
<i>of which general budget support for poverty reduction</i>	940
<i>of which core support to an organisation</i>	1 634
<i>of which sector budget support</i>	174
<i>of which sector programme support with pooled financing</i>	1 164
<i>of which support to a specific programme via an organisation</i>	5 901
Project (project support)	6 286 (37%)
Experts	791 (5%)
<i>of which experts</i>	112
<i>of which training programmes in Sweden</i>	380
<i>of which training programmes in partner countries</i>	59
<i>of which resource base development</i>	240
<b>Total development cooperation via Sida</b>	<b>16 889</b>

### APPENDIX 3

## Key to abbreviations used in the text

AAA	Accra Agenda for Action
ACP	African, Caribbean and Pacific States
AfDB	African Development Bank
AsDB	Asian Development Bank
AUG	Advokater utan gränser (Swedish Lawyers Without Borders)
CATIE	Centro Agronómico Tropical de Investigación y Enseñanza
CBD	Convention on Biological Diversity
CEDAW	Convention on the Elimination of all Forms of Discrimination against Women
CEIF	Clean Energy Investment Framework
CIF	Climate Investment Funds
CRMA	Climate Risk Management and Adaptation Strategy
CSE	Centre for Science and Environment
CTF	Clean Technology Fund
DAC	OECD Development Assistance Committee
Danida	Danish International Development Agency
DCI	Development Cooperation Instrument
DfID	(UK) Department for International Development
DPS	Development Policy Statement
EAC	East African Community
EBRD	European Bank for Reconstruction and Development
EDF	European Development Fund
EDFI	European Development Finance Institutions
ENPI	European Neighbourhood and Partnership Instrument
ENVSEC	Environment and Security Initiative
EPF	Eurasia Partnership Foundation
EU	European Union
FAO	Food and Agriculture Association
GDN	Green Diplomacy Network
GEDEFOR	Gestion y Desarrollo Forestal
GEF	Global Environment Facility
GWPO	Global Water Partnership Organization
HR	Human rights
HRA	(Turkish) Human Rights Association
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IIED	International Institute for Environment and Development
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance
ISSET	International School of Economics at Tbilisi State University
ITP	International Training Programs

IUCN	International Union for Conservation of Nature
KtK	Kvinna till Kvinna (Woman to Woman)
LDC	Least Developed Countries
LDCF	Least Developed Countries Fund
LGBT	Lesbian, gay, bisexual and transgender people
LVBC	Lake Victoria Basin Commission
MIC	Middle-income country
MOPAN	Multilateral Organization Performance Assessment Network
NAPA	National Adaptation Programmes of Action
NARP	National Agency for Public Registry
NDI	National Democratic Institute for International Affairs
NGRBA	National Ganga River Basin Authority
Norad	Norwegian Agency for Development Cooperation
OECD	Organisation for Economic Co-operation and Development
OPIC	Olof Palme International Center
OSCE	Organization for Security and Co-operation in Europe
PAGAM	Plan d'Action Gouvernemental relatif a l'Amélioration et à la Modernisation de la Gestion des Finances Publiques
PEI	Poverty and Environment Initiative
POPS	Stockholm Convention on Persistent Organic Pollutants
PROSEA	Plant Resources of South-East Asia
PRSP	Poverty Reduction Strategy Paper
RAPIDC	Regional Air Pollution in Developing Countries
REC	Regional Environmental Centre for Central and Eastern Europe
REN-LAC	Réseau National de Lutte Anti-Corruption
Sadev	Swedish Agency for Development Evaluation
SCB	Statistics Sweden
SCCF	Special Climate Change Fund
SEI	Stockholm Environment Institute
Sida	Swedish International Development Cooperation Agency
SKL	Swedish Association of Local Authorities and Regions
TOHAV	Foundation for Society and Legal Studies in Turkey
TBS	Tarun Bharat Sangh
UMT	Union of Municipalities of Turkey
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UN-DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNDP/GAP	United Nations Development Program/ Governance Assessment Portal
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
VOC	Volatile organic compound
WHO	World Health Organization
WWF	World Wildlife Foundation
WWHR	Women for Women's Human Rights



## APPENDIX 4

# Terms used in development cooperation

**Aid modality** – In 2009, Sida introduced a new classification of contributions by aid modality. The 10 new aid modalities are classified under one of three headings, as follows:

- i. *Programmes* – (General budget support for poverty reduction, core support to an organisation, sector budget support, sector programme support with pooled funding, support to specific programmes via an organisation)
- ii. *Project* – (Project support)
- iii. *Experts* – (Experts, training/scholarship in Sweden, training/scholarship in partner countries, resource-base development).

**Bilateral development cooperation** – Cooperation between a donor country and a recipient country (partner country). This also includes aid delivered through NGOs, costs associated with aid management approved under OECD/DAC guidelines, and contributions channelled via a multilateral organisation provided the funds are earmarked for a specific purpose or country (multi-bi).

**Cooperation strategy** – Government approved strategy governing the composition and delivery of Swedish aid to an individual partner country.

**Core support** – Support extended to an organisation's activities as a whole; the organisation's governing board and management decide how the funds are to be used.

**Implementation Partner** – The type of organisation responsible for the practical implementation of development cooperation programmes/projects. Sida classifies channels into five categories:

- i. *Multilateral organisations* – e.g. UN organisations, the World Bank, regional development banks
- ii. *International organisations* – e.g. The International Committee of the Red Cross
- iii. *Swedish organisation* – Implementing bodies/organisations in Sweden, including government authorities, business enterprises, NGOs, universities and schools
- iv. *Organisations of the partner country* – Implementing bodies/organisations in the partner country, including government authorities, business enterprises, NGOs, universities and schools
- v. *Organisations of other countries* – Implementing bodies/organisations in other countries, including government authorities, business enterprises, NGOs, universities and schools

**Millennium Development Goals** – Eight goals for global development adopted by the UN General Assembly, to be achieved by 2015.

**Multilateral development cooperation** – Aid channelled to developing countries via core support to multilateral organisations, e.g. UN organisations, the World Bank, regional development banks.

**Poverty reduction strategy** – A partner country's national strategy for reducing poverty and achieving the Millennium Development Goals.

**Programme-based approach** – Aid modalities applying a programme-based approach including programme support and other contributions which support all or part of a development programme and which makes significant use of the partner country's own implementation systems.

**The Paris Declaration on Aid Effectiveness** – Common commitment from 2005 by bilateral and multilateral donors and partner countries to improve the effectiveness of international aid.









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