



2010



Norad

RESULTS REPORT

Capacity development:
Building societies capable
of sustaining themselves



CAPACITY DEVELOPMENT: BUILDING SOCIETIES CAPABLE OF SUSTAINING THEMSELVES



Capacity development is about building societies that are capable of sustaining themselves. A well functioning society hinges on proficient public and private institutions. This report looks into development aid to help build sustainable systems that will work also after foreign aid is discontinued.

Development is the end and aid is one of several means. Norway's development cooperation has strongly increased from eleven billion NOK in 2000 to more than 27 billion in 2010. The Norwegian input equals roughly three per cent of all international foreign aid. Norwegian development cooperation comes in different forms: anything from humanitarian aid following disasters, re-building of countries after war – as well as financial support to building infrastructure like schools, health services, access to energy and transport systems.

Norad's Results Report 2010 is our fourth. As in the previous reports we have looked at results from development cooperation within a specific topic. This year's main topic is capacity development, presented through a number of examples in part one. A considerable share of Norway's development cooperation goes into capacity development. The report shows how Norwegian aid has succeeded in building essential knowledge, competence and institutions in different parts of society. Norwegian expertise in the management of natural resources such as fisheries, petroleum and the energy sector, is requested by a number of partner countries.

Documenting the results of development cooperation is still a challenge Norway shares with other donors as well as recipient countries. The attention to development results is more noticeable today than it was only ten years ago. Hence it may seem somewhat harsh to apply today's results requirements to interventions launched decades ago. Improving results management is important in order to provide information to the taxpayers on what Norwegian development cooperation funds achieve. Knowledge about results is also necessary

management information: what works and what doesn't work? In addition, focusing on results will contribute to a more cost efficient and determined implementation of Norwegian development cooperation.

This year's report has two parts added to it. In Part 2 we take a closer look at the Norwegian contribution to international results in politically topical issues. This may be Norwegian aid as part of large interventions with a number of donors, or the resources being channelled through multilateral organisations.

In Part 3 we are presenting for the first time in Norad's results report a compilation of the most central facts and figures of Norwegian development cooperation. We also look at international development cooperation and provide facts on development in a number of the partner countries.

The results report is our response to the request to provide more knowledge and debate about results from development cooperation. This report is not a research report. Nor is it an evaluation of Norwegian development cooperation, although it is partly based on information from evaluations. There is a great deal of public support to Norwegian development cooperation. The public is right to expect information about what is being achieved. Norad's results report is a contribution to this end.

It is my hope that this year's results report will be of use and joy, by stimulating and enriching the public debate on development cooperation.

Villa Kulild
Director General of Norad
December 2010

CONTENTS



Capacity development as an instrument » page 12

Results of Norwegian development assistance for capacity development » page 18

Lessons for Norwegian development cooperation » page 46



Realising the UN Millennium Development Goals » page 56

The effect of Norwegian development assistance channelled through multilateral organisations » page 62

Norway's contribution to conservation of the rainforest » page 68



Norwegian development assistance » page 74

Norwegian development assistance in an international context » page 82

Development trends in a sample of recipient countries » page 88

Sokoine University of Agriculture (SUA) in Tanzania carries out extensive research on a variety of banana plants. The banana plants are cultivated in the greenhouse before being dispatched to farmers. »





SUMMARY

SUMMARY

DEVELOPMENT ASSISTANCE MAKES A DIFFERENCE – AND PRODUCES RESULTS



More than 50 years of development work have helped to ensure that fewer children die, far more children go to school, access to fundamental goods such as clean water and health services has increased, and a growing number of people can exercise democratic rights in elections, have the possibility to exert influence and have access to available knowledge. Nevertheless, some 1.4 billion people are still living on less than USD 1.25 per day, and the positive changes have been unevenly distributed. In Africa, in particular, more countries have fallen behind. There are therefore many good reasons to continue our efforts.

In development assistance, references are frequently made to the Chinese proverb “Give a man a fish, and you feed him for a day. Teach a man to fish, and you feed him for a lifetime.” The fundamental notion that development assistance must be sustainable and render itself superfluous is still as pivotal as ever. Capacity development, which is about building societies that can stand on their own feet, is an important part of development aid. This year’s report presents examples of good and poor results of this work.





Since 2007, Norad has published an annual report on the results of development assistance in order to focus attention on Norwegian efforts in various areas. These reports do not provide a comprehensive account of all Norwegian development aid results, but they go beneath the surface to examine the results achieved in a few key areas. There are three reasons for publishing a results report. Firstly, Norwegian taxpayers are entitled to information on what Norwegian funding is contributing to. Secondly, information on results is a prerequisite for steering the right course: what works and what doesn't? Thirdly, focus on results in a report of this kind will help to ensure more cost-effective, targeted development efforts.

A new feature this year is the division of the report into three parts.

PART 1

Capacity development is the main theme this year, which is presented in Part 1. Unless individuals, organisations and societies have the capacity to pursue their own development goals, there will be no development.

PART 2

Part 2 can be read independently of Part 1, and shows to what extent it is possible to highlight the results of Norway's efforts, and if relevant, distinguish between them and results attributable to other factors. The report contains both examples where Norway's share can be estimated and other examples where it would be pointless to single out Norwegian results.

PART 3

Part 3 presents statistics on Norwegian development assistance and international development, from which it is evident that the large sums of money that have been provided over the last 50 years appear to have generated returns in many areas.

MAIN FINDINGS IN PART 1 ON DEVELOPMENT ASSISTANCE FOR CAPACITY DEVELOPMENT

Capacity development is often an explicit goal of development assistance, although the ultimate goal is to eliminate poverty. Part 1 of the report reviews 23 examples of Norwegian contributions to capacity development, most of which are drawn from bilateral cooperation, i.e. direct cooperation between Norway and partners in developing countries. The emphasis in the report is on efforts to strengthen organisations. Various ways of supporting capacity development are discussed: technical assistance and institutional cooperation, long-term economic support and support aimed at influencing framework conditions. The advantages and disadvantages of the various forms of aid are discussed, and the main findings are as follows:

- » Norwegian development aid has helped to strengthen the capacity of and promote important changes in many organisations. There are numerous examples of successful institutional cooperation, particularly when this type of cooperation is combined with other forms of aid.
- » In many areas, however, it is difficult to document how successful Norway's efforts have been. Only in recent years has there been particularly strong focus on the results of development assistance. In a number of capacity development projects, the purpose has been considered to be important and good but the projects have lacked adequate performance-oriented management and monitoring in the form of reports on results and effects.
- » In poor countries, development assistance will seldom be sustainable in the short and medium term. Long-term efforts and commitments are necessary in order to secure results.
- » Experience shows that recipient ownership of development initiatives offers a better chance of achieving durable results. Ownership often evolves over time in interaction between the donor and the cooperation partner. The form of cooperation

can be decisive for the recipient's sense of ownership.

- » A lack of results can in some cases be ascribed to insufficient knowledge of the context in which cooperation is being carried out, such as the local structures, conflicts of interest and power relationships that prevail in the country. For example, groups among the political and financial elite may be obstructing effective tax systems. Donors and cooperation partners may have divergent views. Whereas donors are often in favour of a reform process, their cooperation partners may be more concerned with reinforcing the status quo.
- » Which instruments are most effective in terms of developing capacity are determined by the specific situation. As a rule, the best results are achieved by combining several forms of cooperation. It is equally important to use existing local structures and capacity as a basis on which to build further.
- » In giving aid to capacity development one must be mindful of a real need on the recipient's part, and that there is a demand for the competence on offer. In addition one must avoid that a large number of donors engage in overlapping and badly coordinated projects.

Some of the specific examples, findings and lessons presented in the report with regard to development assistance for capacity development:

The first part of the report reviews examples of successful and less successful capacity development. The picture is seldom black and white.

- » The Ministry of Finance in Tanzania has gained considerably better control of the government budget since the late 1990s. Tax revenues have increased, monitoring by the National Audit Office has improved and there is greater transparency in the use of public funds. Norway is one of several donors funding the reform of Tanzanian public financial management. An international review shows that implementation of the reforms has progressed too slowly, particularly in the past few years. One of the lessons learned is that the dialogue

between the donors and the Tanzanian authorities has not been good enough. Donors have focused excessively on micro-managing aid and have not been sufficiently constructive supporters. In the past two years, Norway has contributed close to NOK 300 million in budget support and funding for reforms of the country's public financial management. Much of the Norwegian support for reforms has gone to the authorities in Zanzibar.

- » The Zambian Office of the Auditor-General now audits 70 per cent of public expenditures, compared with 30 per cent five years ago. As a result of long-term cooperative efforts and the recipients' growing sense of ownership and prioritisation of this institution, Zambia's auditing capacity has increased significantly. Norway has supported efforts to develop the capacity of the Zambian Office of the Auditor-General since 1997. The Norwegian Office of the Auditor-General has been one of Zambia's long-term partners in the process of improving the expertise and audit methods of its Zambian colleagues.
- » Malawi is training a steadily growing number of health workers. In the course of a decade, Norway and Sweden have contributed nearly NOK 200 million to increase the country's capacity to train health workers and help ensure that the country retains more of this qualified manpower. The brain drain from the Malawian health sector is a serious problem. The example illustrates that there is little point in building capacity in individuals if it results in their being enticed away to better living conditions in other countries. The example also shows that it is possible to reduce the problem. In certain areas, external assistance will be needed for many years to come.

- » Norway and Angola have worked together in the petroleum sector since 1987. The aid provided so far amounts to around NOK 135 million. The Norwegian Petroleum Directorate and several other Norwegian partners have played a role in building up capacity in the field of petroleum-related training. Norwegian support has also contributed to the preparation of a new Petroleum Activities Act with associated regulations that also cover environmental and safety issues. Drawing on Norway's experi-

ence with the Norwegian Government Pension Fund, a similar fund is currently being established in Angola. The cooperation programme has been evaluated and described as successful. The evaluation recommends that future cooperation should be narrowed down to focus on thematic areas in which Norway possesses unique competence.

>> Norway first began to provide support for the Bangladesh Petroleum Institute in 1986, with the goal of helping to make the institute a professional, autonomous analysis institute that could serve the authority in an advisory capacity. This goal was never achieved, and an evaluation report has since revealed that one of the reasons was the lack of an ownership commitment. The Bangladeshi authorities did not want an autonomous institute. Reforms that Norway had assumed would rapidly be implemented failed to materialise. By the time cooperation was wound up in 2005, Norway had provided NOK 30 million in support for the Bangladeshi petroleum administration. The capacity that the years of cooperation had helped to develop was not lost, but ended up elsewhere in the petroleum industry than was intended.

>> The employers' organisation in Uganda has become an important social actor. Since 1997, the Confederation of Norwegian Enterprise (NHO) has worked closely with its Ugandan sister organisation, the Federation of Uganda Employers (FUE). Norad has provided around NOK 15 million to support this collaborative relationship. In the past 13 years, FUE has grown substantially, in terms of both the number of members and its influence on business policy and framework conditions for business and industry. The lesson is that long-term cooperation between well-matched parties can produce significant results even with, in an aid context, limited financial contributions.

>> The work of the Supreme Electoral Tribunal in Guatemala substantially boosted voter turnout in the 2007 elections, particularly among women. For the first time in history, the presidential election was decided by a majority of rural votes. Norway's contribution was based on good insight into the country's political realities, problems and

possibilities. Although the fundamental understanding of the situation and the final results were very good, an evaluation shows that cooperation between different types of organisations requires effective communication and mutual trust between the actors involved.

>> In 2000, the Philippines' maritime training system was approved as compliant with international standards. With relatively modest amounts of funding, Norway helped to lay the foundation for the dominant position held by Filipino mariners in international shipping, who are now contributing substantial sums to support their own families and in tax revenues to their home country. Over 400,000 Filipino mariners work in international shipping. The example shows that small initiatives can sometimes help to achieve significant results. Another result was probably that Norwegian mariners had to undergo painful reorganisation processes due to the increased competitiveness of Filipino mariners. This shows that when Norwegian development aid is effective, it can have impacts here in Norway as well.

PART 2 > NORWAY'S CONTRIBUTIONS TO INTERNATIONAL RESULTS IN POLITICALLY RELEVANT AREAS

It is difficult to distinguish between the results achieved by Norway and those achieved by others, and between the results of development assistance and results ascribable to other factors. Despite the challenge that this poses, Norwegian taxpayers want to know what portion of these results can be attributed to Norway. Part 2 of the report reviews the status of efforts to achieve the Millennium Development Goals and selected "Norwegian" results in areas of particular political importance.

>> In June 2010, the UN presented a report on the progress made in efforts to achieve the Millennium Development Goals. The report points to positive developments in several areas. The goal of halving the percentage of people living in extreme poverty from 1995 to 2015 will probably be attained. Due to population growth, the total number of poor remains stable. The de-

cline in the percentage of poor is largely due to China's successful efforts to alleviate poverty. The UN report also points to significant advances in terms of children's education, reduced child and maternal mortality, better HIV treatment and better ecological sustainability. A UNICEF report shows that the Millennium Development Goal of reducing to no more than 12 per cent the proportion of the world's population without access to safe drinking water by 2015 was achieved a couple of years ago. Even if progress continues at the present rate, almost 70 million people will still lack access to safe drinking water in 2015.

>> Since 2002 Norway has granted some NOK 375 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). Norway's contribution constitutes 1.7 per cent of the Fund's resources. The results achieved by the Fund are well documented and Norway's share of funding has ensured that 48,000 people have been treated for HIV, 120,000 people benefited from tuberculosis treatment and more than 2 million mosquito nets have been distributed. All in all, Norway's share of the Fund's efforts has helped to save 85,000 people from dying of AIDS, tuberculosis or malaria. Similar calculations show that Norwegian support for the Global Alliance for Vaccines and Immunization (GAVI) has prevented 540,000 deaths caused by infectious diseases. Norway contributed NOK 600 million to GAVI in the period 2001 – 2009.

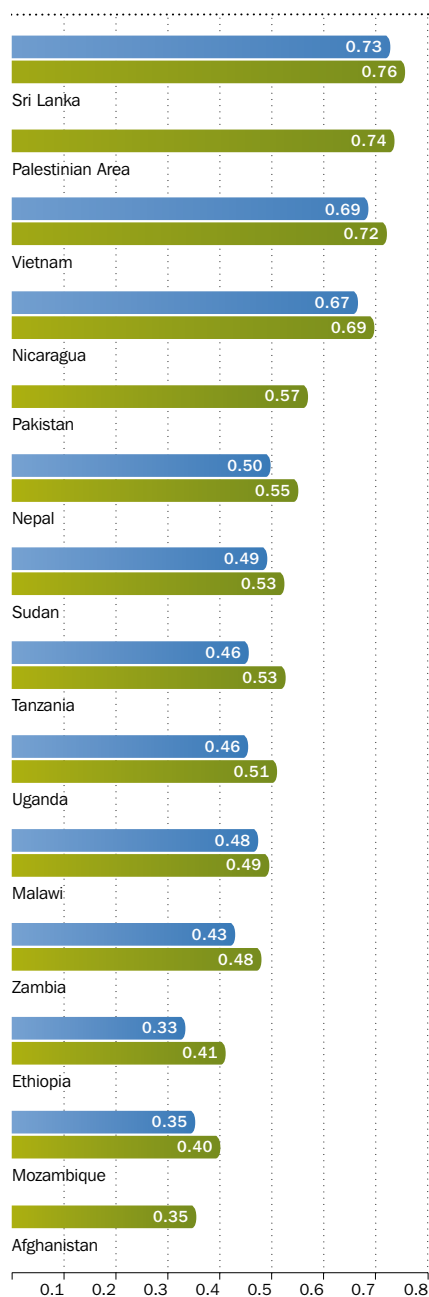
>> In Nepal, Norway provided NOK 175 million for basic education in the period 2004 – 2009. Norway's share of the overall results translates into approximately 2,700 more schoolchildren completing primary school in 2008 than in 2003. The connection between the distribution of mosquito nets and the decline in cases of malaria in the example above is more direct than the link between investments in basic education and the number of children who complete their schooling. Attitudes, the security situation and parents' financial situation are all examples of factors beyond the control of development aid that greatly influence whether or not children attend school.

>> In the years to come, Norway will spend large sums of money on helping to reduce deforestation in countries like Brazil and Indonesia. The example has been included in this report because it shows how results measurement can be planned in the initial stages of major new initiatives. Results-based support is a principle applied in efforts to combat deforestation and forest degradation, and means that funds are disbursed once reductions have been achieved in accordance with specific reference levels. If deforestation continues, the support ceases to be provided. Deforestation occurs because it is profitable for smallholders, plantation owners and commercial enterprises. The challenge lies in making it more profitable to conserve forests than to cut them down. Norway has played a leading role in efforts to ensure that a future climate regime covers deforestation and forest degradation in developing countries. Although this work has begun, it is too early to report on specific results of any significance. Norad has commissioned an independent evaluation to monitor the forest project.

PART 3 > NORWEGIAN DEVELOPMENT ASSISTANCE IN PERSPECTIVE – STATISTICS AND FACTS

Part 3 of the report provides an overview of statistics on Norwegian development assistance. Aid provided by Norway has increased from just over NOK 11 billion in 2000 to NOK 27 billion in 2010. The total amount of global aid has also risen in the past few years, reaching NOK 730 billion in 2008. Development indicators show that the situation has improved, on the whole, for many developing countries. This part of the Results Report presents Norwegian development assistance in relation to international development aid and development in 14 of the most important countries that are recipients of Norwegian aid. More countries can report strong economic growth or less dependency on development assistance. Infant mortality is declining in every country except Afghanistan. Efforts to reduce poverty have been less successful in Africa than in Asia. On the whole, corruption poses serious problems for developing countries, and political and civil rights are often weak. Afghanistan and

The Human Development Index shows that every country has made progress



Human Development Index (HDI) scores for 2000 and 2007, where 1 is highest and 0 is lowest

■ 2000
■ 2007

Source: Human Development Report 2009

Sudan score poorly on most indicators, illustrating the particularly negative situation of conflict-affected countries. Although the Palestinian Area also has poor scores for several of the indicators, it has high literacy and low child mortality rates.

The Human Development Index (HDI) shows a positive trend in several of the main partner countries for Norwegian development assistance. All the countries in the sample discussed in this part of the report achieved higher scores in 2007 than in 2000. The improvement means better standards of living in the form of increased life expectancy, higher levels of education and higher per capita gross national income. Although the pace of development varies from one country to another, the HDI figures are in line with the improvement we can see in other development indicators, reflected in high economic growth rates in several African countries, increased access to electricity and lower child mortality rates.



PART 1

PART 1

CAPACITY DEVELOPMENT – THE CRUCIAL PATH TO THE GOAL



In order to create change, individuals, organisations and societies must have the capacity to take charge of their own development. Capacity development is therefore often an explicit goal of development assistance, even though the ultimate goal is to eliminate poverty. The ways in which the results of the aid provided for capacity development are measured and what Norway has achieved are the subject of the first part of Norad's 2010 Results Report.





Guatemala. Contacts and solidarity between Mayan women and Norwegian women and authorities go back more than twenty years.

CAPACITY DEVELOPMENT AS AN INSTRUMENT

In this part of the report, we examine the issue of capacity development. Development is the overarching goal and development assistance is one of many instruments used to achieve that goal. Capacity development is crucial in enabling poor countries to govern their own development, and has been a priority in Norwegian development cooperation for many years.



This part of the report contains examples of the results of Norwegian aid for capacity development. It is not an exhaustive overview of all the findings or measures in this field, but it serves to highlight the results, both good and bad, and interesting experiences from which it is possible to learn and build on in the future.

Capacity development has always been a key focus of Norwegian development assistance but it has varied in both form and

content over time. Capacity development is a very broad concept, and can take many forms. Aid for this field of work has been and still is essential to enabling poor countries to offer their own population such basic services as health care and schooling. Capacity development also plays a central role in strengthening countries' ability to manage resources in important sectors that can provide a basis for income generation. This could mean providing support for building up a public

financial management system with a ministry of finance, public procurement systems, fiscal authorities, a national audit system, etc. It can also mean building up systems for allocating licences for the extraction of natural resources, adopting safety and environmental regulations and establishing framework conditions with a view to attracting foreign investment. Moreover, capacity development can focus on areas of governance, such as the holding of elections, drafting of legislation and

efforts to strengthen a country's judicial sector. Capacity development can also include civil society and the private sector.

A common measurement of successful development is the fact that a country no longer needs aid or no longer qualifies for aid from multilateral institutions. The World Bank uses the term "graduation", linking it to per capita GNI.¹ Several countries that previously received substantial aid have "graduated" in this economic sense of the word. Most of these countries are in Asia and Latin America, but the African countries of Botswana and Mauritius are also in this category. Many factors have been relevant to this favourable evolution, among them financial transfers in the form of foreign investments and development assistance. It has been documented that aid to strengthen the *ability* to develop has also played an important role.

WHAT IS CAPACITY AND CAPACITY DEVELOPMENT?

*Capacity is the ability of people, organisations and society to perform functions, solve problems, set goals and achieve them.*² For example, the capacity of a country's national audit system can consist of its staff's expertise, computer equipment, premises, procedures, organisation, autonomy, legitimacy, etc.

Capacity development is a process through which individuals, organisations and society as a whole build up their ability to perform their own tasks. In many cases, external actors can deliver results quickly and effectively, but the long-term development of a country must be grounded in the country's own abilities. According to the UN Development Programme (UNDP), capacity development is about "*transformations that empower individuals, leaders, organisations and societies*".³

These definitions differentiate between three levels: individuals, organisations and

1 In 2008, the threshold for eligibility for an IDA loan from the World Bank was per capita GNI of less than USD 1135. A total of 47 countries were below this threshold.

2 Fakuda-Parr, S., C. Lopes and K. Malik (ed.) (2002). *Capacity for Development: New Solutions to old Problems*. London: Earthscan.

3 UNDP (2009). *Capacity Development: A UNDP Primer*.

FIGURE 1.1 Capacity development – improved ability to solve problems yields results



society. The examples in this report focus primarily on the organisational level. A great deal of Norwegian development assistance is channelled to public and private organisations, in the expectation that they will become more capable of performing their tasks and achieving their objectives.

The three levels are interlinked. As can be seen in the examples below, measures targeting individuals, particularly in the form of training and education, can make an important contribution to developing the capacity of organisations. The development effect of enhancing an organisation's capacity is in turn contingent on developments in society.

VIEWS ON CAPACITY DEVELOPMENT REFLECT THE HISTORY OF DEVELOPMENT ASSISTANCE

Aid for capacity development has changed over time. Although the basic elements – training and financial support for organisations – are largely the same, the theories as to what makes organisations more effective have changed. However, solidarity with poor countries and peoples has always been a driving force behind international development assistance.

» **The 1950s and 1960s.** The idea was that development assistance would fill gaps by providing experts and technology. It was assumed that organisations on the recipient end were functional, but had insufficient capacity because they lacked expertise. Development aid provided training at the individual

level and foreign expertise. The concept of "technical assistance" was established.

» **The 1970s and 1980s.** Gradually, it was recognised that there were often fundamental problems related to the way organisations functioned, particularly in the case of public-sector organisations. In many contexts, new parallel organisations were established and given special responsibility for implementing aid-financed projects, making it possible to circumvent the established bureaucracy. In other contexts, a broader approach to capacity development was adopted, and "organisational development" became a popular concept in development aid. Donors financed long-term processes inspired by modern theories of leadership, working environment and rationalisation. At the same time, the aim was to render public-sector organisations more accountable and more responsive to the population. Development was to be shaped from the bottom up, as opposed to the common, more authoritarian, top-down approach.

» **The 1990s.** Growing attention was focused on the framework conditions in which organisations were operating. If the state does not function properly, individual organisations cannot be expected to do a better job. As a result, aid donors made a greater effort to influence national policies, promote legislative reforms and support democratisation. Under the label "good governance", donors provided support for comprehensive change processes in the public sector, local government and political governance.

» **The 2000s.** In the past decade, there has been growing criticism of this approach. Many people believe that donors are thereby undermining the authorities' responsibility for their own population. The Paris Declaration on Aid Effectiveness, adopted in 2005, reflects this criticism and affirms that national ownership is a prerequisite for the effective use of development assistance. The idea is that donors must shift their focus from the means to the goal. Donors must show respect for the recipient's way of administering aid, while setting clearer requirements as regards results.

» A trend in Norwegian development policy in the past few years has been to use the aid budget to target global common goods, such as climate, forests and global health. In these areas, a system of performance-based assistance has been introduced which poses new challenges in terms of results and goal achievement. Results need to be measured and verified before donors can disburse funds. Several recipient countries lack the necessary capacity for this type of results-based work. Results-based financing therefore calls for a new form of capacity development in partner countries.

» Another tendency in Norwegian development policy is to channel a greater portion of the development assistance budget to fragile states and countries that are or have been in a conflict situation. Capacity development is a key focus of aid for such countries, in addition to extensive humanitarian efforts. In order to achieve results, it is necessary to develop the capacity of critical public administrative functions and to be able to provide the population with basic social services. Positive development effects are hard to achieve, take a long time and results can be difficult to document.

FORMS OF AID FOR CAPACITY DEVELOPMENT IN ORGANISATIONS

Aid for capacity development is provided in several ways, and it is common to utilise different types of aid at the same time. Over a long period of development cooperation, it is common for forms of aid to change. The use of foreign advisors is often greatest at the outset, gradually decreasing as cooperation progresses favourably. A donor has a greater possibility of participat-

ing in higher-level policy-shaping once personal networks have been developed and a climate of mutual respect has been established after many years of collaboration.

Different ways of supporting capacity development can range from long-term financial support and technical assistance to institutional cooperation and efforts to influence framework conditions.

Long-term financial support

Norway has often provided long-term financial support to organisations and agencies in partner countries, usually in combination with technical assistance. Although Norway has preferred to see this aid as a means of implementing specific development projects or programmes, for the recipient the aid has been real support for day-to-day operations and in many cases a type of basic financing.

Predictable financial support is crucial to developing capacity, which is a long-term process. Donors are generally worried about recipients becoming dependent on aid and about how to phase out aid while ensuring sustainability. The agreements entered into are often unclear as to how cooperation is to be wound up. This is a difficult topic to discuss at an early stage of cooperation, when all attention is focused on how to get started. As a result, the process of winding up aid becomes difficult and is poorly prepared at both ends. The challenge for donors is to provide support at a level that makes it realistic for the recipient government to take over. In many countries, this will take time.

Technical assistance and institutional cooperation

Expert assistance. There are many examples in the history of Norwegian development assistance of the foreign expert who was placed in a ministry or an organisation to help build and develop competence on the inside. The expert was to transfer his or her own know-how and improve the organisation's systems and procedures. Experience of this form of technical assistance has been mixed. As a rule, the objective was to transfer know-how and build capacity, but in practice the experts were often

involved in implementation to ensure that the work progressed rapidly.

Although expert assistance has been widely criticised, it is still a common feature of international aid. One argument against such assistance is that it is expensive. Moreover, this type of aid is based on the premise that the right know-how is found in western countries, that it should be transferred to developing countries and that it can be bought for money. Expert assistance has also been criticised for being governed by supply rather than demand. Often it has not been sufficiently tailored to local needs and knowledge levels.

This criticism led to changes in thinking and practice as regards technical assistance. Education and training were still important, but were combined with organisational changes and development. There are examples of countries and organisations that have had good experience of individual advisors, and that have made active use of foreign experts in building up their own capacity. Much depends on capacity and political governance at the recipient end.

Institutional cooperation. From the early 1990s, institutional cooperation was regarded as a better alternative than use of individual advisors. A growing number of public directorates, research institutions, non-governmental organisations and private companies were involved in cooperation with counterparts in partner countries. The idea was that two organisations with similar mandates would understand each other, collaborate effectively and exchange experiences. The similarity in their technical or professional identity would promote learning, and large institutions could offer a broader range of services than individual advisors.

Institutional cooperation can achieve good results in many cases, as illustrated by the examples in this report. However, it also has its weaknesses. The collaborative relationship has often been initiated and driven by organisations and institutions in donor countries. Cooperation has often been of a professional and technical nature and has not contributed to organisational development. Sometimes, cultural barriers have made it difficult for Norwegian institutions to handle the collaboration. In practice, what was intended to be

TABLE 1.1 Priority areas of Norwegian development assistance (NOK billion)

Sector	2009
Climate, environment and sustainable development	1.9
Peace-building and human rights	1.8
Oil and energy	0.7
Good governance and anti-corruption efforts	2.2
Women and gender equality	3.5
Budget support	1.0
Total development assistance for capacity development (broadly defined)	11.1
Share of total	43 %

broad-based institutional cooperation also became dependent on individuals.

Influencing framework conditions

Many donors have been involved in drafting national strategies for poverty reduction and sector programmes, and have provided various forms of budget support. This type of broad approach and programme was to replace individual measures and projects. Donors have sought to engage in a dialogue on policy in key sector areas. Programme and budget support, often provided jointly by several donors, has also been used as a carrot and stick in respect of recipient countries in order to accelerate reforms.

This adaptation of development assistance has had consequences for the modalities and content of aid for capacity development and for the choice of sectors and organisations. Seconded experts, basic financing and institutional cooperation are still being used, and have become part of a broader sectoral approach. This adaptation of aid has, to a greater degree than before, created arenas for negotiations between donors and recipient countries on priorities, resource allocation and framework conditions. This is regarded as a contribution to a new form of capacity development at society level.

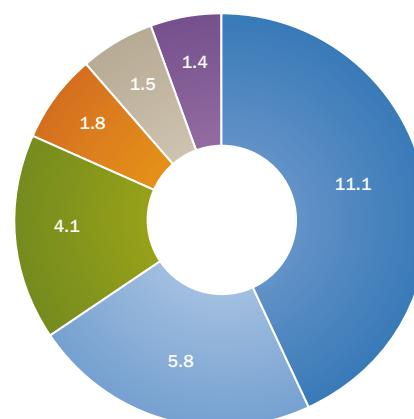
CAPACITY DEVELOPMENT AS A PERCENTAGE OF NORWEGIAN DEVELOPMENT ASSISTANCE

It is difficult to calculate exactly how much aid goes to capacity development. Firstly, it

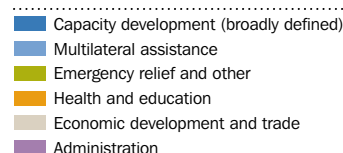
is not a category that is used when Norway reports aid statistics to the OECD's Development Assistance Committee (DAC). Secondly, it is hard to determine how large a part of a project or programme budget is used for capacity development. Thirdly, it is particularly difficult to assess how much of the assistance serves to develop capacity at society level. Almost all development assistance has an effect on capacity development, and in almost all development assistance, capacity development is a prerequisite for the successful achievement of goals.

When statistics are reported to the OECD's DAC, all bilateral assistance is split into one of four types of aid: project and programme assistance, investment assistance, technical assistance and other assistance. In 2009, 11 per cent (NOK 2.9 billion) of the total amount of development assistance was characterised as technical assistance, and this type of aid has remained at about the same level for the past few decades. This covers, among other things, consultancy agreements, institutional and technical cooperation and funding for Norwegians engaged in international work (such as the FK Norway and the United Nations). Technical assistance provided by OECD DAC countries averages 15 per cent of total aid.

The statistics do not provide exact figures, but by adding relevant categories which are not normally included in the above figure, Norway's direct support for organisational capacity development and technical assistance can be estimated to total approximately 15 per cent of its overall development assistance.

FIGURE 1.2 Capacity development accounts for a large part of development assistance in 2009

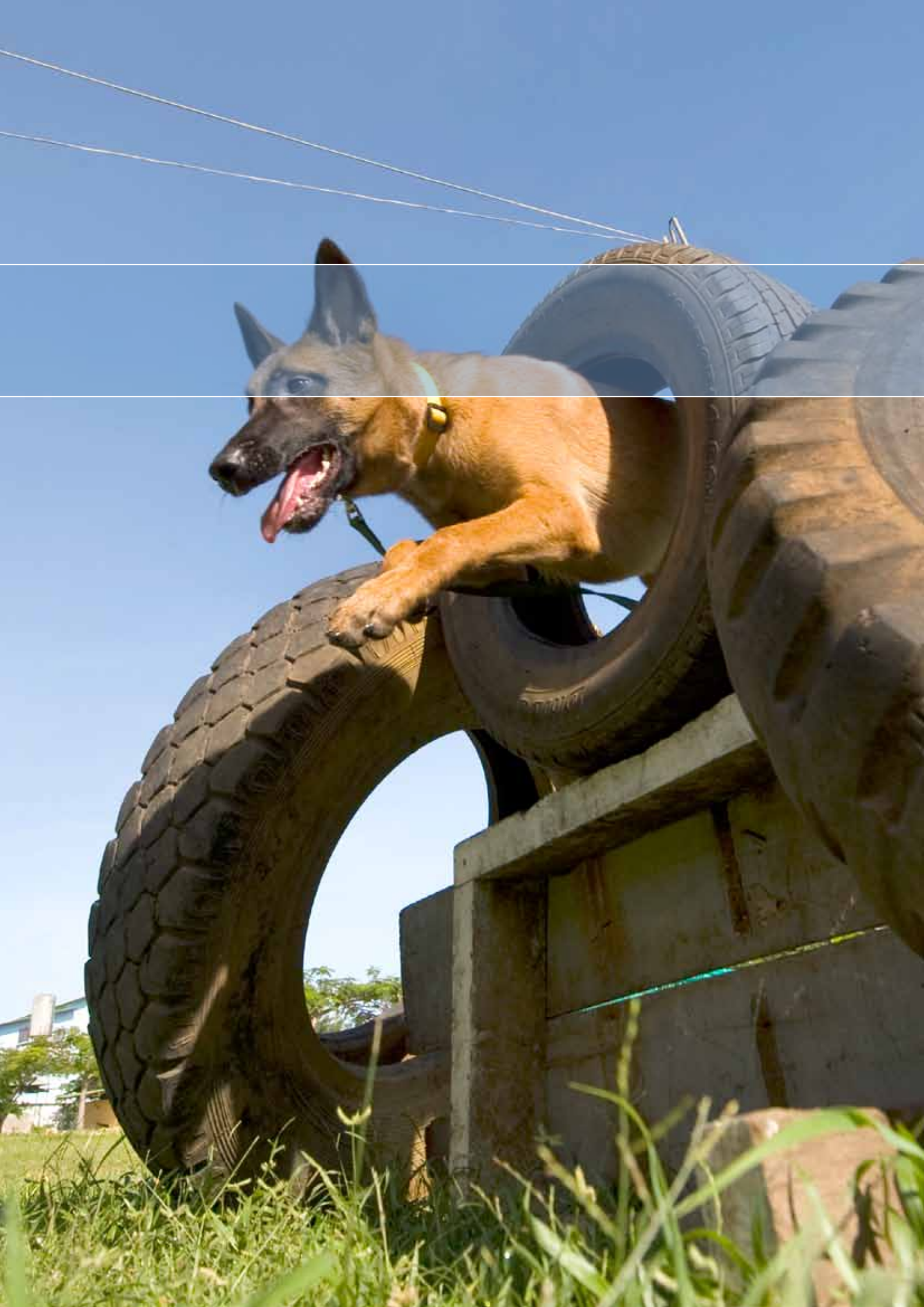
Breakdown of Norwegian development aid by sector and type, 2009 (NOK billion)



The 2010 Results Report covers capacity development in a far broader sense than just technical assistance. The large number of Norwegian development partners that work in developing countries and that are funded through the development assistance budget is an indication of the extent of this type of aid. Not all Norwegian partners take part in capacity development, but the goal of a great many of them is to support the development of a partner organisation in a developing country.

Table 1.1 shows how much development assistance goes to the areas in which Norway has worked to transfer know-how to partner countries, based on specialised expertise and a special political commitment: climate, environment and sustainable development, peace-building, human rights, oil and clean energy, women and gender equality, good governance and anti-corruption efforts. Humanitarian aid has not been included because it usually concerns emergency relief. 39 per cent of total development assistance falls within the scope of these categories. By adding budget support, the share totals at 43%. The political justification for many of the programmes and projects is the promotion of institutional change.





RESULTS OF NORWEGIAN DEVELOPMENT ASSISTANCE FOR CAPACITY DEVELOPMENT

Cambodia. It is important to keep the dogs happy at the Cambodian Mine Action Centre (CMAC). In the compound where the puppies live, much of the day is spent on cuddles and games.



The examples in this report show many results, but they do not provide an exhaustive overview of what has been achieved in terms of capacity development. They offer an insight into good and poor results. The examples also reflect the major differences in thinking about results and the way results are reported. Some of these differences can be ascribed to the fact that results are created at different levels over time.

Measuring capacity may seem a difficult task. In principle, there is no difference between measuring the results of capacity development and the results of other types of aid. Although certain factors may be difficult to measure accurately, the main problem is usually that insufficient resources have been allocated for work on results in the planning process. The reason why results of capacity development are considered to be hard to measure is that capacity is often a combination of several elements, and must therefore be split up into a number of measurable components. It is easiest to demonstrate results in the form of capacity that is easily measurable, such as personnel, physical resources and knowledge levels. The sum of these components is used to measure effects over time to see whether the organisation is actually doing a better job. Verifying the long-term effects of this process, in turn, will often rely on demonstrating probability rather than precise measurement. In any event, the goal of capacity development is to promote development and it should not be considered a goal in itself.

As an example the initial step in a chain of results for capacity development might be that 50 people have received training in HIV prevention in Uganda, course materials have been developed, representatives from local organisations have taken a study tour and the head of the national AIDS programme has participated in a leadership training course.

The results above say nothing about effects. They do not tell us whether the people involved have acquired more or better knowledge, whether their attitudes or working methods have changed, or whether the efforts have had any impact on the incidence of HIV. In order to measure this type of change in knowledge and behaviour, baselines are essential. Relevant information about the starting point must be collected before the project commences, as well as after it has been concluded. Although good systems have long been available, only in the past few years has there been a strong focus on results in Norwegian and international development assistance. The requirements as regards results reporting may therefore seem a little



What is a result?

Results are the consequences or effects of input. Input factors, such as funding, equipment and personnel, do not count as results.

In the case of capacity development, a distinction can be made between three levels of results:

- » Results in the form of increased capacity as a direct consequence of the input factors: a larger number of qualified staff members, new procedures, use of better technology, a stronger financial situation.
- » Effects of increased capacity that show that the organisation is producing more of, and in a better way, whatever it is mandated to do.
- » The long-term effects of this on societal development, preferably linked to key development goals for the partner countries and Norwegian development assistance.

The fact, for instance, that Norway has invested NOK 50 million in strengthening a country's energy directorate is not a result. The three levels express what is achieved through a specific chain of action in the short and long term: from enhanced expertise and improved planning at level 1, through the introduction of a new energy law at level 2, to the electrification of rural areas at an acceptable price at level 3.

stringent when applied to activities that have been in progress for some time.

Obtaining knowledge about results at a systemic level is the most difficult task, although that, too, is possible. In any event, whenever results are to be measured, it is better to accept a slightly lower level of accuracy than not to report at all.

EXAMPLES OF RESULTS



Most of the development assistance that Norway provides includes an element of capacity development, even though it is not necessarily reflected in the expressed goals and results reports. Therefore, it is not possible to provide a comprehensive and entirely representative picture of Norwegian aid for capacity development. The purpose of the examples below is to show the diversity of results, approaches and lessons learned. The 26 examples have been chosen on the basis of recommendations from Norad, the Norwegian Ministry of Foreign Affairs and Norwegian embassies in partner countries. The information on results is based on studies, evaluations, project reviews and reports by executive officers who are well acquainted with the projects. The size of the organisations and amount of aid vary significantly. There are also examples of smaller amounts of support provided through Norwegian non-governmental organisations. The examples show how aid for capacity development has been used and the lessons that have been learned in the process.

BANGLADESH: PETROLEUM MANAGEMENT – NORWAY’S WISHFUL THINKING ON REFORMS

- › **WHY** In the early 1980s, foreign companies showed growing interest in exploring for oil and gas in Bangladesh and its offshore areas. Few commercially exploitable deposits of oil have been found, but relatively large deposits of natural gas were discovered. The Bangladesh Petroleum Institute (BPI) was established in 1979 as a competence centre for the Ministry of Power, Energy & Mineral Resources and the state-owned company Petrobangla. BPI received support from UNDP until 1984, but Norway decided it could provide the institute with relevant expertise.
- › **WHAT** Norway initiated its support in 1986 with the goal of making the institute a professional, independent analysis institute that could provide training and advisory services for the public authorities. Among other things, Norway provided training and computer equipment, and helped to build up a centre for seismic and reservoir analyses. BPI was not given the independent role and resources that Norway had expected when cooperation was established. Tasks and influence largely remained in Petrobangla, with which Norway had little collaboration. This company had numerous functions which, in Norway’s opinion, entailed conflicting roles: owner of state exploration and production companies, administrator of contracts with foreign oil companies and a source of strong influence on the regulation of the entire oil and gas sector. BPI’s operations came to almost a complete standstill for periods of time due to cooperation problems with Petrobangla.
- › In the mid-1990s, Norwegian support targeted a new institution, the Hydrocarbon Unit (HCU), in the hope that it would attain the independent status that BPI never had. From 1997, Norway provided funding for equipment and the HCU’s collaboration with the Norwegian Petroleum Directorate and other Norwegian experts. The HCU was able to carry out the first large-scale estimates of reserves, both discovered and probable.
- › Considerable delays occurred right from the time HCU was established. The recruitment of qualified personnel was impeded by the government’s pay scale. To resolve this issue, the unit, with support from Norway, was made an independent project, quite separate from the central government administration. This made it easier to attract capable staff and to solve other administrative issues. In the longer term, it may have made the unit more dependent on Norwegian project funding, resulting in limited investment in the unit by the Bangladeshi authorities.
- › In 2006, Norway’s support for petroleum management in Bangladesh was continued in a major project run by the Asian Development Bank. The Hydrocarbon Unit has been integrated into the Ministry of Power, Energy & Mineral Reserves. Operations have been slow to start, funding from Norway is still the predominant source of financing, but most of the money has yet to be used.
- › **HOW MUCH** Norway provided NOK 30 million in support for Bangladeshi petroleum management in the period 1986 – 2005, first to BPI, until 1996, and then to HCU.
- › **RESULTS**⁴ With technical and financial support from Norway, BPI managed to carry out important seismic exploration. Partly due to overly narrow technical support from Norway, little was realised of the plans for production monitoring and estimates, well analyses and studies of the petroleum economy and environmental conditions. The institute established a good training centre that is still in operation, many years after Norway ceased to provide support. Assistance from Norway also helped to ensure that studies of alternatives for the exploitation of petroleum reserves were carried out. These studies were useful both for the authorities and in the public debate on the exploitation and use of Bangladeshi oil and gas deposits.
- › Although BPI and HCU achieved some good results, the capacity development process cannot be described as successful. Neither of the two institutions was sustainable when the direct support from Norway was wound up in 1996 and 2006, respectively. By that time, most of the experts had moved on to other jobs. Norwegian support for Bangladeshi petroleum management was based on the assumption that reforms were imminent. Cooperation has suffered from the fact that no reforms ever materialised. The Norwegian-supported institutions received little backing from the Bangladeshi authorities and remained weak in relation to established interests and institutions in the petroleum sector.
- › **LESSONS LEARNED** Norway was commended by its development partners for its flexibility. Nevertheless, it is questionable whether there was sufficient flexibility when it came to seeking expertise outside Norway. This tended to narrow activities down to the areas in which Norway could offer specialised expertise. Norwegian support should perhaps have been reduced earlier, when it became evident that the partner institutions were not receiving the necessary support at home.
- › Another lesson is how important ownership can be. Genuine independence for HCU would have meant reducing Petrobangla’s influence. Many parties were interested in ensuring that this did not happen. HCU remained peripheral and in the end had lost almost all its expert staff.

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 4 Rasmussen, F.O. et al. (2007). *Evaluation of the Norwegian Petroleum-Related Assistance*. Norad Evaluation Report 1/2007.

ZAMBIA: THE OFFICE OF THE AUDITOR-GENERAL IS DOING MORE CHECKING

- › **WHY** Zambia has serious corruption problems and faces significant challenges in its efforts to develop a transparent, efficient system for the management of public funds. Substantial misappropriations have been revealed in the Ministry of Health, and the Zambian Office of the Auditor-General recently published a critical report on overspending by the National Road Fund Agency. Combating corruption is a difficult process when corruption has permeated every level of the political and administrative culture, but an important countermeasure is to strengthen watchdog institutions, in terms of both professional expertise and autonomy. The Zambian Office of the Auditor-General is one such institution. In the late 1990s, the office was struggling to deal with low staffing levels, the poor quality and limited scope of public service audits, several years of delay in submitting audit reports to the parliament and the lack of follow-up of audit comments.
 - › **WHAT** Norway has supported the development of the capacity of the Zambian Office of the Auditor-General since 1997. The goals of this support have been to improve audit methods and expertise, increase audit capacity and improve reporting. This work has also been supported by the Netherlands. A multi-year programme of institutional cooperation was established with the Norwegian Office of the Auditor-General. Personnel from the latter institution have primarily provided advisory services during short-term stays in Zambia.
 - › **HOW MUCH** Support for the institution in the past few years has totalled around NOK 6 million per year; the plan is to increase this support to NOK 12 million per year for the period 2010-2013. Since 2006, the Zambian Office of the Auditor-General has also received funding for office buildings, cars and computers through a joint donor programme for the development of the country's public financial management systems. Norway was one of the donors until 2009. The Zambian authorities increased the budget of the office of the Auditor-General from around NOK 10 million in 2004 to around NOK 65 million in 2008.
 - › **RESULTS**⁵ Efforts in the first part of the support period focused on strengthening professional expertise relating to auditing methods and the preparation of audit reports. The increase in capacity was limited. Since 2003, budget increases have made it possible to increase the number of employees from 250 to 450. The number of authorised auditors and accountants has risen from a handful
- to close to 70, all of Zambia's nine provinces now have their own audit offices, and specialised audit departments have been established for public sector auditing, environmental auditing and ICT. International auditing standards have been adopted, and handbooks and guidelines have been drawn up and are applied in all areas of work. The Zambian Office of the Auditor-General itself now provides advisory services through institutional cooperation with Liberia.
 - › In the past few years, the annual audit reports to the parliament have been submitted in accordance with Zambian statutory requirements, i.e. within 12 months of the end of the accounting year. Before 2003, there were delays of two to three years. Regular public-sector audits cover approximately 70 per cent of public expenditure, as opposed to 20-30 per cent prior to 2003.
 - › It is difficult to draw any clear-cut conclusion as to the effects of the increased capacity. The percentage of public spending in which management deficiencies have been noted in the annual audit reports to the parliament dropped sharply in the period 2004-2007, compared with the period 1998-2003. This indicates an improvement in control of public funds. Improved procedures for the follow-up of audit comments and parliamentary recommendations are required. Each year, the Ministry of Finance submits a formal reply to the recommendations of parliament, but there is little systematic reporting on whether and how the recommendations are followed up.
 - › **LESSONS LEARNED** This cooperation has shown that a relatively long time-frame, usually more than ten years, is needed in order to achieve results. The authorities' higher prioritisation of the Office of the Auditor-General in the latter half of the period has had a decisive effect, in addition to the fact that technical assistance was followed up with substantial infrastructure support. The project has been coordinated with the authorities' strategic plans and implementation has been assigned to the line organisation in the Auditor-General's Office. No foreign advisors have worked on a full-time basis in an ordinary line function.

5 "PEFA Report Zambia", June 2008.

BHUTAN: CONFLICTING INTERESTS IN HYDROPOWER MANAGEMENT

- › **WHY** Bhutan's economy is highly dependent on the export of hydropower to India, and the income from these sales accounts for over 40 per cent of the country's export revenues. Bhutan's total hydropower potential is around 30,000 megawatts (MW), and the Bhutanese authorities have decided that 10,000 MW of hydropower capacity are to be developed by 2020. There is therefore a great need for effective regulation and procedures, and to ensure that the regulatory authorities responsible for this sector have the necessary expertise and capacity.
- › **WHO** Norway has provided support for the hydropower sector in Bhutan for more than 20 years. The Norwegian Water Resources and Energy Directorate (NVE) has worked closely with Bhutan's Department of Energy.
- › **WHAT** The overall objective is to increase the exploitation of hydropower resources to ensure a basis for growth and poverty alleviation. To achieve this objective, collaboration with NVE has aimed at strengthening management and planning capacity and improving the legal framework. There has also been focus on enhancing the competence and supply of local expertise. Work is in progress on identifying 15 potential hydropower projects, and preliminary studies for two of these are currently being carried out.
- › **HOW MUCH** Norway's contribution totalled NOK 35 million from 2001 to 2007, and the budget for the period 2008 – 2011 is NOK 30 million.
- › **RESULTS**⁶ A review of cooperation during the period 2001 – 2007 has been undertaken on commission for Norad. The study draws attention to several successful capacity development measures: a system of geographical data has been put in place, a computerised data management system is currently being established, a master plan for the exploitation of hydropower resources and development of the energy system has been updated, a water resource plan has been completed, the organisation of the collection and monitoring of hydrological data has been strengthened, and a number of regulations under the Electricity Act have been drafted and adopted. The establishment of a special authority for the electricity sector was an important step.

The efforts to draw up hydropower and water resource plans have encountered political stumbling blocks, and it is unclear to what



degree these plans have actually served as guidelines in cases relating to awards of development licences. Conflicts over water resources were underestimated in the risk assessment of the project.

- › **LESSONS LEARNED** Water resource expertise in Bhutan has developed significantly in recent years, but the review and project reports do not provide a clear picture of the role played by Norway in cooperation in this sector. This indicates that the system for measuring results has been inadequate, both as regards the actual development of the capacity of the Department of Energy and the expected effects of this development. The degree to which support for the hydropower sector has affected the goal of growth and poverty alleviation is not covered in the reports.

6 Norplan (2007). Report dated 22 November 2007.

ANGOLA: STRENGTHENED PETROLEUM MANAGEMENT

- › **WHY** After Angola gained its independence in 1975, the country was plunged into a devastating civil war almost continuously until 2002. The distribution of natural resources in the country was a primary cause of the war and one of the reasons why it lasted so long. When peace was made, Angola was in ruins, in need of almost everything to rebuild the country.
- › **WHAT** Cooperation between Angola and Norway in the petroleum sector began in 1987. Angola asked for support because Norway was known to be a country with relevant expertise and experience of the management of petroleum resources. Norway wished to accommodate Angola's request because the latter had a management regime with substantial capacity deficits and the roles of the Ministry of Industry and Petroleum (MINPET) and the state-owned oil company Sonangol were muddled. Not distinguishing between different roles may create a state within the state and hinder the democratic, transparent management of the petroleum industry. Angola's Petroleum Law was considered to be weak and did not adequately ensure that Angola benefited from a reasonable share of the revenues from petroleum activities.

In 2002, the Rogaland Training and Education Centre (RKK) entered into cooperation with the Norwegian Gas and Oil Partners (INTSOK) foundation to assist the Instituto Nacional de Petroleo (INP) in the town of Sumbe to establish a school offering three-year technical courses. The Norwegian contribution consisted of teaching plans, teaching aids, teacher training programmes, etc, based on Norwegian expertise.

In 2003-2004, MINPET and the Norwegian Petroleum Directorate carried out an analysis of future manpower needs in the Angolan petroleum industry. Achieving the Angolan goal of increased value creation in the sector was estimated to require some 17,000 people. There was a great lack of skilled workers with the necessary technical qualifications. This led to an agreement between Norad, RKK and the Angolan Ministry of Education in 2006 regarding the upgrading of vocational training at some 30 schools in Angola.

In petroleum sector cooperation between MINPET and the Norwegian Petroleum Directorate, importance has been attached to the links between petroleum, fisheries and environmental management. The Norwegian Institute of Marine Research in Bergen, which has previously engaged in cooperation with the Angolan Ministry of Fisheries on fishery resources, is now collaborating on the development and implementation of rules governing the inspection of emissions from petroleum installations. As part of this collaboration, the research vessel "Fridtjof Nansen" has systematically measured pollution levels on the sea floor and in the sea for many years.

- › **HOW MUCH** The costs of these programmes total approximately NOK 135 million. Most of the funds are used to pay Norwegian institutions for their services in Angola. The country pays many of its own costs.

- › **RESULTS** The support provided by Norway has contributed to the preparation of a new Petroleum Activities Act which came into force in 2004. A number of regulations have been drafted under the Act, including several environmental and safety regulations.

The Angolan authorities' share of revenues from petroleum activities in the country has increased. The transfer of the experience gained by the Norwegian authorities in concluding agreements with petroleum companies, coupled with advisory services relating to petroleum legislation, may have had a significant effect. There is now greater transparency as regards the government's revenues from the petroleum companies. The government budget is published on the Internet.

Based on the experience of the Norwegian Government Pension Fund, similar funds are currently being established in Angola. This will be important to ensure that future generations benefit from the country's petroleum resources and to promote transparency in their use.

MINPET is now a more efficient, competent organisation that is better equipped to perform the role of regulatory, management and oversight authority.

Over a period of several years, the Angolan national petroleum institute, INP, has trained some 45 subsea technicians per year, all of whom have been reported to have found relevant employment. The RKK is now assisting the INP in its collaborative project with the Norwegian Petroleum Directorate and MINPET to establish a fully accredited technical engineering school.

- › **LESSONS LEARNED** The programme was recently evaluated. According to the preliminary report, the cooperation process is considered to be successful and to target relevant fields. The report recommends that the next phase of cooperation should be concentrated on a smaller number of fields and narrowed down to ensure that Norway's efforts are really focused on strategically important areas where Norwegian expertise can create added value. This applies, for instance, to efforts to combat corruption and to prevent adverse effects in other sectors of society. Continued emphasis on measures to secure the goals of developing Angolan industry will also be important.

Reducing poverty is still a major challenge in Angola. Reforming public financial management in Angola is one way of helping to ensure that the country's petroleum revenues benefit the poor to a greater extent. Brazil and the United States, in collaboration with the Angolan authorities, have promoted such reforms in the past few years by means of a system designed to ensure greater transparency in public financial management. According to the Angolan authorities, 75 per cent of the country's public administration is now covered by the system.

TANZANIA: IMPROVED PUBLIC FINANCIAL MANAGEMENT

- › **WHY** Development is dependent on a well-ordered system of public financial management. In Tanzania, management capacity needed to be strengthened, particularly in the finance ministry, the parliament and the National Audit Office. There was also a need for broader participation in budget processes and greater transparency in the use of public resources. Development assistance has often had the opposite effect when it has been channelled outside the government budget and tied to special donor requirements. Norway and several other donors therefore decided to give substantial portions of their development aid to Tanzania in the form of general budget support. Funds are transferred directly to the government budget and linked to the implementation of the country's strategy for development and poverty reduction.
- › **WHAT** In addition to achieving the strategic goals, this type of support is intended to promote use of the country's own systems to help increase accountability and strengthen political and administrative processes and institutions. The donors' dialogue with Tanzania includes comprehensive monitoring of results related to government budget management. In 2008, Tanzania adopted a public financial management reform that also covers several ministries, local government, parliamentary committees, the National Audit Office and the authorities in Zanzibar.
- › **HOW MUCH** In 2009, budget support provided by Norway amounted to NOK 265 million, of which the authorities in Zanzibar received 4.5 per cent. In addition to budget support, Norway has granted NOK 12 million in funding for a joint programme to reform Tanzania's public financial management. For the period 2008-2010, Norway is providing NOK 13.5 million to support capacity development in the finance ministry in Zanzibar.
- › **RESULTS**⁷ Tanzania's budget process and financial management have improved substantially since the late 1990s. Progress has slowed in the past few years. In 2005, the quality of financial management was assessed as among the best in the region. An independent evaluation pointed to improvements in cost control and macro-economic planning, and a better overview and coordination of donor funds. The evaluation also noted significant weaknesses in internal coordination within the finance ministry. It also pointed to the need for closer cooperation with other ministries and local government and for general reform programmes. The reporting on the programme was unsatisfactory and doubts were raised as to the authorities' sense of ownership. In the past few years, considerable problems have been experienced in achieving the implementation of agreed, fact-based analyses of the results of the reform process.



Tax revenues increased substantially up until 2008. This rise was due to economic growth, as well as improved capacity and efficiency in the fiscal administration. The National Audit Office now covers more enterprises and meets higher standards of quality, and reports are submitted to the parliament in a timely manner. The introduction of international budget and accounting standards has now ensured greater transparency in and information on public resource use. Civil society organisations now prepare their own analyses of the government budget. The proportion of procurements made in accordance with laws and regulations has increased from 39 per cent in 2007/08 to 60 per cent in 2008/2009. Reports from the National Audit Office show a decline in the number of deficiencies and irregularities pointed out in public financial management.

In several areas, the reform has not progressed as anticipated, and in the past few years the donors have considered the situation to be unsatisfactory. There have been major delays in the reform programme and poor work plans, the reform secretariat has been understaffed and problems have arisen in the dialogue between donors and the authorities. Tanzania itself assessed the financial public management reform process as satisfactory.

In 2010, an in-depth analysis was carried out of the status of financial management in Zanzibar, and the authorities wish to use this analysis to prioritise further reform efforts. A review has concluded that the authorities in Zanzibar have a sense of ownership of the reform programme.

- › **LESSONS LEARNED** The introduction of major, broad-based reform programmes with coordinated donor support was expected to give rise to a more recipient-controlled reform process in key sectors of society. However, this has not generated the expected results. An independent assessment carried out in 2009 concludes that the dialogue between donors and the authorities must be improved. Donors must engage in less micro-management and to a greater degree be constructive facilitators and supportive partners. The collection and analysis of results data must be improved, and attention must be focused on a smaller number of priority areas.

⁷ Schiavo-Campo, S., J. Lima and H. Mwinyimvua (2006). "Tanzania's Public Financial Management Reform. Progress, issues and the future"; Tilley, Helen (2008). *Public Financial Management Performance Report*; EU/HTSPE Limited (2009). *External Review of the PRM Reform Program*. November; and Bennet, Tony (2010). "Public Financial Management Performance Report Zanzibar".

GUATEMALA: A MORE INCLUSIVE ELECTORAL SYSTEM

› **WHY** Guatemala adopted new legislation on elections and political parties in 2005. The electoral reform laid the legal foundation for a comprehensive reorganisation of the election process that was already incorporated as one of the intentions of the peace accords signed nine years earlier. A key aspect of the reform was to establish more polling stations in rural areas, where the majority of the population lives.

Guatemala has an independent Supreme Electoral Tribunal with responsibility for holding and monitoring presidential, congressional and local elections every four years. It is also responsible for voter registration. Persons eligible to vote must register in advance in order to cast their ballot. The electoral reform in 2005 increased the responsibilities of the electoral tribunal, which had to be strengthened in order to ensure that the new electoral system could be implemented.

› **WHO** Norway, Sweden, the USA and the Netherlands provided support for a capacity development programme aimed at enabling the electoral tribunal to handle its new tasks. The donors entered into agreements with the Organisation of American States (OAS) and the Inter-American Institute of Human Rights (IHR) whereby the two were to provide technical assistance and expert advice in connection with implementation of the programme.

› **WHAT** The Supreme Electoral Tribunal needed know-how and capacity to be able to implement the full decentralisation of polling stations to rural areas. The goal of the programme was to establish an accurate, up-to-date register of all eligible voters before the elections in 2007. One important task was to organise campaigns to reach individuals and groups among which voter registration was low and areas in which voter turnout in elections was traditionally low. This applied in particular to women, the Mayan population and the poor in rural areas. A strategic plan was also to be developed for the institution. Finally, the programme was to provide technical assistance for the implementation of elections and dissemination of election results.

› **HOW MUCH** Development assistance for the programme for the period 2005 – 2008 totalled USD 2,5 billion, of which support from Norway accounted for 23 per cent. This largely covered the costs of implementing the entire election process. For a long time it was uncertain how much the authorities would allocate, but after a prolonged political tug-of-war and shortly before the elections, the congress granted substantial funding for the elections.

› **RESULTS**⁸ The Supreme Electoral Tribunal carried out the largest-scale election since democracy was reinstated. A total of 695 new polling stations were established in rural areas. Some 900,000 new persons entitled to vote were entered in the electoral register, an increase of 18 per cent from 2003. The rise in the number of



women voters was twice that of the number of men. The number of polling stations rose by 53 per cent.

The international community called the elections in Guatemala free and fair. Voter turnout was 60 per cent, and 70 per cent of the rural population cast votes. For the first time in the country's history, the presidential election was decided by a majority of rural votes. A new system was developed to disseminate information to voters, and election information was produced in the Mayan language for the first time. A new, digitalised system of voter registration was established, ensuring that each voter was issued a ballot card. The results of the ballot count were transmitted electronically as soon as each electoral committee had counted the votes. The election results were published immediately on the Supreme Electoral Tribunal's new website. A swift election outcome is crucial in a country where the level of conflict is high and where at least 50 political murders were reported as a direct result of the election campaign. Generally speaking, the election served to promote the broader political inclusion of women, the Mayan population and the rural population. The successful implementation of the electoral process showed that the operational capacity of the Supreme Electoral Tribunal had significantly increased.

› **LESSONS LEARNED** This example illustrates that a good understanding of the political situation is necessary when providing support for capacity development in national democratic institutions. The donors joined forces in pursuing a common dialogue with the Supreme Electoral Tribunal and with other important national political actors, thereby helping to ensure sufficient budget funding for the elections. Supporting the modernisation of an electoral system is a politically sensitive process. International partners must be perceived as legitimate, trustworthy actors. This is just as important as technical competence. The consortium of donors headed by Norway therefore established regular, frequent meetings to exchange information with the OAS and the IIDH.

The evaluation of the programme showed that having both an inter-governmental (OAS) and an international (IIDH) organisation serving in an advisory capacity posed problems, such as duplication of labour, the poorly defined division of responsibilities and competence conflicts.

⁸ Election results and voter turnout in the presidential election, Organisation of American States (OAS). Guatemala, 2007 (from Spanish).

MULTILATERAL DEVELOPMENT ASSISTANCE FOR CAPACITY DEVELOPMENT: A PRIMARY GOAL FOR UNDP

Most of the examples in this report are drawn from Norway's bilateral development assistance activities. This does not mean that supporting capacity development is a less important goal for multilateral organisations. Just the opposite is true.

More than any other UN organisation, the **United Nations Development Programme (UNDP)** is associated with capacity development at the national level. The organisation has a presence in 166 of the UN's 192 member states and is the largest international development network in existence. UNDP is one of Norway's most important development partners. In 2009, Norway was the largest UNDP core funding donor, totalling NOK 770 million. Norway also gave NOK 1.2 billion in earmarked support for UNDP funds and programmes.

Initially a project-oriented organisation that provided technical assistance, UNDP has developed a more normative agenda as a promoter of democratisation and good governance. Human rights and gender equality play a key role in its political work. An important function for the organisation is to serve as a channel for international knowledge that can help to develop sustainable, legitimate institutions. Capacity development is a key word for UNDP in these efforts, under the motto "Capacity is development".

Norad has reviewed nine of the so-called *Assessment of Development Results* *conducted by the Evaluation Office of the UNDP in 2009 and 2010, in order to follow up on the effectiveness and results of the UNDP in the nine countries these assessments cover. In more than half of the countries UNDP has a large number of smaller projects with long chains of command, a lack of delegation and cumbersome procedures. The UNDP seems to be far more effective, achieving more results, in middle income countries than in low income countries. The country offices with the best performance seem to have a high level of technical expertise.

The results achieved by the organisation vary extensively from one thematic area to another and from country to country. No single thematic field stands out. The neutrality of the UNDP is a crucial factor for success, particularly in countries experiencing domestic violent conflicts. The UNDP has played an important part in such countries by facilitating dialogue in a number of sensitive political issues.

The results appear to hinge on the resources that UNDP is able to mobilise on the spot. In Indonesia, UNDP is praised for its rehabilitation work in the aftermath of the tsunami, while in Uganda its efforts to rebuild the country after the conflict in the Northern Prov-

ince were criticised for lacking a capacity development strategy with clear goals and indicators. Two examples presented in one of UNDP's latest publications on this topic are presented below.**

Increased emergency preparedness in Bangladesh: If the sea level rises, as projected by the UN Climate Panel, by 2050 Bangladesh will have lost 18 per cent of its land area and 30 million people will be environmental refugees. UNDP has supported the efforts of the Bangladeshi authorities to prepare for a dramatic change of this nature. By working closely with the authorities, UNDP has helped to ensure that ownership of the programme remained with the government of Bangladesh. So far, the Bangladesh Comprehensive Disaster Management Programme has produced the following results:

- >> New legislation and associated guidelines have been drawn up
- >> A new emergency preparedness network comprising more than 75 public and private sector organisations, in addition to UN organisations, has been established
- >> 25,000 people have received training in emergency preparedness
- >> The risk of earthquakes and the potential consequences for the country's largest cities have been assessed

Rwanda is managing development assistance better: Development assistance accounts for a large percentage of Rwanda's government budget. After the civil war and genocide in 1994, the Government of Rwanda contacted UNDP to ask for help in coordinating the growing amount of aid to the country. The Ministry of Finance and Economic Planning saw UNDP as a neutral partner in the establishment of an aid coordination unit. This unit was initially located in UNDP premises, but was moved to the ministry's premises in 2006. The following year, the ministry itself took over management of the unit. Under UNDP leadership, the dialogue between the donors was strengthened, and confidence in the national authorities increased. A strategy was drawn up for the government's taking over ownership and leadership of the management of development aid. This included work on a national aid policy, which was adopted in 2006, and a better system for registering aid. These efforts have had the following results:

- >> A larger share of aid is now channelled through national systems
- >> The government has recently established a set of indicators to measure the degree to which donors fulfil their commitments and comply with established standards for good donor practices (cf. the 2005 Paris Declaration on Aid Effectiveness)
- >> The government is demonstrating greater leadership and self-confidence in negotiations with donors

* <http://www.undp.org/evaluation/country-evaluation.htm>

**UNDP (2010). *Capacity is Development. Stories of institutions.* www.undp.org/capacity.

COOPERATION BETWEEN UNIVERSITIES: DIFFERENT LEVELS OF COMPETENCE AND CAPACITY

- › **WHY** The main purpose of the Norwegian Programme for Development, Research and Education (NUFU) is to support the development of competence and capacity in higher education and research in developing countries. In the period 2007–2012, the programme supports a total of 69 five-year projects in fields such as natural resource management, energy, health, education, agriculture, gender equality and women's rights. Improving the ability of national universities to carry out research and educate a competent labour force increases countries' capacity to analyse and deal with their own challenges.
- › **WHO** 47 universities in 18 different countries are partners in the programme
- › **WHAT** NUFU has been one of Norway's most important instruments for capacity development in higher education and research in developing countries since 1991. The programme is based on an agreement between Norad and the Norwegian Centre for International Cooperation in Higher Education (SIU), which administers the programme. The programme supports cooperation between universities in developing countries and universities and colleges in Norway. This cooperation is mainly related to joint research projects, the education of university employees at master's and doctor's degree level, the development of new programmes of study and the dissemination of research results.
- › **HOW MUCH** The budget for NUFU in the period 2007–2012 is approximately NOK 400 million. One quarter of this is earmarked for thematic or geographic areas.
- › **RESULTS**⁹ The most concrete results of NUFU can be seen in the number of candidates who are awarded master's and doctor's degrees and the research results published in scientific journals, reports and books. There is also emphasis on the dissemination of information to the local population, authorities and politicians in the countries concerned and in donor countries
- › In 2009 175 doctor's degree students and 261 master's degree students were pursuing their studies with the support of NUFU. Most of them are employed by universities that are partners in the programme. Approximately 44 per cent of doctor's degree candidates and 41 per cent of master's degree students are women.

Compared with the normal gender distribution of university employees in developing countries, the proportion of women is high.

Research results were published in a total of 396 scientific articles, reports and books in 2009. In addition to this, participants in the project gave popular science presentations of their research on 285 occasions, in the form of seminars, websites, brochures, films, media coverage, etc. Some of the institutions have engaged in dialogue with politicians and authorities in the societal areas in which research supported by NUFU is being carried out. The programme now gives higher priority to this activity.

One example of the importance of local support is a project in Tigray Province in Ethiopia, where 250 farmers are testing different varieties of barley seed. The institutions participating in the project are the University of Mekelle, Ethiopia, and the Norwegian University of Life Sciences in Ås, Norway. The results show that farmers are more willing to use new and more effective types of seed when they have been tested by local farmers in a natural environment than when organisations or authorities offer types of seed that have only been tested by researchers in laboratories.

- › **LESSONS LEARNED** NUFU was evaluated in 2009. The evaluation concludes that NUFU has achieved good results, not least because it has been based on long-term institutional cooperation. However, it points out that the connection between increased individual competence and capacity development at the institutional level at universities in partner countries is not always so easy to identify, and that the programme should, to a greater extent, have supported general institutional capacity development. The evaluation states that the challenges related to globalisation have a strong influence on Norway's aid-financed research programmes. The good results are to a large extent based on the efforts of individuals. Norad is designing a new research programme based, among other things, on the conclusions in the evaluation.

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9 COWI (2009). *Evaluation of the Norwegian Programme for Development, Research and Education (NUFU) and of Norad's Programme for Master Studies (NOMA)*. Norad Evaluation Report 7/2009.

CAMBODIA: LABORIOUS POST-WAR CLEAN-UP

› **WHY** Cambodia is one of the countries in the world that has been most severely impacted by mines and munitions. Most of the mines are located along the border with Thailand, where the Vietnam-backed authorities in the 1980s heavily mined extensive areas when battling the Khmer Rouge. Along the border with Vietnam, unexploded bombs dating from the Vietnam war pose major problems. In 2009, the international anti-mine initiative Landmine and Cluster Munition Monitor, which is funded in part by the Norwegian authorities, reported that 649 square kilometres of the country were still potentially mined. These square kilometres are spread across large parts of the country.

Each year, hundreds of Cambodians are victims of mine accidents. According to Landmine and Cluster Munition Monitor, 65 people were killed and 287 injured in mine accidents in 2008. The average number of annual casualties has declined from 842 in the period 2001-2005 to 352 in 2008.

› **WHO** Norwegian People's Aid, with support from Norway, the USA and the Netherlands, has been one of many international and national organisations that have helped the Cambodian authorities to build up demining capacity. One of its main partners is the Cambodian Mine Action Centre (CMAC), which collects and analyses data on the extent of the mine problem, trains mine detection dogs and personnel, and clears mine fields. CMAC also receives funding from the UN, the EU, 15 countries and some 20 organisations. The centre is now the largest demining organisation in Cambodia, with more than 2,400 employees. Norwegian People's Aid also supports the Cambodian authorities' efforts to build up a database for inventorying and use of information on mines.

› **WHAT** Mine clearance is laborious work. A mine clearance team consisting of nine people and two dogs can clear an area of around 100 by 150 metres per day. First, corridors are cleared by

the dogs, who can smell the explosives in the mines. Areas of around 20 x 20 metres are cordoned off and marked, after which the dogs sniff their way through 40-centimetre-wide corridors. According to CMAC, the dogs never miss a mine, and so far the use of dogs has spared them from accidents. Once the dogs have marked the location, the rest of the job is then turned over to deminers with metal detectors. With great caution, the mine is extricated and detonated. At first, the demining dogs were provided by Norwegian People's Aid's mine dog centre in Bosnia. In 2010, for the first time, CMAC is trying to train six dogs that were born in Cambodia. Norwegian People's Aid has collaborated with CMAC since 1993.

› **HOW MUCH** In the period 2000 – 2009, Norway channelled approximately NOK 11.8 million through Norwegian People's Aid for demining in Cambodia. Some NOK 8.1 million of this amount was spent on activities that were defined as capacity development.

› **RESULTS**¹⁰ No independent evaluation of demining activities in Cambodia has been carried out. According to the Mine Action Centre's own reports, over 257 square kilometres of land were cleared of mines between 1992 and August 2010. This entailed the removal of 436,000 anti-personnel mines, 8,500 anti-tank mines and 1.6 million undetonated explosive devices.

According to CMAC's own reports, the organisation has doubled its productivity in the last five years. CMAC managed to clear an average of 12 square kilometres of mined land per year in the period 1992 – 2004, while they cleared more than 24 square kilometres in 2009. In addition to the demining activities, CMAC provides training and information for the local communities concerned. According to CMAC statistics, the organisation has reached almost 2.7 million of the country's 14.2 million inhabitants, raising their awareness of the risks posed by mines.

› **LESSONS LEARNED** While the results of these efforts are good, this is an example of how undesirable consequences can arise. Due to the country's economic growth, increasing population and great interest on the part of foreign investors, conflicts over land that has long been unusable have become a serious problem. Poor families with no political connections are particularly vulnerable in this respect, and there have been many cases where people have been chased away from their farms and homes and their land has been taken over by the state or by people with close ties to the political elite. Around the turn of the millennium, CMAC was involved in a major corruption scandal, in which cleared properties wound up in the hands of former Khmer Rouge commanders. Thus demining is not just a technical question. Prioritisation of areas for clearance is also about land rights.



¹⁰ CMAC Global Summary Progress Report, August 2010.

MALAWI: MORE HEALTH WORKERS

► **WHY** The lack of qualified health personnel is one of the greatest challenges in efforts to improve access to health services in Malawi. Over 80 per cent of the population lives in rural communities, where nurses with three years of practical training form the cornerstone of the public health service. The country had a relatively good primary health service in the 1970s and 1980s, but dwindling public finances and the AIDS epidemic created grave problems. Many of Malawi's nurses chose to seek employment abroad. In 2004, there were approximately 1.1 doctors and 25.5 nurses per 100,000 people, and around 65 per cent of nursing positions were vacant. At the time, 17 per cent of Malawian nurses and 59 per cent of doctors were working in other countries. Since 2000, 80-100 nurses have left the country every year, and by far the majority of them have moved to the UK. In 2004, an emergency plan for health personnel was drawn up, with the UK as the main donor. Steps were taken to strengthen educational institutions and improve pay and working conditions. Some 46 per cent of the established positions in the sector were vacant in 2007.

► **WHO** Norway has supported several programmes aimed at increasing the number of nurses, midwives and physicians in Malawi. The country has a 20-year-old College of Medicine (COM) and several schools for nurses and other health workers, run in part by the Christian Health Association of Malawi (CHAM). Since 2001, Norway and Sweden have provided funding for equipment and the COM's efforts to improve teaching capacity. COM also receives funding from Malawi's health sector programme, to which Norway contributes. To help alleviate the critical lack of nurses, Norway has provided support through CHAM since 2005 for a project to improve the training of nursery and midwifery technicians. At the Norwegian end, the project is administered by Norwegian Church Relief.

► **WHAT** The support for COM has helped to establish an educational programme for students who wish to obtain the necessary qualifications to study medicine, and for bachelor-level studies in the field of pharmacy and laboratory technology. Funding has been

provided for master's programmes in general medicine, surgery, anaesthesiology, orthopaedics, ophthalmology, paediatrics, internal medicine and public health. A master's programme in public health has also been established. Norway has also funded the building of dormitories, recreation and sports facilities, offices and an ICT unit, and a library and resource centre.

► **HOW MUCH** Norway and Sweden contributed NOK 86 million in the first phase of the nurses training project, and in the period 2001 – 2009 provided NOK 103 million in direct support for COM.

► **RESULTS**¹¹ A review of Malawi's five-year programme of work for the health sector concluded that "the results in the form of the number of available health workers are remarkable". The percentage of nurses who also have midwifery competence rose from 68 per cent to 93 per cent over a five-year period. The target was 90 per cent. As a result of the combination of improved infrastructure and increased teaching capacity, the number of student nurses rose from 305 in 2004 to 610 in 2009. The number of students who graduated also increased, and will probably exceed the targets set by the Malawian Ministry of Health. In the same period, the percentage of health centres staffed by the prescribed minimum of qualified personnel rose from 4 to 13 per cent. The target was 10 per cent. This improvement can be linked to the support provided by Norway.

In the nine years that Norway has supported COM, the college's capacity has been significantly developed. An important indicator of this progress is the fact that the number of students enrolled has increased from 175 to 415. The number of students taking a degree in medicine has tripled from 20 to 60. COM is now less dependent on foreign academic staff. This can be ascribed to both an educational grant programme for training Malawian specialists and pay increases and bonuses for those who return to Malawi.

► **LESSONS LEARNED** The projects show that training students in Malawi is the right solution for securing qualified health workers for the country, and focus on further education will be a key element of the strategy in the coming years. Around 20 per cent of the positions at COM are still vacant, and the college is dependent on the participation of foreign teachers. COM will be dependent on development aid for several years to come.

As far as nursing education is concerned, the fact that hospitals in Malawi have limited capacity to teach practical clinical work is a significant challenge. The steps taken to curb the emigration of health workers have produced results, but the grass is still greener outside the country's borders and emigration will increase again if there is any reduction in funding for the health sector.

Brain drain

The term "brain drain" refers to the loss of trained manpower to other countries. Highly qualified people emigrate to countries with more favourable social, economic or political conditions. In addition to university and college graduates, this group consists of such key personnel as teachers and nurses who have upper secondary school or vocational training.

The poorest countries are the most vulnerable because they have the fewest educated people and because the incentives for emigration, in the form of higher pay and generally better conditions, can be very strong.

In effect, brain drain is the loss of capacity. The phenomenon illustrates how important it is to monitor the impacts of increased capacity, not simply whether the capacity increase has been carried out.

11 Euro Health Group (2010). Technical Report. Achievements of the PoW as measured against selected indicators in the Indicator Matrix; Republic of Malawi (2004). A Joint Programme of Work for a Health Sector Wide Approach (SWAp) [2004-2010]; og Martinez J., R. Fielding and M. Chirwa (2008). "Improved Health Training Education in Malawian Nursing Schools", Independent Mid-Term Review, HLSP.

PHILIPPINES: SEAMEN SATISFY NEW REQUIREMENTS

- › **WHY** In the 1990s the Standards of Training, Certification & Watch-keeping (STCW) Convention introduced a requirement that all mariners working in international shipping had to document proper education and training. The new standards were adopted in the wake of a number of serious maritime accidents resulting from varying, and in some cases deficient, know-how and expertise on the part of the crew. The International Maritime Organisation (IMO) required all IMO member states to document that the competence of mariners had been checked by the maritime authorities in the individual countries. Without such documentation, ships could risk being detained in foreign ports due to their crew members' lack of education and certification. This was of critical importance, particularly for the Philippines, which already at that time had several hundred thousand mariners employed on international vessels. If all of them lost their jobs, this would not just affect the mariner in question and his family. It would also mean a huge loss of income for the Philippine government, which every year receives substantial revenues in taxes paid by mariners sailing in foreign trade. More than 400,000 Filipinos currently work in international shipping.
- › **WHAT** The Norwegian Directorate of Shipping was already engaged in cooperation with the Philippine Maritime Industry Authority (MARINA), and the Norwegian Shipowners' Association was supporting the Norwegian Training Centre in Manila. In 1996, with support from Norad, they decided to assist the Philippines in establishing a system for training mariners to meet the new requirements. Dealing with the complicated bureaucracy in the Philippines was a significant challenge. Who was to be responsible for the training? Who was to issue certificates? Who was to assure the quality of the training? The goal was to ensure that the various authorities came together and coordinated their functions, so that Filipino mariners could continue to work for Norwegian and other shipping companies.
- › **HOW MUCH** Norad provided a grant of NOK 7.5 million to MARINA and an equal amount to the Philippine Commission of Higher Education (CHED). The commission was tasked with drawing up new curricula and providing educational material. The project was initially planned to run for three years.
- › **RESULTS**¹² In December 2000, the Philippines was included in the IMO's White List of countries that satisfy the requirements of the STCW Convention. The primary goal had been achieved. The MARINA project was wound up in 2001 with the allocation of NOK 500,000 in project funding for the development of teaching material for distance education for mariners. This gives them the opportunity to maintain and update their expertise, as required by the IMO convention. Thanks to the new training system, Filipino mariners have a good international reputation.
- › **LESSONS LEARNED** This project shows that it does not always take large sums of money for development assistance to make an impact. It is an example of successful capacity development, at both organisational level in the form of an educational system that meets international standards, and at individual level in the form of better trained mariners. The MARINA project also shows that development assistance works best when the recipients have a strong vested interest in its success. The financial consequences would have been significant for both the Philippines and for Norwegian shipping companies if the Philippines had not been approved by the IMO.

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 12 Based on interviews with key persons.

CHINA: DEAF CHILDREN ARE GIVEN NEW OPPORTUNITIES

- › **WHY** There are approximately two million deaf children under the age of fourteen in China. Official policy has been to teach deaf children to read, write and speak, but not to use Chinese sign language. Most schools for the deaf have little knowledge of the use of sign language. In Norway and many other countries, there is increasing recognition that sign language is a separate language, also in the linguistic sense. If deaf children learn to use sign language at an early age, they can learn the same as hearing children.
- › **WHO** Norway has a great deal of specialist teaching expertise in this area. Cooperation between the Norwegian organisation Signo, which receives technical assistance from the Universities of Stavanger and Oslo and the Skådalen Competence Centre, and the authorities in Jiangsu Province in China began in 2004.
- › **WHAT** This cooperation agreement had two goals, one major and one minor. The minor goal was to introduce bilingual education for approximately one hundred deaf children at four schools in Jiangsu Province, first Chinese sign language and then ordinary Chinese. The project entailed recruiting schools, negotiating with education authorities, developing teaching materials, and training teachers and parents. The major goal was to promote a comprehensive educational reform in China based on deaf children's right to education and linguistic and cultural development according to their abilities. The project aimed to demonstrate the usefulness and effectiveness of bilingual education in other provinces, promote changes in teacher training, help to develop new guidelines and legislation, and encourage a grassroots reform that would gradually be adopted at the national level. The Norwegian funds were spent on training teachers and parents, purchasing equipment, technical assistance and guidance from Norwegian advisers, study visits to Norway and annual professional seminars.
- › **HOW MUCH** Norad contributed approximately NOK 9 million over the five years up to 2009. The Chinese authorities also provided a significant amount of financing.

- › **RESULTS**¹³ The results of the minor reform have been good at both the individual and the organisational level. The four schools have recognised the importance of, and actively begun to use, sign language. With the help of systematic evaluation, good results have been documented for the one hundred children at the four trial schools. Teachers and parents have been trained and express great satisfaction with the reform. New teaching materials have been developed.

Results at the national level cannot be documented. Representatives from schools in other provinces have visited the project, become interested and initiated their own projects. Provincial authorities have amended the strict rules for the recruitment of teachers of the deaf and have taken over responsibility for financing salaries. The new national curriculum for teaching the deaf in China is more dynamic and flexible than the previous one and permits the use of sign language.

- › **LESSONS LEARNED** Reform requires active effort on several levels. It is important to have good teachers, committed parents and school leaders who understand the value of recruiting and financing teachers of the deaf and providing new equipment in schools. If reforms are to spread, it is important to change both legislation and attitudes.

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¹³ Communication and Participation in Chinese Deaf Schools: Experiences from a China-Norway Collaboration on Sign Bilingual Education, Stein Erik Ohna, Chinese Journal of Special Education, 2009.

TANZANIA: LONG-TERM SUPPORT FOR THE UNIVERSITY OF AGRICULTURE IS BEARING FRUIT

- › **WHY** Establishing and developing universities is capacity development in the classic sense. Development of a modern state requires access to highly qualified manpower. Norway's first university was founded in 1811, while Tanzania, on gaining its independence in 1961, had none. The University of Dar es Salaam was established in 1970. In 1984, a separate institution was established to provide agricultural education – the Sokoine University of Agriculture (SUA) in Morogoro. At first, the universities were totally dependent on foreign teaching staff. A long-term goal was to have Tanzanian professors who could teach at doctoral level.
- › **WHO** Norway provided support for the university sector at an early stage and has been one of SUA's main partners, particularly for the Faculty of Forestry. The first agreement between Norway and Tanzania on support for forestry education was signed in 1973.
- › **WHAT** Norway has supported all aspects of the process of building up a university: master's and doctoral degrees abroad, the development of curricula and courses, research projects and buildings. Between 2000 and 2010, Norway funded the doctoral degrees of 38 SUA researchers and 60 master's degrees.¹⁴
- › **HOW MUCH** Since 2000, Norway has granted NOK 150 million for three agricultural training programmes in Tanzania. The Norwegian share of overall programme support has varied from 33 per cent to around 8 per cent in the past few years. As Norwegian support has been reduced, the contribution from the Tanzanian authorities has increased.
- › **RESULTS**¹⁵ In the early 1970s, SUA was unable to provide teaching above the level of a bachelor's degree or to undertake any particular research. Today, SUA can award doctoral degrees in almost every discipline, and is recognised in the region as a university with high academic standards. It has produced a number of competent researchers, who are engaged in extensive collaboration with Norway and other countries in several fields. Recent reviews show that good internal mechanisms have been established to handle the allocation of research funding to various projects and for financial reporting to donors like Norway.

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 14 Figures obtained from the Norwegian University of Life Sciences (UMB) and Sokoine University of Agriculture (SUA), 2010.

15 Based on reports from the Norwegian embassy.

The university's graduates hold important positions in society. Several ministries, county governors and a wide range of public and private sector leaders have studied at SUA. One example is the present Minister of Education, Professor Jumanne Maghembe. SUA researchers play a key role in shaping policy in their fields of expertise, and have been of crucial importance in planning the country's major climate programme (REDD) with support from Norway.

Research-based knowledge from SUA has helped to improve the living conditions of many people through the development of farming methods and species of plants and animals that are more productive and more adaptable to changing conditions. Research on goat farming and the cultivation of cassava and bananas are examples of areas in which research results have had a direct economic impact for many people.

- › **LESSONS LEARNED** Development assistance for higher education in Tanzania has accelerated the country's ability to offer many people the opportunity to study. This may have been achieved at the expense of quality, but it has been politically important for the young nation. If higher education had been limited to a privileged elite, the country would hardly have undergone the peaceful, stable process of nation-building for which Tanzania is hailed in an African context. Long-term efforts have produced results, but the documentation does not provide a clear picture of how effective these efforts have been. It is impossible to quantify the effect of overall Norwegian support. Moreover, SUA has received support from many other sources.



The Norwegian University of Life Sciences in Ås, Norway, has cooperated with the Sokoine University of Agriculture in Tanzania for years.

CENTRAL AMERICA: SUSTAINABLE EXPLOITATION OF BIODIVERSITY

- › **WHY** The authorities of most countries in the region have had little focus on biodiversity as a development resource. These countries' institutional capacity for registering species and ecosystems and for sustainable management of the unique biological diversity that exists in the region is weak. The loss of biodiversity has reduced the possibilities for development in many poor, rural areas. One exception is Costa Rica which, partly through the work of the Instituto Nacional de Biodiversidad (INBio), has helped to make the country a leading nation in the sustainable use of biodiversity, especially through tourism.
- › **WHO** INBio is a private foundation that was established in 1989. Norad has been providing assistance since 1992, initially to develop the institution technically and administratively. Since 2002, Norway has supported regional cooperation between INBio and institutions and universities in neighbouring countries in order to strengthen their technical and institutional capacity.
- › **WHAT** The goal was to expand national plant collections in Central America and produce databases of existing flora. The project was also intended to strengthen cooperation between countries in the region on the development of a common agenda for the conservation and exploitation of biodiversity.
- › **HOW MUCH** Norway contributed a total of NOK 30 million from 2003 to 2010. In addition to this, the participant institutions provided salaries, office facilities, transport and scientific equipment.
- › **RESULTS**¹⁶ An evaluation carried out in 2010 found that a great deal had been achieved in terms of improvements in individual technical expertise. The evaluation also points to a significant change in professional pride associated with working on nature

conservation and biodiversity in comparison with the period before the project was initiated. At the organisational level, the evaluation refers to results in the form of scientific publications, a regional database of Central American flora and better equipped herbaria. One result is that the participating universities have pledged to continue to provide financial support for the development of herbaria. There has been a marked change in the attitude of university leaders, students and the general public as regards the importance of herbaria as information centres. At the societal level, the most important result is the adoption of a regional strategy for agriculture, environment and health in 2008. The strategy shows that the regional leaders recognise that biodiversity does not follow national borders and that it is necessary to adopt a common regional approach.

- › **LESSONS LEARNED** In regional cooperative projects, it is important to respect the fundamental differences between the various national institutions. In the evaluation of the project, all the parties reported that their expectations of cooperation had been fulfilled. One of the strengths of the project was that it provided predictable, flexible financing outside the regular and more bureaucratic state funding. One important lesson was that herbaria that did not already have a certain amount of basic funding for operating expenses and technical staff should not participate in the project.

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¹⁶ Pérez, A. M., F. García-Barrios and C. Borge (2010). *Final Evaluation of Project "Building Capacity and Sharing Technology for Biodiversity Management in Central America"*.

THE PARIS DECLARATION: HAS NATIONAL OWNERSHIP BEEN STRENGTHENED?

Experience shows that aid is most effective when the recipient feels responsible for and has a sense of ownership of the activity that is being supported. However, all aid organisations have their own development policy goals. Norwegian development policy is based on a desire to promote changes and reforms that benefit ordinary people in poor countries. A donor's desire for influence may conflict with the recipient's sense of ownership. This applies, not least, to capacity development.

The proactive role must be designed with great respect for the partners with whom we wish to cooperate. This is the core of the *Paris Declaration on Aid Effectiveness*, endorsed in 2005, and the subsequent *Accra Agenda for Action*, endorsed in 2008, which are adhered to by more than one hundred countries and aid organisations. The purpose of these declarations is to build stronger, more effective development cooperation in order to improve recipient countries' ability to achieve their own development goals. The aim is to 'put the recipient in the driving seat', and one of the means is to change donor behaviour. Donors cannot decide that recipients will take more responsibility for development efforts, but they can help to facilitate this.

The underlying reason is the recognition that international development cooperation has not produced the desired results and that there are obstacles on both the recipient and the donor sides. The large number of donors all insisting on their own trademark issues, their own high-profile projects and their own procedures makes it difficult for national authorities to gain an overview of the resources at their disposal and to plan coherently. At the same time, there has been a great deal of discontent among donors about what they regard as a lack of political ability and willingness in many partner countries to take responsibility for the way aid is used.

The Paris Declaration is a compromise. Both parties must make concessions and commitments. The declaration has ambitious goals that entail capacity development on both sides.

- » Recipient countries must develop their own poverty reduction strategies, improve their institutions to implement them and combat corruption
- » Donor countries must support national development plans, use local systems for channelling aid, coordinate their activities with other donors and give more untied aid
- » The parties must be mutually responsible for ensuring that aid leads to results and for improving the measurement of results

Small steps in the right direction

Every second year, the OECD monitors progress in relation to the commitments made in 2005.* The follow-up report in 2008 collected data for twelve indicators from 55 recipient countries. The conclusion is that, despite a certain amount of progress, a serious effort must be made to achieve the goals that have been set for 2010. On the recipient side, the most progress had been made on systems for managing government funds. On the donor side, the most progress had been made in untying aid and coordinating technical assistance.

However, several of the goals are unlikely to be achieved. Less than half of development aid is subject to the public financial management and procurement rules of recipient countries. Little progress has been made since 2005, even in countries where these systems have improved and function well. Most recipient countries now have national development strategies, often drawn up with the help of the donor community. So far, only one fifth of countries can show that their strategies are used actively in the preparation of the central government budget.

The follow-up study showed that Norway performed worse in 2008 than in 2006 with respect to some indicators. Nevertheless, Norway has a high score compared with other donors, especially as regards the use of partner countries' financing and procurement systems, predictability of transfers, untying aid, and joint analyses with other donors. However, Norway still has a long way to go to achieve the goals laid down in the international declarations on aid effectiveness.

The survey shows that at best case it will take longer than anticipated to strengthen capacity in recipient countries and to design and implement a good development policy and good management practices. The same applies to necessary changes in donor behaviour. This slow progress also raises questions about whether there is sufficient political will to implement such changes.

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* *Better Aid. 2008 Survey on Monitoring the Paris Declaration. Making Aid More Effective by 2010*, OECD (2008).

CENTRAL AMERICA: BETTER PREPARED TO DEAL WITH NATURAL DISASTERS

› **WHY** The region regularly experiences severe natural disasters caused by earthquakes, landslides, floods and hurricanes. Hurricane Mitch, which struck Honduras, Guatemala and Nicaragua in 1998 resulted in 2.7 million homeless people and 20,000 deaths. This led to a regional initiative to improve the authorities' ability to monitor and deal with natural disasters. A joint strategy was adopted at a summit meeting of regional heads of state in 1999.

› **WHO** In 1991, Norway decided to support a project to improve capacity in the field of seismic measurement and earthquake monitoring in six countries in the region. The project was linked to the Centro de Coordinación para la Prevención de los Desastres Naturales en América Central (CEPREDENAC), which is an international, regional organisation based in Guatemala. The organisation is responsible for supporting and coordinating technical work on natural disaster prevention. The University of Bergen and the Norwegian Foundation for Applied Geophysical Research (NORSAR) were the Norwegian partners. A special project on landslide hazard was subsequently established with the Norwegian Geotechnical Institute (NGI) as the Norwegian partner.

› **WHAT** The aim of supporting CEPREDENAC has been to develop a regional plan for dealing with natural disasters, strengthen cooperation between experts in the region, and develop guidelines for and carry out risk assessments for important physical installations.

› **HOW MUCH** Development assistance from 1991 to the present day has totalled nearly NOK 47 million, almost half of which was provided after 2004.

› **RESULTS**¹⁷ CEPREDENAC has established a network comprising approximately 350 experts in the region. The centre has contributed to the development of a new regional strategy for disaster preparedness that was adopted at the summit meeting of heads of state in June 2010. A series of practical handbooks has been prepared on areas such as monitoring, building regulations and information for the general public. There is a great deal of room for improvement with respect to the use made of the expert network and the material that has been prepared.

› **LESSONS LEARNED** The flexibility of cooperation with Norway has increased the potential for adjusting the amount of assistance in relation to capacity and progress at CEPREDENAC. It is a challenge for the centre to find out how to improve its ability to reach



important local actors. Experience from previous disasters indicates that the most effective method is to increase preparedness at as low a level as possible. An evaluation of this collaboration indicates that the results of the centre's technical work have not been communicated well enough to potential users. An important precondition for the sustainability of capacity development projects supported by Norway and other donors is that national authorities must, to a greater extent, provide budget funds. The centre is too dependent on externally financed projects.

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¹⁷ Scanteam and Cabal, S.A. (2010). "Review of Norway's Cooperation with CEPREDENAC: Prevention of Natural Disasters in Central America".

UGANDA: EDUCATION AND PROTECTION OF INTERNALLY DISPLACED PERSONS IN THE NORTHERN REGION

- › **WHY** There has been a warlike situation in northern Uganda since the mid-1980s, when the rebel group the Lord's Resistance Army (LRA) was formed and started an uprising against the government. The LRA recruited soldiers by kidnapping children, and 80 per cent of the LRA army probably consists of child soldiers. Attacks against the local population led to a large number of internal refugees. At the peak, 1.8 million refugees were living in camps established by the authorities. The conflict between the LRA and the Ugandan authorities has become less intense in recent years. The region is in a transitional phase. Although no final peace agreement has been signed, the parties have agreed on a ceasefire, which has resulted in many people returning home from the camps. According to UNDP, the number of internally displaced people declined to 295,000 towards the end of 2009. It has been extremely difficult for many of these people to return home, not least due to conflicts about property rights. Capacity development in the form of more education and vocational training is a prerequisite for stabilising the situation.
- › **WHO** The Norwegian Refugee Council (NRC) has been working in the region since 1997 and is the main Norwegian actor in northern Uganda. The NRC is currently phasing out its activities in northern Uganda and aims to wind up its country programme by 2014.
- › **WHAT** The main goal was to develop local capacity to build schools and provide basic education. The NRC has worked through local official and voluntary organisations. Capacity development in the public system has been the most important objective.
- › **HOW MUCH** From 2008 to 2010, Norway's contribution totalled NOK 76 million.
- › **RESULTS**¹⁸ An evaluation of Norwegian development cooperation through Norwegian non-governmental organisations in northern Uganda (2003–2007) concluded that the NGOs had contributed to practical improvements in school attendance, shelter, life-saving health services and income from animal husbandry. The evaluation points out that reporting on development targets must improve. Another conclusion is that the Norwegian NGOs did not contribute enough to long-term capacity development for its local partners. The evaluation also concluded that women's rights were not sufficiently safeguarded.
- › **LESSONS LEARNED** Norad's organisational review of the NRC in 2009 concluded that donors, in dialogue with recipients, must focus continuously on local capacity development in order to achieve lasting results. The NRC has called for stronger leadership from the Ugandan authorities in connection with a long-term development strategy.

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 18 Image Consult Limited, Kampala (2009). "Evaluation of Norwegian Development Cooperation through Norwegian Non-Governmental Organisations in Northern Uganda (2003-2007). Norad Report 3/2009.

UGANDA: AN EMPLOYERS' ORGANISATION WITH GREATER INFLUENCE

- › **WHY** The Federation of Uganda Employers (FUE) is Uganda's national employers' organisation. Well-functioning employers' and business organisations are regarded as important, necessary factors in the development of a market economy and an effective labour market. Work in this area is part of the Strategy for Norwegian Support of Private Sector Development in Developing Countries and an element in the effort to strengthen good governance.
- › **WHO** In this process, the Confederation of Norwegian Enterprise (NHO) contributes its expertise as both an employers' organisation and a business organisation. Since 1997, NHO has been engaged in institutional cooperation with FUE and is the sister organisation with which FUE has collaborated for the longest time.
- › **WHAT** The objectives of this collaboration are to strengthen FUE as a business organisation and thereby improve service delivery to member enterprises, and to help ensure that FUE becomes the most important mouthpiece for employers in Uganda. Efforts are being made to strengthen FUE's capacity at the local level in order to improve the competitiveness of member enterprises. Cooperation has focused on recruiting members, the secretariat, the FUE's advisory services, inter-enterprise cooperation, raising awareness of corporate social responsibility, promoting gender equality, and environment, health and safety.
- › **HOW MUCH** Since 1998, assistance for institutional cooperation between FUE and NHO has totalled approximately NOK 15 million. The budget for support from Norad in 2010 is NOK 900,000.
- › **RESULTS**¹⁹ FUE has undergone considerable development since 1997. The organisation has achieved significant growth in terms of both the number of members and its representation outside the capital. The number of member enterprises has increased from just over one hundred in 2000 to 330. 18 sector organisations are members of FUE. The organisation has established and presents the Employer of the Year Award, which encourages employers to improve working conditions at various workplaces.

FUE has also developed into an important and competent social actor in Uganda on behalf of its member enterprises, and exerts influence on the decisions made by the Ugandan authorities. FUE is represented on 16 national boards and official committees, and played a key role as a lobbyist when the following Acts were introduced in Uganda: the *Employment Act 2006*, the *Labour Disputes (Arbitration and Settlements) Act 2006*, the *Labour Unions Act 2006* and the *Occupational Health and Safety Act 2006*. Cooperation with employees' organisations has been formalised and arenas for discussion of issues relating to working life have been estab-



lished. In the transport and construction sectors, it is reported that the number of accidents in member enterprises has declined since the introduction of safety measures recommended by FUE. The formal sector is growing in Uganda, and in 2007 annual growth in the number of employees was reported to be 6,000. The introduction of good environmental standards has given FUE's member enterprises a competitive advantage.

- › **LESSONS LEARNED** Cooperation between FUE and NHO has been in progress since 1997 and shows that long-term institutional cooperation can produce good results, even with relatively modest resources. The two sister organisations have collaborated well, and this has been a factor of decisive benefit for the results.

¹⁹ Based on reports from the Norwegian embassy.

SRI LANKA: HAMBANTOTA CHAMBER OF COMMERCE ESTABLISHED WITH NORWEGIAN FUNDING

- › **WHY** Hambantota District in southern Sri Lanka was for a long time one of the least developed districts in the country. The latest national poverty studies, carried out in 2007, show that this situation has changed. Hambantota now has the fifth lowest percentage of poor people of the country's 19 districts. Many factors contributed to this progress, including the Norwegian-financed regional development programme, HIRDEP, from 1982 to 1999. In the 1990s, in accordance with changes in national policies, there was stronger focus on developing the private sector, which included supporting the establishment of a Chamber of Commerce. There has been significant economic growth in the past 30 years, mainly in the agricultural sector. There are still major challenges relating to the development of trade and industry.
- › **WHO** The Hambantota District Chamber of Commerce was first established with Norwegian assistance in 1993 and has been receiving support from Norway ever since, including after HIRDEP was wound up.
- › **WHAT** The purpose of this assistance was to build a stronger private sector and establish a professionally competent Chamber of Commerce that could continue to operate under its own steam. The aim of the Chamber of Commerce is to help companies and entrepreneurs by providing training and information.
- › **HOW MUCH** Since 1999, the Chamber of Commerce has received NOK 10 million, mainly to subsidise operating expenses. Under HIRDEP, Norway financed an office building and a training centre.
- › **RESULTS**²⁰ An evaluation of Norwegian business-related assistance focused particularly on the Hambantota Chamber of Commerce, which has been a model for chambers of commerce in other districts. It has been an important spur to new investments in the region, including the establishment of private banks.

In 1999, the Chamber of Commerce had 250 members. Development has stagnated and the membership figures had not increased much in 2008. The Chamber of Commerce has a large national and international network and receives assistance from several sources. The evaluation questions how useful the Chamber of Commerce is for local business people.

- › **LESSONS LEARNED** The evaluation maintains that the main problem is aid dependency. The degree of self-financing through membership dues and other revenues is 40 per cent. The Chamber of Commerce will have to change its strategy, but the evaluation says nothing about how this should be done. In a district that still does not have large enterprises making large profits, it is hard to imagine that local revenues will be sufficient to finance the Chamber of Commerce in the foreseeable future. The alternative is either to downsize activities and reduce expenditure or to find new external sponsors. The agreement with Norway expires in 2010.

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 20 Norad (2009). *Evaluation of Norwegian Business-related Assistance. Sri Lanka Case Study*. Study Report 3/2009, Evaluation Department.

FK NORWAY: ARE EXCHANGES OF PERSONNEL GOOD CAPACITY DEVELOPMENT?

The new Fredskorpset organisation (FK Norway) was established in 2000 following a realisation that the old organisation, established in 1963, had lost much of its original ideal of building bridges between peoples. Fredskorpset had become a programme for providing technical assistance that was little suited to the needs of partner countries. In the new FK Norway, the participants take part in mutual exchange programmes between organisations in Norway and in developing countries. The organisations concerned may be official, voluntary, foundations or enterprises. The purpose is to promote individual learning and contribute to capacity development in partner organisations.

In 2006, Norad carried out an evaluation of the first five years of operation. Both individual learning and capacity development were assessed.* At the end of 2005, a total of 1,805 persons had participated as FK workers and there were 377 registered partner organisations. Total costs from 2001 to 2005 amounted to NOK 670 million.

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* Carlsen, J. et al. (2006), *Evaluation of Fredskorpset*. Evaluation Report 2/2006. Norad.

** Evaluation of Norwegian Business-related Assistance, Uganda Case Study, Study Report 6/2010. Norad.

All the Norwegian participants who were interviewed said that they had learned a lot and that their stay had meant a great deal personally and was good for their careers. The participants from partner countries were even more satisfied with the personal benefit. As regards capacity development, however, the responses were fairly negative. Partner organisations in both Norway and partner countries stated that they had benefited little from the competence and experience acquired by the FK workers. In partner countries, most of them applied for new jobs or further education shortly after they returned home, while the Norwegians brought back new knowledge that was not directly relevant for their organisation's operations in Norway. Several of the Norwegian participants pointed out that their expertise could have been better utilised.

The evaluation concluded that direct exchanges between partners in developing countries, known as south-south cooperation, were generally more useful than exchanges between partners in Norway and its partner countries**.

It is difficult to do anything about many of the factors that affect the usefulness of exchanges for organisations, and ambitions regarding the results must be realistic. The evaluation points out that the benefit can be greater if both parties' need for capacity development is identified in advance and the exchange is better planned with this in mind.

INDONESIA: MORE WOMEN INTO POLITICS

- › **WHY** Although Indonesia has been through a period of growing democratisation since the fall of Suharto in 1998, much remains to be done with respect to women's participation in politics. Measures are required both to reduce the barriers to women's political empowerment and to improve women's competence and capacity to participate in politics.
- › **WHO** In 2007, the Norwegian embassy in Jakarta entered into cooperation with a regional organisation, The Asia Foundation, on a three-year project to strengthen women's political participation prior to the 2009 election. The purpose of the project accords with the "Norwegian Action Plan for Women's Rights and Gender Equality in Development Cooperation".
- › **HOW MUCH** The project was carried out in four provinces and Norway contributed approximately NOK 8 million.
- › **WHAT** Together with local partners, The Asia Foundation provided training for female politicians. They created arenas where female candidates could meet voters. A list of almost one thousand potential candidates was drawn up to show that competent women existed. The Asia Foundation engaged in lobbying activities to improve the framework conditions for women's political participation. Among other things, statutory quotas were established for the share of women in parliament and political parties. The use of media played an important role in the campaign.
- › **RESULTS**²¹ The proportion of women elected to the Indonesian parliament in 2009 increased from 10.5 per cent in 2004 to 18 per cent in 2009. The Asia Foundation was not the only actor, but according to an evaluation it made a significant contribution to the lobbying activity that led to the result.

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 21. Based on reports from the Norwegian embassy.

Nevertheless, the results raise a number of questions, including whom the elected women represent. The evaluation points out that politically active women often come from families or are married to men who have been in politics for many years. Electability is largely based on having the right connections and belonging to the elite. Political empowerment is not a genuine possibility for female candidates who do not have the same social and financial capital as the elite.

- › **LESSONS LEARNED** It was important that The Asia Foundation chose a robust national institution as its main partner. Puskapol is a research-based organisation located at one of Indonesia's best universities. The organisation has been working on elections for many years and has good networks in the provinces. The Asia Foundation also drew on organisations working on relevant issues, such as budget and legislative reforms. This helped to promote broader support for activities aimed at increasing women's political empowerment.

The evaluation points to challenges related to the sustainability of civil society organisations at the provincial level and the fact that such organisations are often highly dependent on aid. The challenge is to contribute to robust organisations that can continue the work after the end of the project period. Women's political empowerment is dependent on changes in cultural and social structures, and such changes require long-term efforts and local support.

MALAWI: THE FARMERS' ORGANISATION THAT THINKS IN NEW WAYS

› **WHY** Malawi's economy is based on agriculture. Almost half of GNI is generated in the agricultural sector, which accounts for 90 per cent of exports. More than half of this is tobacco. Food security is a serious problem related to drought, floods, deforestation and soil degradation. It is essential to achieve more sustainable, more diversified agricultural production. On this basis, in 2000 Norway decided to provide substantial support for the largest farmers' organisation, the National Smallholder Farmers' Association of Malawi (NASFAM). The organisation was exceptional in that it had a dedicated, purposeful leadership with forward-looking plans and ideas that were also in line with Malawi's and Norway's poverty reduction strategies.

› **WHO** NASFAM has previously received support from USAID and the National Aids Commission. The EU and Irish Aid have also provided support. Norway has contributed the most funding and enabled the implementation of extensive national programmes with many different objectives.

› **WHAT** Cooperation between NASFAM and Norway is related to organisational development, policy, practical agriculture and poverty reduction. NASFAM wished to strengthen its own organisation in terms of both its day-to-day operations and its role in society. The organisation wishes to be a trade union for poor smallholders and at the same time both cooperate with and challenge the authorities. It wishes to strengthen the position of women in agriculture. Women, who account for 70 to 80 per cent of all Malawian smallholders, have limited influence on choices that affect their everyday lives.

In NASFAM's view, Malawi is too economically dependent on tobacco, and it points to major problems related to under-nutrition and malnutrition. The organisation is working to develop other products for the export market. The official advisory service has many weaknesses and NASFAM wishes to contribute to more effective advice and follow-up for smallholders. It primarily wishes to help farmers in the transition from subsistence farming to agribusiness.

› **HOW MUCH** Norway has been supporting NASFAM for ten years, and NOK 116 million has been disbursed so far. A further NOK 15 million has been agreed. Future financing is a major challenge. NASFAM is totally dependent on aid. The amount that can be generated from membership dues is limited. A business department has been separated from other activities, but it is still not operating at a profit. A strategy for phasing out aid without undermining the progress that has been made is not yet in place.

› **RESULTS**²² NASFAM's activities have been influenced by its cooperation with Norway. NASFAM is now a stronger organisation, more capable of running programmes financial management and self-evaluation. Its capacity to provide advice for members has improved considerably. Cooperation with the authorities on information and advisory services has been developed. There have been important changes in priorities. In recent years, NASFAM has increasingly focused on nutrition, tree-planting, adaptation to climate change and energy-saving. NASFAM has succeeded in developing the capacity of its members. Farmers have been trained to represent the organisation in formal arenas, in both national and international contexts. Women have leading roles at all levels.

According to NASFAM's Development Impact Assessment, the organisation has helped to increase productivity in the agricultural sector. Fifty per cent of NASFAM farmers cultivate enough food to feed their families, compared with 32 per cent of other smallholders. A transition is in progress from non-diversified agriculture focusing on tobacco and maize to cultivation of cotton, rice, peanuts, soya, chilli and bell peppers. Some of this production is exported. Peanuts produced by NASFAM farmers have been approved as Fair Trade products.

In a short period of time, more climate-adapted agriculture has emerged in some districts. In this connection, NASFAM has contributed to an extensive tree-planting programme. Smallholders have improved access to credit through the Malawi Union of Savings and Credit Cooperatives.

NASFAM has become an organisation with a great deal of influence. The head of NASFAM has been appointed to a seat on the President's advisory body, and the organisation's opinions and experience are listened to. Among other things, NASFAM has helped to make it easier for smallholders to find markets for their products. NASFAM has also achieved international recognition and in 2009 was awarded the Yara Prize for its efforts.

› **LESSONS LEARNED** One important reason for the success of Norway's cooperation with NASFAM is the organisation's competent, motivated leadership. Another important factor is that Norway was able to commit itself to long-term cooperation and provided considerable funding. This made it possible for the leadership to realise its ambition of making NASFAM an important social actor. The Norwegian embassy has played a role in encouraging collaboration and the exchange of experience with various organisations, so that NASFAM's knowledge benefits others and the organisation becomes more open to insight and criticism.

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22 S. W. Bie and S. Phiri (2009). *Mid Term Review of the Strategic Development Program of NASFAM 2006-2011 (SDP 2); and NASFAM (2007). Impact Assessment of NASFAM's programme and services and livelihoods of smallholder farmer members.* Monitoring Evaluation and Communication Unit, NASFAM Development.

NEPAL: RIGHTS FOR SEXUAL MINORITIES

- › **WHY** In 2007, the Supreme Court in Nepal ruled that the country was to have legislation that guaranteed the rights of lesbians, gays and trans-gender persons. All sexual minorities were to be treated as natural persons under Nepalese law. The government was ordered to review all legislation and eliminate all forms of discrimination. It was also decided that “third gender” persons were to have the same status as men and women in official documents. It was to be possible to tick the “third gender” box in passports and other identity papers, and homosexual marriage was to be legalised.
 - › **WHO** The Blue Diamond Society (BDS) has been a pivotal actor in this development. BDS is a voluntary organisation for sexual minorities in Nepal. It was established in 2001 by Sunil Pant, who is openly gay and a member of parliament. BDS has worked with its sister organisation in Norway, the Norwegian LGBT Association, which has been the channel for aid from Norad since 2007.
 - › **WHAT** BDS has worked on prevention and treatment of HIV and AIDS among homosexuals. Groups at risk of HIV/AIDS are offered advice and testing. A hospice in Kathmandu treats gay AIDS patients who are turned away from other hospitals. BDS has documented human rights violations, offered free legal aid, actively used the media to increase acceptance of sexual minorities and worked to promote more liberal, inclusive legislation. It has helped gays, lesbians and trans-persons who have been mistreated by the police, excluded from schools and workplaces or denied inheritance and property rights. Aid from Norway has primarily been used to support work on human rights, leadership training and technical advice. The Norwegian embassy has also provided support for BDS.
 - › **HOW MUCH** Norad has provided financing amounting to approximately NOK 1 million per year. Moreover, the Norwegian LGBT Association has received support from the Norwegian Ministry of Foreign Affairs. The Norwegian embassy has also provided a one-off grant to the Blue Diamond Society for the purchase of offices.
 - › **RESULTS**²³ The most important results were achieved after Sunil Pant and BDS brought a legal case against the State and in 2007 won on all counts in the Supreme Court. Sunil Pant was elected to Parliament in 2008. Several political parties have now included sexual minorities in their party programmes as groups in need of special protection. BDS is involved in work on the new constitution to ensure that sexual minorities are included in the section that concerns fundamental rights for the country’s citizens.
 - › **LESSONS LEARNED** Capacity and a professional approach were important factors. BDS used good lawyers on human rights issues. Abuse and rights violations were documented and legislation in other countries was analysed. The media were used to raise awareness. Moreover, Sunil Pant is well-known and respected in Nepal. Religious and cultural traditions also appear to have helped the work of the Blue Diamond Society. There are references in old Hindu texts to “persons of a third nature”. There is also a tradition in Nepal for men to dress as women to sing and dance in various ceremonies.
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- 23 Raising awareness about sexual health and human rights through civic engagement and community empowerment: The case of Blue Diamond Society and the Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) community in Nepal, Lesnikowska, A, Institute for Health and Social Policy Case Study Vol. 3 No. 1, December, 2009.



Norway supports work on rights for sexual minorities in Nepal. The organization Blue Diamond Society has been pivotal in supporting homosexuals, lesbians, bisexuals and trans-persons. The Supreme Court in Nepal in December 2007 ruled that “third gender” persons were to have the same status as men and women. 23 year old Bumika (photo) prefers women’s clothing. She is one of the organization’s activists and regularly participates in public debates. Photo: Gunnar Zachrisen

GUATEMALA: POLITICAL ORGANISATION OF MAYAN WOMEN

- WHY** The Mayan people account for a majority of Guatemala's population. The situation for most Mayan women is especially difficult. The degree of under-nutrition among Mayan girls is extremely high and on a par with the hardest hit of the least developed countries. There is a widespread lack of education and a high level of illiteracy. Many girls give birth at a very young age and remain mired in extreme poverty. Their language, beliefs and culture are subjected to discrimination and lead to exclusion. Many of them are not listed in the population register and can neither vote at elections nor exercise other rights. Furthermore, violence against women is widespread.

The Movimiento Político de Mujeres Mayas (Moloj) is the only political organisation for Mayan women in Guatemala. The organisation works to strengthen the political representation and empowerment of Mayan women.

- WHO** Contact and solidarity between Mayan women and Norwegian women and authorities goes back more than 20 years (see box). Moloj established cooperation with the Forum for Women and Development (FOKUS) at an early stage. Cooperation with the Norwegian embassy in Guatemala was established in 2008, when it was decided that all development cooperation was to be concentrated on indigenous rights. Moloj is an important partner for the embassy. The embassy follows events closely and exerts pressure to ensure that the implementation of the project is an important learning period during which the organisation can improve its capacity for project management. Moloj still works closely with FOKUS, as well as with Norwegian Church Aid and with Norwegian municipalities through the Norwegian Association of Local and Regional Authorities (KS). The collaboration between KS, FOKUS, Moloj and others to mobilise Mayan women prior to the 2011 elections also includes the Guatemalan Association of Mayors and Indigenous Authorities (AGAAI)

- WHAT** The main purpose of the embassy's support for Moloj is to promote full implementation of the political and civil rights of Mayan women in Guatemala. The institutional capacity of Moloj and the leadership of Mayan women will be strengthened through education and institutional processes. Capacity development, education, cultural identity and self-esteem are crucial factors for success. Moloj has limited capacity and its work is not institutionalised to any great extent. Many of the members lack the education that is necessary to be accepted as serious actors in the political arena.

Norway is financing the acquisition of a new headquarters in the capital and a training centre in Sololá. In 2009, the embassy entered into an agreement with Moloj on a two-year project for institution-building and political education. The project is also intended to ensure optimum use of the newly-acquired houses.



- HOW MUCH** Support for the purchase of houses amounted to NOK 3.8 million, while further assistance up to 2011 will total NOK 1,375,000.

- RESULTS**²⁴ The current cooperation programme is at an early stage, but there have been changes at the organisational level. The purchase of houses entails capacity development. It is unusual for Mayan women to enter the property market and this posed new challenges. According to the embassy, Moloj did a good job.

Work in connection with acquisitions and appointments has led to greater transparency within the organisation. Fixed procedures for membership are being established, including a database of all members containing contact information, address, language, occupational area and contact network with other organisations.

24 Based on reports from the Norwegian embassy.

Mayan women and contacts with Norway – a brief history

1989: Mayan women come to Norway, partly due to the annual Norwegian TV charity that this year includes projects for them. Among them is Rosalina Tuyuc, a fearless campaigner for the widows' organisation Conavigua. Some years later, she is one of the first Mayan women to be elected to the country's national assembly.

1992: Rigoberta Menchu is awarded the Nobel Peace Prize in Oslo.

1996: The ceasefire agreement for Guatemala is signed in Oslo City Hall. One of the delegates is Otilia Lux, who some years later becomes the first Mayan woman to join the Guatemalan Government. She is currently the most prominent spokeswoman for the Mayan people in the national assembly.

1997: Rosalina, Rigoberta and Otilia are among the informed, active Mayan women who form the Mayan women's political organisation Moloj.

2008: After supporting the Mayan women in Conavigua and Moloj for many years, the Norwegian Forum for Women and Development (FOKUS), with Moloj and others, publishes the book *Fredsveverskene* (The Peace Weavers), which contains portraits of women, and arranges a conference in Guatemala.

2009: State Secretary Håkon Gulbrandsen inaugurates Moloj's new headquarters in Guatemala City which, together with Moloj's capacity-building centre in Sololá, is funded by the Norwegian Ministry of Foreign Affairs.

April 2010: The Norwegian Association of Local and Regional Authorities (KS), Moloj and Norwegian and Guatemalan municipal authorities jointly host a women's forum in Moloj's capacity-building centre in Sololá.

September 2010: KS enters into an agreement with the Guatemalan Association of Mayors and Indigenous Authorities (AGAAI) to strengthen the political empowerment of Mayan women in cooperation with Moloj and FOKUS.

At the societal level it is impossible to point to specific results from Moloj's work so far. There are very few Mayan women on municipal councils or in Congress. Moloj has been working with the Women's Commission in Congress to ensure that a section on gender focus in the budget is included in the Act relating to the national budget.

› **LESSONS LEARNED** This example shows that relatively modest funds can do a great deal when basic knowledge and simple tools are lacking. Moreover, patience is required in order to influence cultural and political opinions. Since the project was initiated, it has been a challenge for Moloj to spend the allocated funds. The reason for this may be that the project is mainly dedicated to institutional and political education and requires little funding for purchases and acquisitions.



LESSONS FOR NORWEGIAN DEVELOPMENT COOPERATION



Tanzania. Katabazi Philemon Frances and Baru Mwita plan a presentation on how best to run a 73-hectare farm. They propose planting potatoes, mangoes and maize. There must also be areas where cows can graze.

It is important to be able to document results, but it is also important to understand *why* we are successful, or not as the case may be. One question is whether some types of aid for capacity development seem to work better than others. The answer is not a simple yes or no.

One reason for this is that the range of experience is so vast. This is reflected in the significant differences between recipient organisations. Support for capacity development is affected by the efforts of individuals, the quality of planning, and external influences, among other things. The challenge for aid donors lies in utilising the multiplicity of lessons learned. Many studies have shown how difficult this has been throughout the history of development aid.

We might also ask whether aid for capacity development is too motivated by donor interests. Self-interest may be political, economic, or the fact that an organisation in Norway will not give up the idea that it is needed in Africa. In such cases, aid is supply-driven rather than a response to the demand of recipients.

Three questions often recur when the effect of aid for capacity development is considered:

1. Does aid to develop national institutions and influence framework conditions take place at the expense of national ownership?
2. How can we best ensure that aid helps to develop capacity that is sustainable over time?
3. How effective are the various forms of aid for capacity development?

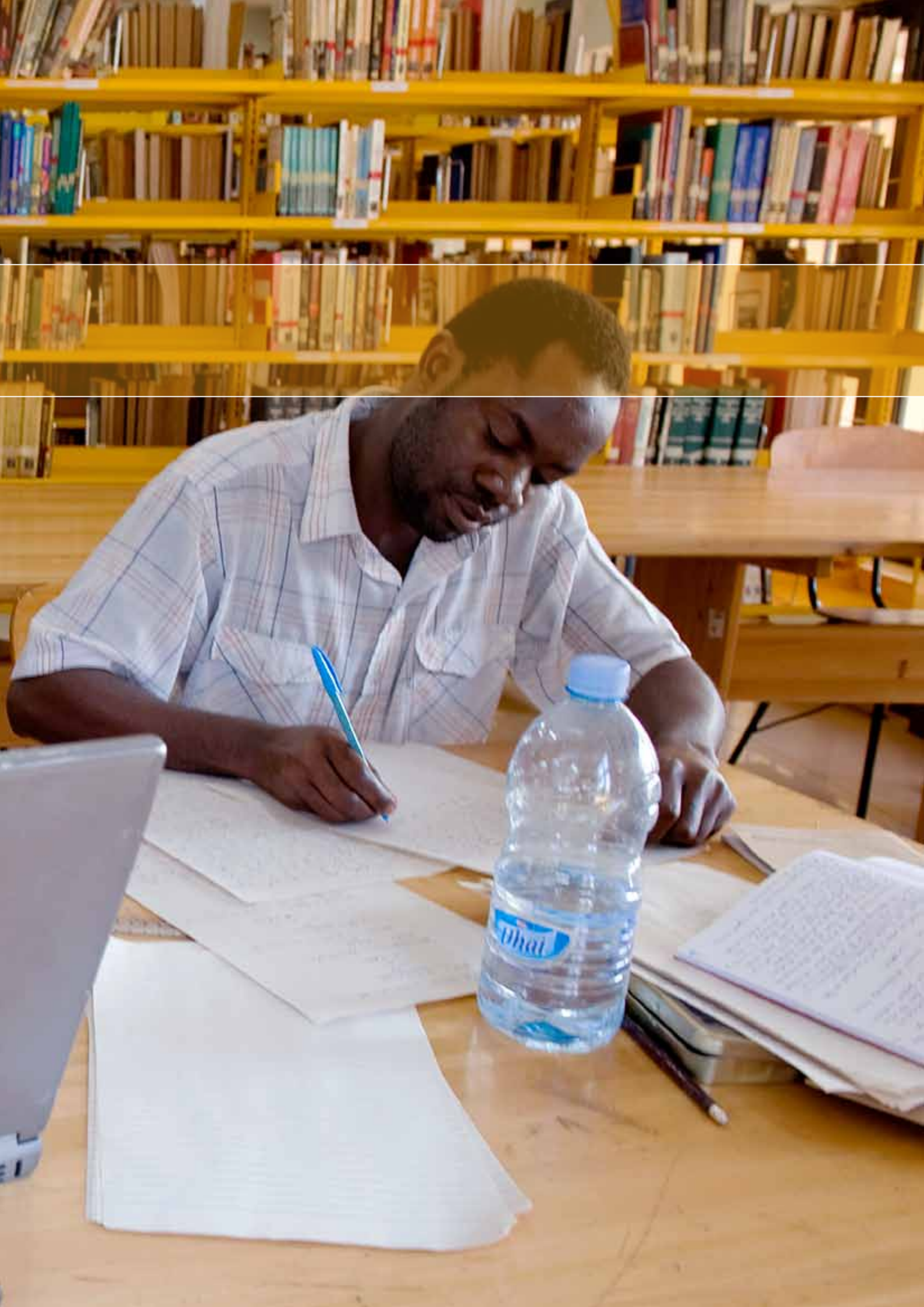
In this summary we discuss these three questions with a view to arriving at relevant lessons for Norwegian development assistance. Although the above examples vary widely, in conjunction with other lessons learned from Norwegian development cooperation they can help us to find answers to these questions. On this basis, we can draw some important conclusions.

DOES AID UNDERMINE NATIONAL OWNERSHIP?

Norwegian development policy is based on a desire to promote changes and reforms for the benefit of ordinary people in poor countries. Aid for capacity development at the national level must also be viewed in this light. As mentioned in Chapter 1.1, we distinguish between three different levels of capacity development: individual, organisational and societal. When donors evaluate capacity development as an instrument, it is important to strike a balance between the desire to influence framework conditions on the one hand and the importance of recipients having or being allowed to develop ownership of policies and programmes on the other.

Researchers²⁵ have shown that the strong presence of donors may be a factor in lim-

²⁵ See, for example, Lindsay Whitfield and Alistair Frazer: Introduction: Aid and Sovereignty, Chapter in "The Politics of Aid: African Strategies for Dealing with Donors." Oxford University Press, 2009.



iting the policy alternatives of authorities in partner countries because aid is provided on condition that the funds are spent on the donors' priority areas. This particularly applies to aid that is intended to build institutions and improve governance in the country concerned. The authorities have to change their policies and priorities to qualify for aid. Some researchers believe that this tends to make authorities accountable to donors rather than accountable to their own voters. Democratic development in the country can thereby be undermined. There may be some foundation for this criticism. However, it is important to take into account the political and economic power structures if we are to be able to say anything about the impact at country level. It is not necessarily true that authorities in poor countries would be more accountable to their own population if donor influence were reduced, or that they would pursue a policy that benefited the population as a whole. It is not hard to find examples of donors and aid organisations helping to strengthen the poor majority's side against political and financial elites.

Partner countries' ownership of development policy is not a clear, simple concept. Ownership may be limited to a narrow political group, or it may be based in broader strata of society. The basis for ownership may affect which groups benefit from the results of the policy or the aid. For example, some members of the political or financial elite may often oppose effective taxation systems. Ownership of change processes that lead to development in a country is often the result of internal processes being influenced by ideas from outside, whether through aid or by other means. In this type of context, the way cooperation is organised and the way it is implemented are particularly important. A proactive role must be designed with great respect for the partners with whom we wish to cooperate.

The 2005 Paris Declaration goes to the core of the dilemma between influence and ownership. At an international meeting in Paris in 2005, and in Accra in 2008, agreement was reached on ambitious targets to improve the coordination of the many kinds of aid, to align it with the plans and systems of recipient countries and,

to a greater extent, to provide it through countries' official budgets. This was intended to ensure that countries assumed greater ownership of development policy and of activities in the various sectors, with respect to the use of both the country's own resources and aid funds. This has also worked in some of the wealthier developing countries. For the poorest countries, however, one of the problems has been that they do not have the necessary capacity to assume the ownership that the Paris Declaration expects of them. Moreover, the amount of resources used on the coordination process itself has been enormous, both for donors and for the authorities of partner countries.

An example from Bangladesh in this report illustrates the question of the influence and ownership of aid. In Bangladesh, Norad wished to support the development of a professional, independent analysis institute that could provide training and advice for the petroleum-sector authorities. Although the initiative achieved certain individual results in the form of useful studies, Norway's support was based on the expectation that reforms were just around the corner. The fact that such reforms did not materialise indicate that there was no national ownership of the initiative and the project conflicted with established interests in this sector in Bangladesh. The institutions supported by Norway therefore received little support from the authorities and never assumed the role expected by Norway.

Several other examples show how aid for capacity development works best when recipients have a strong vested interest in success and a strong sense of ownership. One such example is the training of mariners in the Philippines. With relatively modest funding, Norway provided support for certification processes and training, with the result that the Philippines today features on the International Maritime Organisation's (IMOs') list of countries that satisfy the requirements of the STCW Convention, which regulates the requirements for documentation of mariners' education and training. This has helped to ensure that Filipino seamen have a good international reputation. Another practical illustration of ownership at government level is when the authorities themselves decide to

finance some parts of future operations. Support for agriculture education in Tanzania, where Norway has been involved since 1973, is one such example. After a very long period as recipients of aid, the Tanzanian authorities have gradually increased their own financing of the Sokoine University of Agriculture, which is today a respected university in the region whose researchers play a pivotal role in policy formulation in their area of expertise.

Otherwise, most of the examples in this report illustrate how Norway has influenced framework conditions in partner countries less directly. Through technical assistance and support for infrastructure, Norway has, among other things, helped to make special interest organisations more professional so that they are better equipped to speak out on issues at the institutional level. One such example is Norwegian assistance for the Federation of Uganda Employers, which the Confederation of Norwegian Enterprise (NHO) has been supporting since 1997. Since then, the Ugandan employers' organisation has developed into a significant social actor, among other things playing a key role as lobbyist when several labour laws were introduced in 2006. In some cases, this type of support has immediately followed institutional changes, when Norway has rapidly utilised opportunities to support capacity-building in Norway's priority areas. A more recent example of this may be found in Nepal where, immediately after the Supreme Court ruled that the country must have legislation that guaranteed the rights of lesbians, gays and transgender persons, Norway decided to support the Blue Diamond Society. This is a voluntary organisation for sexual minorities that has now become involved in work on the country's new constitution to ensure that the rights of sexual minorities are taken into account.

..... **HOW DO WE ENSURE LONG-TERM SUSTAINABILITY?**

It takes a long time to achieve development. In the 2009 Annual Report on the evaluation of Norwegian development cooperation, many reports point to the fact that long-term efforts to build capacity and

ensure sustainability are inadequate.²⁶ At the same time, however, many evaluations – those concerning aid for the petroleum sector, hydropower and the fishery industry – show that it is certainly possible to succeed in developing such capacity through long-term efforts. Cooperation must continue if results are to be ensured. Consequently, sustainability in the poorer countries depends on a continuing donor presence, often for many years. Several of the examples of projects used in this report also show how long-term efforts help to both build and develop capacity, and that cooperation must be long-term if results are to be achieved. The two projects from Malawi in this report are good examples of this. The USA and Norway started supporting the National Smallholder Farmers' Association of Malawi (NASFAM) at the end of the 1990s. As the example shows, the results after ten years of Norwegian support are good. In addition to increasing the incomes of a large number of smallholders, NASFAM has become an influential organisation. However, membership dues from farmers will by no means be able to finance its activities. Aid will therefore have to continue for a long time to come. The programme for training health workers shows how Norwegian aid for Malawi has led to a significant rise in training capacity. Such capacity is essential in order to be able to meet the serious health challenges the country faces. It is very doubtful whether Malawi would be able to maintain such a programme without outside aid and technical support. This is an example of how aid helps poor countries to make progress towards achieving the health-related Millennium Development Goals, but also of the fact that in vital areas of this major effort these countries will be dependent on aid for many years to come.

There are also examples of nuances in this picture, however. As shown above, Tanzania has gradually taken over financing of the University of Agriculture. This shows that aid dependency has declined and that the project will probably also be sustainable without aid.

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26 Norad 2009. Evaluation of Norwegian Development Cooperation, Annual Report 2009, p. 5.

A presence as a development partner over a long period of time is not enough in itself. Several other factors affect the sustainability of the results of capacity development. One important factor for sustainable development is an understanding of the social context in which cooperation takes place. With stronger emphasis on fragile states in development cooperation, questions relating to capacity development and sustainability come to the fore. A review of evaluation reports in the last couple of years produces no clear conclusions about the best way of ensuring results and sustainability in fragile states. Some reports focus on the importance of a more coherent approach. Others emphasise the need for flexibility, pointing out that we should move away from central authorities and rather support local communities and grassroots approaches. Some recommend a more limited, gradual approach.

Several researchers have pointed out that there seems to be a growing gap between rhetoric and reality as regards capacity development in fragile states.²⁷ The approach has been to set up an ideal model for an effective, democratic state and then ask the question: What is lacking in this situation in the country, and what is needed to remedy this deficiency? But this type of approach does not take into account the political and social dynamic in the country or what existing capacity and local structures can be built upon. If measures were based on knowledge of local conditions, the possibilities for success would be far greater. This principle also applies to poor countries that are not categorised as fragile states.

An understanding of political and social contexts is especially important with respect to capacity development at the institutional and societal level. A lack of such understanding may lead to poorer results and undesired consequences. The results from demining operations in Cambodia have been good and the organisation supported by Norway has doubled its productivity in five years. Large areas have been cleared of mines. In the wake of this, however, conflicts have arisen over land, and

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27 Louise Wiuff Moe.

the example refers to poor families who have been chased from their homes and land because they have no political connections to support them. A good contextual analysis might have been able to foresee such problems.

In development cooperation, the goal has always been to ensure that aid for institutions and organisations is phased out in the long term and that partners manage on their own. There are many examples of this in countries such as Vietnam, South Africa and Botswana. In the poorest countries, however, it may often be difficult to phase out aid in such a way that the activity continues without outside help. In the poorest countries with weak institutions, it takes a long time for a government to become capable of taking over the operation of and responsibility for important social services. This is illustrated by the fact that many of the best health services in African countries are run by churches, which often have century-old traditions in the country. In such cases, aid often continues to be provided through churches and other channels. This shows how difficult it is to make realistic exit plans in the initial stage in poor countries. Nevertheless, the modalities of cooperation can and should change as it develops and local capacity improves.

Here, however, donors often face a problem. To make aid more effective – in the spirit of the Paris Declaration – in recent years many donor countries have decided to concentrate aid on fewer countries. This means that donor countries must withdraw from some countries, and aid must either be phased out or taken over by others. How this is done is important. However, experience of how donors wind up their aid when a decision to phase it out has been adopted is not always encouraging.

In 2007, Norway, Sweden, Denmark and the Netherlands commissioned a joint study²⁸ of what happened when some donors wound up aid to India, Botswana, Malawi, Eritrea and South Africa. It turned out to be the exception rather than the rule for donors to plan the phasing out process,

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28 Slob, A. and A. M. Jerve (2008). *Managing Aid Exit and Transformation. Lessons from Botswana, Eritrea, India, Malawi and South Africa*. Synthesis Report. Published by Sida, Stockholm.

and there was little focus on results in these processes. Donors were keen to ensure that agreements were complied with, and agreements were seldom adjusted or supplemented to ensure the sustainability of the programmes that had been supported. In many of the cases that were studied, a sudden winding up of aid had extremely negative consequences for both the organisations and the target groups. This was particularly the case in aid-dependent countries such as Malawi and Eritrea.

The capacity and competence of the recipients were determinant factors for their ability to adjust to a reduction in aid. One important lesson for recipients was that a distinction should be drawn between different types of aid. While some types can be wound up, others should continue.

Norway's cooperation with Botswana was phased out towards the end of the 1990s, around the same time as that of many other donors, after Botswana had been one of the countries in the world that achieved the most rapid economic growth. The lesson learned more than ten years after most donors ceased to provide aid is that there is still a large gap between the country's financial resources on the one hand and its human resources on the other. Botswana does not have enough health personnel for its hospitals and health clinics. The private sector does not have enough capacity to develop all the projects that have been approved in the national budget. Many organisations have suffered from a lack of skilled personnel. Moreover, Botswana valued international cooperation with well-qualified, motivated experts.

Norway designed an exit strategy based on cooperation between public and private institutions. To a certain extent, this complied with Botswana's desire for continued technical assistance. Until recently, there has been cooperation on education and capacity development in the field of public roads and health. Botswana pays many of the costs itself, but it is unlikely that the Norwegian public institutions will be able to continue on the basis of their own funds, without development aid. Experience from Botswana indicates that funding for the continuation of technical assistance after more extensive aid has been phased out is

a favourable option. Another lesson is that we must understand the importance of personal relationships and the commitment of dedicated individuals on both sides.

WHICH TYPES OF CAPACITY DEVELOPMENT ARE MOST EFFECTIVE?

The examples in this report show how Norway has used various types of capacity development in development cooperation. As mentioned in Chapter 1.1, capacity development can entail efforts at different levels and different approaches, from individual experts to institutional cooperation and financial support. Norwegian development aid often combines all these elements, depending on where in the development process the organisation or institution is situated. The content of cooperation has changed over time. Some forms of cooperation have more or less been wound up, others have become more dominant. In the field of technical assistance, Norway phased out ordinary expert assistance, ie, large-scale recruitment of individual experts to work in government institutions or on other programmes in developing countries. Instead, Norway has focused on training and access to knowledge through institutional cooperation. Support for health personnel in Malawi and the training of Filipino mariners are both examples of this type of cooperation. In some areas where Norwegian expertise is particularly in demand, expert assistance nevertheless appears to be on its way back.

Institutional cooperation and capacity development were a part of Norwegian development assistance from as early as the beginning of the 1960s. For example, the Norwegian Public Roads Administration was involved in the implementation of programmes in Botswana at an early stage. In the 1980s and the beginning of the 1990s, several ministries and directorates participated actively in Norwegian development aid. Examples of this are the cooperation of the Norwegian Water Resources and Energy Directorate with a corresponding institution in Tanzania and the involvement of the Norwegian Petroleum Directorate in Mozambique.

Through institutional cooperation, institutions in the North were able to offer part-

ners in the South a broad range of competence, rather than merely the competence of an individual expert. Employees of sister institutions in Norway were able to offer services based on their own experience, a common professional background and a collegial identity. This was intended to facilitate cooperation and increase the legitimacy of Norway's technical contribution. Since the advisers were both professional experts and used to working in public administration, they would also be better equipped to understand administrative and organisational issues. The use of public employees was also assumed to be cheaper than consultants and long-term advisers. Today a large number of ministries and directorates are involved in cooperation financed from the development budget. An evaluation points out that, as a rule, cooperation has been initiated by Norway²⁹. The reason for choosing institutional cooperation as a form of aid is not always obvious. This may indicate that such assistance is donor-determined.

The contributions of Norwegian institutions are often relevant in connection with technical and professional matters related to the Norwegian institutions' core competencies. In the case of large-scale, lasting changes at organisational or institutional level, however, there have been few results, as exemplified by the efforts of the Norwegian Ministry of Education and Research in Zambia and Nepal. Aid has proved to be less relevant to the administrative and organisational needs of the partners. In most projects, insufficient account is taken of the need for institutional changes, despite the fact that these are crucial factors for sustainability and for the achievement of results.

There are exceptions, however. The Norwegian Petroleum Directorate has been highly praised for its work on developing national legislation and regulations, goals and strategies in Mozambique and Angola. The same applies to the cooperation of the Norwegian Office of the Auditor-General

²⁹ *Institusjonssamarbeid i norsk bistand. Erfaringer med faglig bistand gjennom norske direktorater og departementer, Stein-Erik Kruse, Senter for helse og sosial utvikling, 2007.* (Institutional cooperation in Norwegian development cooperation. Lessons learned from technical assistance provided through Norwegian directorates and ministries, Stein-Erik Kruse, Centre for Health and Social Development, 2007).

with its Zambian partner and the development assistance provided by the Petroleum Directorate in East Timor.

The criticism of supply-driven aid is one of the reasons why we now, to a greater extent, promote cooperation between developing countries. An evaluation carried out by Fredskorpset Norway (FK) emphasised that South-South cooperation was the most successful area of FK's activities. Norway's support to improve the management of natural disasters in six countries in Central America is another model where cooperation across national borders has been an integral part of a programme supported by Norway. This cooperation has helped to establish a network of approximately 350 experts and resource persons in the region, which makes cooperation less fragile and encourages the exchange of knowledge. The challenges this cooperation now faces are to ensure broader dissemination of such knowledge, and to acquire budget funding to ensure financial sustainability.

Most capacity development initiatives have a financial component. In accordance with the principles laid down in the Paris Declaration, the goal has been to proceed from project support to programme, sector and budget support. The idea is to promote accountability and strengthen political and administrative processes and institutions, thereby building capacity in the recipient country while at the same time achieving more specific sector goals. The example of general budget support in Tanzania demonstrates this type of aid. This trend may now be changing. There appears to be a shift among bilateral donors away from general budget support towards more thematic initiatives.

The importance of networks, whether they are local, regional or global, is emphasised in UNDP's work on capacity development. In Bangladesh, where the threat of natural disasters is great, UNDP has helped the authorities to increase emergency preparedness in the country by means of new legislation, training and risk analyses. As part of this effort, they have developed an emergency preparedness network comprising more than 75 public and private organisations, as well as UN agencies.

Summary of lessons learned

- >> Norwegian development assistance has contributed to increased capacity and important changes in many organisations and institutions. There are many examples of successful institutional cooperation, especially when such cooperation is combined with other types of aid.
- >> In many areas it is nevertheless difficult to document how successful efforts have been because adequate performance management and monitoring systems, in the form of reports on results and effects, have not been required.
- >> In poor countries, aid will seldom be sustainable in the short and medium terms. Long-term measures and commitments are necessary to ensure results.
- >> Results depend on ownership. However, a sense of ownership is not necessarily something that exists or does not exist; it often develops over time in the interaction between and genuine involvement of the donor and the partner. The way cooperation is carried out may be important in ensuring ownership.
- >> A lack of results may be due to a lack of knowledge about the context in which cooperation takes place, for example existing interests and power structures. In many cases, donors and partners may have different expectations of their cooperation. While donors often envisage a reform process, the partner may be more interested in reinforcing the status quo. Institutional changes in partner countries can pave the way for aid to lead to reforms.
- >> Which instruments are most effective in capacity development depends on the specific situation. As a rule, it is best to combine several types of cooperation at the same time. It is equally important to start from, and build on, existing local structures and capacity.

In all five countries that receive budget support from Norway, budget support is combined with assistance for reforms in public financial management. For example, cooperation between the Office of the Auditor General in Norway and its counterpart in Zambia illustrates Norway's desire to strengthen an important oversight institution as an element in the fight against corruption and in ensuring open, efficient financial management. Through long-term cooperation, and thanks to the higher priority given to this area by the authorities in recent years, the Office of the Auditor General can today point to several good results at the organisational level in Zambia. This is also expected to have crucial effects at the societal level.

The review of examples in this report shows that there are many types of capacity development, and that we seldom use

only one type. The results are ambiguous, but they indicate islands of success in an ocean of hope. Some people will maintain that the principles for good capacity development are well known, but that we must become far better at complying with them and understanding the social contexts in which cooperation takes place. This will be crucial to the achievement of sustainable results at individual, organisational and societal levels.



PART 2

DEL 2

NORWAY'S CONTRIBUTIONS TO INTERNATIONAL RESULTS IN AREAS OF PARTICULAR POLITICAL INTEREST



Part 2 may be read independently of Part 1, which concerns capacity development. The aim of this part of the report is to show the degree to which it is possible to demonstrate the results of our own efforts and even distinguish them from results that are due to other factors.





As a result of the strong increase in aid budgets in recent years, in addition to the more traditional areas of development assistance, Norwegian funds have also been allocated to secure global common goods. Examples include Norway's efforts in the field of climate, conservation of the rain-forest, global health and world capital. Many of these initiatives channel budget funds to multilateral organisations, such as the UN and the World Bank, and to a growing extent to multi-donor funds that focus on specific areas, managed by the same institutions. Although it is difficult to calculate Norway's share of international results, Norwegian taxpayers are justified in expecting to be informed about what Norway contributes to. In Part 2 we examine selected "Norwegian" results in politically important areas, such as the UN Millennium Development Goals, certain multilateral organisations and climate/forest initiatives.

It is necessary to describe the effects of aid, but it is also important to be realistic. When it is estimated that since 2002 Norway has saved 85,000 people from dying of AIDS, malaria and tuberculosis, this is not a precise measurement of results but an illustration of the proportions in development aid. This figure reflects Norway's share of an international effort that is estimated to have saved 5.7 million people from dying of these diseases.

Development assistance is highly diversified and is based on many different political goals and motivations. It goes to a broad range of recipient countries, sectors, organisations and target groups. It is provided through several different channels and is influenced by continuous testing of new strategies and instruments. Nevertheless, the aid debate is often one-dimensional. Does aid work or doesn't it? All development assistance is put into one big pot.

The complexity of development aid and new aid policy initiatives constantly pose new challenges in terms of how the results of Norwegian aid can be measured and reported.

Attribution

It is rarely the case that one project or one donor deserves all the honour for the results that have been achieved. Results are usually influenced by many different factors and stakeholders.

The issue of **attribution** is well known in development cooperation. It is difficult to distinguish the effects of aid when complicated contexts are involved. This particularly applies to its impact on social development in the broadest sense. In such cases, we can often do no more than show the effect aid is likely to have had. In such cases it can be difficult enough to estimate the effect of total aid from all countries, and we must therefore be even more careful about estimating Norway's contribution. There is also a danger of focusing too much on the input (e.g. the use of resources) as opposed to the effect of the input.





REALISING THE UN MILLENNIUM DEVELOPMENT GOALS

The development of women's capacity is a central component in the UN's Millennium Development Goals. The photo shows Mayan women at a workshop in Huehuetenango in Guatemala.



The Millennium Development Goals and the result indicators agreed by the international community in 2000 are all expressions of economic and social changes at an overarching level in the economies of developing countries and the living standards of their populations. Measurable changes at this level do not happen overnight. Furthermore, the Millennium Development Goals are ambitious. Substantial resources are devoted to measuring the progress of poor countries in relation to the goals for 2015.

In June 2010, the UN Development Programme (UNDP) presented a report on what it will take to achieve the Millennium Development Goals³⁰. The report states that both the resources and the knowledge of what is required exist. By building on positive experiences and changing the things that do not work, efforts to achieve the MDGs can be accelerated in the years up to 2015.

The report shows a positive trend in many areas and points to assumed connections and reasons for this progress. There has been a significant reduction in poverty. The percentage of impoverished people declined in many countries until they felt the impact of the international financial crisis. The statistical basis for assessing the degree to which the economic downturn has hampered poverty reduction is still weak.

Great progress has been made in education for children, especially girls, reductions in child and maternal mortality, improved HIV treatment and improved ecological sustainability. Investments in

education, health, water and sanitation can have a rapid effect provided that they are followed up by eliminating user charges and taxes. Eliminating school fees has resulted in more children attending school. Targeted measures, such as mass vaccination, mosquito nets and medicines, have had a strong impact. As a result of free access to antiretroviral drugs and prevention programmes, fewer people are dying of AIDS. Social support schemes, such as cash transfers linked to the use of social services and public employment programmes, have improved access to health services and education.

In many of the poorest countries, the MDGs will not be achieved by 2015. Even in many of the countries where the goals are achieved, serious challenges in connection with improving standards of living in the same areas will cost more than these countries can manage to finance themselves. Access to clean water in Haiti will depend on outside assistance for many years. It may be some time before Mozambique can finance a good education system for all without development aid.

30 What Will It Take To Achieve The Millennium Development Goals? An international Assessment, UNDP, 2010.



The UN report says little about who or what generates results. Increased life expectancy and poverty reduction are due to a number of factors. Health, education, infrastructure and technology are all important, but policies and governance, climate change and, not least, global economic trends are important factors too.

For example, poverty reduction depends on how poverty is defined and measured but also, as shown in figure no. 2.1, where it is measured. If poverty is defined according to the value of the consumption of every member of the household – for example less than USD 1.25 per day – the World Bank says that the number of poor people in the world was reduced by approximately five hundred million between 1980 and 2005.³¹ At the same time, the world's population increased by about two billion.³²

Almost all poverty reduction took place in China, and this is due to the country's remarkable growth since the early 1990s. Even though China has received substantial amounts of aid – approximately three per cent of total development assistance in the period concerned – it is clear that its growth is the result of other factors, mainly the political and economic changes that have taken place.

Since many countries that have received substantial amounts of aid have developed far less than China, this could be used to support the argument that aid doesn't work. This is not true. Development might have been even weaker without aid. The question of whether aid works really requires an answer to the hypothetical question of how much individual countries would have developed without aid.

If the only difference between countries had been development aid, we would have been able to calculate the effect of aid by comparing development in different countries. But there are obviously many more natural, economic, political and cultural differences between countries than the

31 The Developing World is Poorer Than We Thought, But No Less Successful in the Fight against Poverty, World Bank, 2008.

32 If we use USD 2 to define the poverty limit, the number of poor people has remained more or less unchanged during the period, and has risen by more than 500 million if China is excluded.

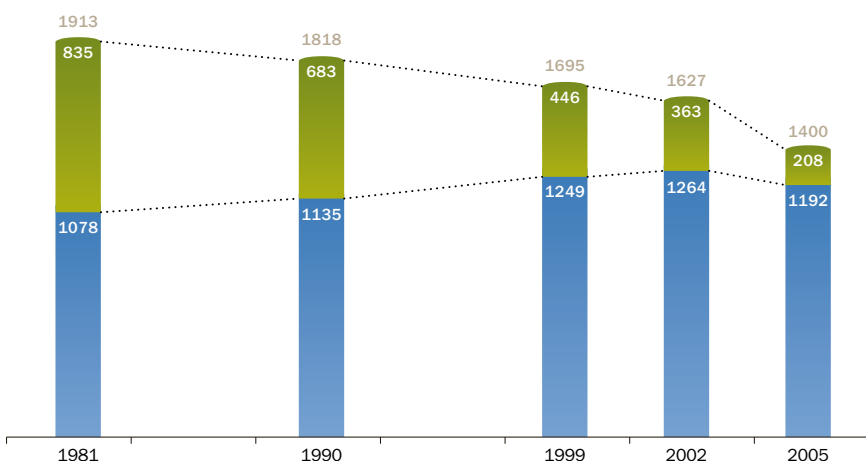
TABLE 2.1 The Millennium Development Goals – Status 2010

Millennium Development Goal	Status
Eradicate extreme poverty and hunger	Globally, the goal to halve poverty is within reach, but in sub-Saharan Africa progress is very slow ✓
Achieve universal primary education	Good progress, but still hard to achieve the goal. Half of the children without access to education live in conflict areas ✓
Promote gender equality and empower women	Women gain ground politically, economically and in education, but there are great regional differences ✓
Reduce child mortality	Child survival rates show slow improvement and are worst in Sub-Saharan Africa ✓
Improve maternal health	Maternal deaths are decreasing, but too slow to achieve the millennium goal ✗
Combat HIV/AIDS malaria & other diseases	Significant progress in combating some diseases, but for others, like HIV/AIDS, progress is insufficient ✓
Ensure environmental sustainability	The number of endangered species is increasing even if deforestation seems to subside. ✓
Develop a global partnership for development	Significant progress for aid and debt relief. Varied progress for the efforts to establish a development trading and financial system ✓

✓ Good progress ✓ Mixed progress ✗ Insufficient progress

Kilde: Millennium Development Goals, UNDP oktober 2010, www.undp.org/mdg

FIGURE 2.1 China accounts for most of the reduction in poverty over the last 25 years



Number of people (millions) living on USD 1,25 or less (2005 PPP)

■ China
■ The World (excluding China)

Source: The World Bank, Policy Research Working Paper 4703, 2003

differences in the aid each country receives. Another important point is that many countries have received a great deal of aid precisely because the prerequisites for development are weaker there than in other countries.

By using advanced statistical methods to analyse development in many countries,

researchers can distinguish the importance of individual factors affecting development that vary between countries, including the significance of aid.

However, this type of research has been unsuccessful in determining the connection between aid and poverty reduction. Research gives better basis for saying some-

thing about the effect one step down in the causal chain, i.e. the effect of aid on economic growth. This is a slightly easier question to answer, simply because poverty reduction depends on many factors in addition to growth. In this case too, methods are uncertain and the data is inadequate. No consensus has been reached between researchers on the contribution of aid to economic growth. Much of the research supports the contention that aid has had an impact on economic growth, but there are also studies that find no connection at all³³.

If we accept that aid contributes to economic growth, we can give reasoned, but highly uncertain estimates of the impact of aid on poverty. Another type of research shows how economic growth in conjunction with other factors, such as inequality, affects poverty. The UK has used this kind of methodology to produce estimates of what is achieved by British aid (see box).

Although donors cannot take the credit for specific parts of development results, some donors have tried to visualise their share in order to give their citizens an idea of the results of the taxes they contribute.

In some cases we can postulate the effect of Norwegian aid and provide a reasonable estimate, but in other cases this is more difficult. Some examples to illustrate the significant variations in the information that is available are given below.

THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA

Since 2002, Norway has contributed approximately NOK 375 million a year to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). This is equivalent to 1.7 per cent of the Fund's resources during the period. GFATM now accounts for two thirds of international financing for malaria and tuberculosis projects and one fifth of international investments in AIDS projects. Since 2002, the Fund has approved applications to a value of USD 19.4 billion for measures to combat the three diseases. There is good information about the effects of these measures. As of

33 See for example Results Report 2009, Aid and Economic Development: Ripples in the water or a drop in the ocean? Norad 2009.

The UK

The Department for International Development (DFID) is the UK's official aid organisation

In the document *How to note, a DFID practice paper*, February 2009, DFID describes its method of indicating what British aid achieves.

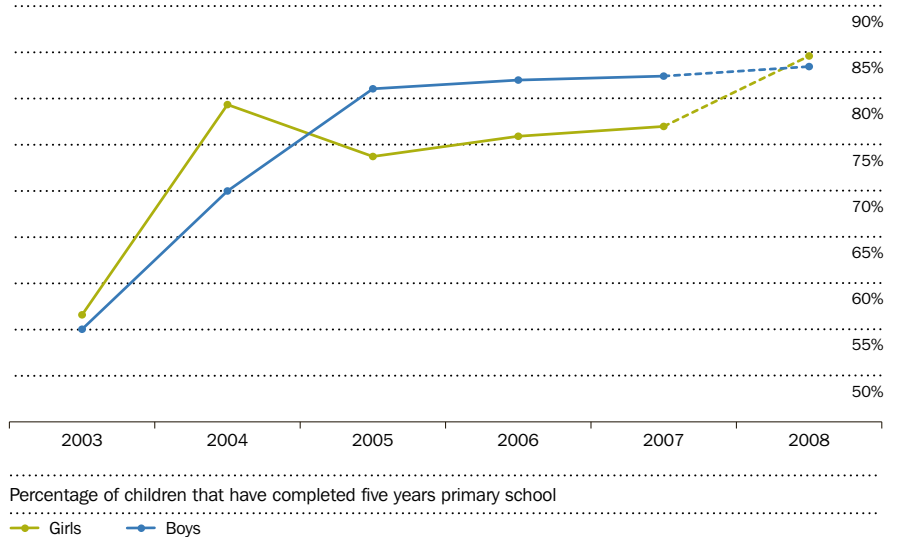
The organisation has developed a set of standard indicators. The indicators are divided between two levels: six indicators for effects that show progress in recipient countries and 14 indicators for products and services that DFID provides itself or is responsible for.

These indicators have been introduced for all new projects from February 2009 and for other high priority projects. The indicators apply to bilateral projects. In cases where the UK contributes funds jointly with other donors, the UK's share of the result is calculated as equivalent to the share of resources used.

DFID has estimated that, through development assistance, the UK helps lift approximately three million people out of poverty each year. The organisation makes many reservations, emphasising that these calculations are extremely uncertain.

Norway's development aid is equivalent to about one third of UK aid. The UK's calculations are designed for UK aid. Nevertheless if, for the purposes of illustration, these estimates are applied directly to Norwegian aid, they indicate that Norway lifts one million people out of poverty each year. Although this is primarily a numbers game, it gives an idea of what Norwegian funding helps to achieve.

FIGURE 2.2 An increasing number of Nepalese children are completing primary school



Source: Government of Nepal, Ministry of Education

August 2010, 2.8 million people had received treatment for HIV, 6 million had received treatment for tuberculosis and 122 million mosquito nets had been distributed. In all, the Fund has so far helped to save approximately 5.7 million people from dying of these diseases.

If we calculate 1.7 per cent of these results, this means that Norway has ensured

that around 48,000 people have received treatment for HIV, 120,000 have received treatment for tuberculosis and more than two million mosquito nets have been distributed. Using this way of calculation, Norwegian aid has saved around 85,000 people from dying of AIDS, malaria and tuberculosis.

PRIMARY EDUCATION IN NEPAL

In the period 2004-2009, Norway contributed NOK 175 million to a major sector programme for primary education in Nepal. The programme is run by the Nepalese authorities and, even with a large number of donors, Nepal finances approximately 80 per cent itself. Norway's share of the total budget for the programme is approximately 3.5 per cent.

The number of children completing primary education increased from 60 per cent in 2003 to 85 per cent in 2008. On this basis, we can say, very roughly, that Norway's share of this result is equivalent to approximately 2,700 more children completing five years of primary education in 2008 than in 2003.

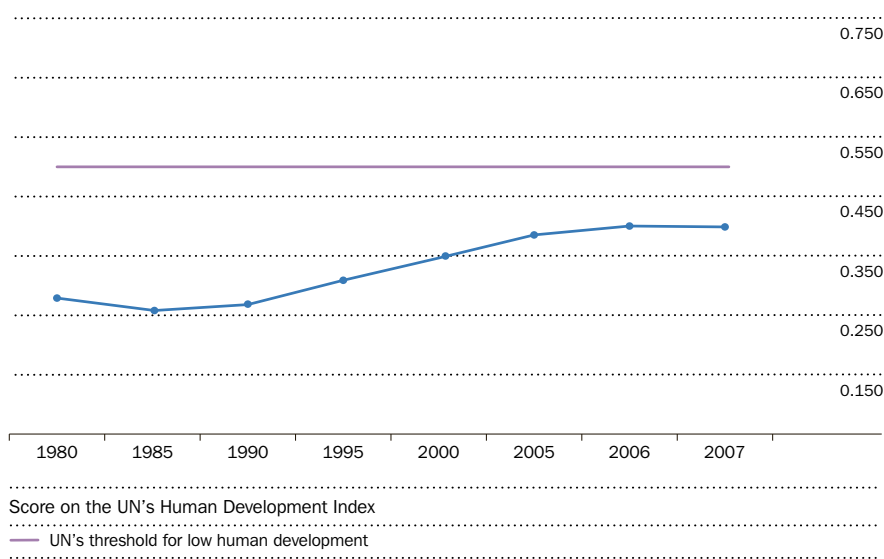
However, there is certainly a more direct connection between the use of mosquito nets and the decline in malaria cases than there is between official investments in primary education and the number of children completing primary school. In the latter case, a large number of other factors play a role in addition to the sector programme, such as attitudes, the security situation and parents' financial situation. This example shows how difficult it is to distinguish between individual factors that produce results.

The example illustrates another problem with calculating aid results in this way. An evaluation of the education programme carried out in 2009³⁴ points out that ostensibly there was a decline in the proportion of pupils who completed five years of education in 2008. This is explained by a transition from one measurement method to another. The Nepalese authorities estimate that the trend of previous years has continued³⁵. The difference between the two methods as regards both results and development over time shows how uncertain the figures are. Furthermore, there is a large year-on-year change, with strong growth for

³⁴ Joint Evaluation of Nepal's Education for All 2004-2009 Sector Programme, Evaluation Report 1/2009, Norad.

³⁵ The figures used in the evaluation are for 2008: 74.1 per cent for girls and 72.6 per cent for boys, according to the new method, while the figures according to the old method would allegedly have been 85.5 and 84.3 per cent. Flash Report 2065 (2008-09), Government of Nepal, Ministry of Education, 2008.

FIGURE 2.3 Standards of living in Mozambique are developing slowly



Source: Human Development Report 2009, UNDP

girls' attendance from 2003 to 2004 followed by a drop the following year. This may be due to changes in the number of pupils registered, statistical errors, events that affect attendance, etc. The above calculations can therefore only illustrate a probable effect of Norway's contribution.

POVERTY REDUCTION IN MOZAMBIQUE

In the past ten years, Mozambique has been one of the main recipients of Norwegian development assistance. During this period, the country has achieved significant economic growth and total development assistance has accounted for a large proportion of public investments. From 1999 to 2008, Norwegian aid totalled NOK 3.9 billion, which is equivalent to approximately 6 per cent of total assistance from OECD countries.

From 1996 to 2002 there was a marked decline in poverty. The proportion of poor people dropped from 69 per cent to 54 per cent. Donors took this as a sign that the political reforms and the public investments supported by development aid were working.

A household survey published in September 2010³⁶ shows that poverty reduction has

³⁶ Poverty and Wellbeing in Mozambique: Third National Poverty Assessment, National Directorate of Studies and Policy Analysis, Ministry of Planning and Development, Mozambique, September 2010.

stagnated. 54 per cent of the population are still living below the national poverty line. The 70 per cent of the population living in rural areas are particularly vulnerable. Good or poor harvests determine which side of the poverty line they end up on.

Development in the agricultural sector has been weak, especially for smallholder farmers. The most recent review of this sector shows a lack of control and coordination between institutions and between central and local levels. Analyses and strategic plans have been inadequate, and old planned-economy thinking with artificial production targets is one of the reasons for the poor results. The financial crisis also inhibited foreign investment. The household survey is important because it brings to light the lack of effect. The survey also shows that there has been a clear rise in access to public services since the government spent substantial funds on building infrastructure in the health and education sectors. The next poverty reduction plan is expected to focus on the operating parameters for agriculture and for small and medium-sized enterprises.

From research into the factors that affect poverty reduction, we know that many factors reinforce poverty. Both for countries and for individuals, we use the term 'poverty trap', which reflects the fact that poverty itself hampers growth. It is difficult to

say for certain whether the weaknesses in Mozambique's policies or factors such as these apply in this case.

NORWAY'S SUPPORT TO FIGHT CHILD MORTALITY IN INDIA

The next example is from India. Even with strong economic growth in the past decade, India has a large number of poor people. The authorities have made strenuous efforts to improve public health in rural areas through the National Rural Health Mission. However, public health services are still inadequate, especially for the rural poor. There are large differences between states. In certain states, the indicators show a health status that is almost at the western level, while others can be compared with the poorest countries in Africa. Children and women are particularly vulnerable. 27 million children are born in India each year, while 1.9 million children die before they reach the age of five. Almost one million babies die in the first month of life, while approximately 700,000 die in the first week.³⁷ Most of the children who die in India die of diseases that are prevented by vaccines in Norway, or they die because women do not give birth in safe conditions. Many deaths would have been prevented if the infant had been kept dry and warm and if the mother had started breastfeeding immediately after birth. Clean water, good nutrition and good sanitation would also have resulted in the survival of far more children under the age of five. Each year, almost 120,000 women in India die in connection with childbirth³⁸, which is another indication of the need to improve the conditions in which mothers give birth. Other factors that may explain the high infant and maternal mortality rates in India are the young age at which women give birth and the short period of time between births.

Norway has given priority to efforts to achieve Millennium Development Goals 4 and 5, which concern improvements in child and maternal health. In 2005, the Prime Ministers of Norway and India agreed to launch the Norway-India Partnership Initiative (NIPI) as a contribution to the effort to

combat child and maternal mortality in India. Norway allocated NOK 500 million for the initiative over five years. The money is being invested in the states of Bihar, Madhya Pradesh, Rajasthan and Orissa. These are densely populated states with a total population of 500 million and extremely high child and maternal mortality rates. The state of Uttar Pradesh is supported through UNICEF.

The initiative was intended to ensure rapid upscaling of a number of measures to improve child health, promote innovative solutions and contribute to organisational reforms in the Indian health service. The Initiative has three goals:

- » To save half a million under-five children from dying from 2009 onwards
- » To ensure vaccination coverage of 80 per cent or more from 2007
- » To help improve the quality and efficiency of the Indian health system

The partnership between India and Norway has achieved several results at state level, but it also illustrates some important challenges in terms of the measurement of results:

- » Through the National Rural Health Mission, approximately ten million poor mothers received support to give birth in hospital in 2009. Since there is a serious lack of health personnel in rural areas, the organisers have taken the initiative to appoint voluntary, unskilled helpers called Yashodas. This programme has been implemented at district hospitals in twelve districts. The volunteers inform mothers about nutrition, hygiene and family planning, ensure that the infants are clean and warm, that they are weighed and measured, and that they are given their first vaccines. They also ensure that mothers begin breastfeeding immediately after giving birth. The state authorities in Orissa, Bihar and Rajasthan are so favourably impressed by the initiative that they have appointed volunteers in all district hospitals and some of the larger health clinics. As of autumn 2010, 1,420 volunteers had been recruited to 144 district hospitals and clinics. They are expected to provide help and support for 450,000 mothers and babies in the course of one year. By comparison, approximately 60,000 babies are born in Norway each year. More mothers begin

breastfeeding immediately after childbirth, mothers and babies stay in hospital longer after birth, hygiene in neonatal wards that have Yashodas is above average, and a larger proportion of infants are vaccinated.

- » Through the Norway-India Partnership Initiative (NIPI), state authorities are testing follow-up of pregnant women in the home prior to childbirth and mothers and babies after childbirth. Volunteer rural workers give the mother and her mother-in-law information about hygiene, nutrition, breastfeeding, family planning, vaccination and the importance of keeping the baby warm. They also look for signs of disease in mother or baby and, if necessary, ensure that they are treated quickly. NIPI has provided training for approximately 14,000 volunteers who follow up 350,000 mothers and new-born babies in the course of a year.
- » The initiative has supported the financing and operation of 31 emergency wards for sick new-born babies through UNICEF and others. According to a report from UNICEF in Madhya Pradesh, 11,000 new-born babies with life-threatening illnesses were admitted to 17 emergency wards in the state in the first half of 2010, 9,900 of whom survived.
- » Through UNICEF and the WHO, NIPI has helped to strengthen vaccination programmes in the five states by providing training and equipment to increase the availability and quality of vaccines in rural areas. Since around 150,000 children die of measles each year, the WHO has been asked to focus on this disease.

The overarching goals of NIPI are extremely ambitious and challenging. While they have served as guidelines, they are unsuitable as a basis for evaluating results. A strategy has therefore been drawn up for measuring and evaluating the initiative in order to study trends for health indicators in official surveys and monitor specific indicators that are linked to the programme. Even though Norway's assistance is substantial in terms of NOK, it is marginal compared to Indian health budgets at both national and at state level. Changes in infant mortality rates are also governed by many internal and external factors that NIPI cannot influence. At best, the initiative is a useful contribution to a national goal.

37 WHO/UNICEF, Improving Newborn Survival in India, June 2010.

38 Countdown to 2015, India.



Demined areas in Cambodia become arable land.

THE EFFECT OF NORWEGIAN DEVELOPMENT ASSISTANCE CHANNELLED THROUGH MULTILATERAL ORGANISATIONS

In 2009, approximately NOK 5.8 billion, or 23 per cent of Norwegian support for multilateral organisations, was in the form of core funding. Norway monitors the use of these funds through governing bodies and in dialogue with the organisations concerned. Norway also provided NOK 6.5 billion (25 per cent of total development assistance) in earmarked contributions for multilateral organisations where Norway has closer control of how the money is spent.



There are many reasons why Norway, as a small country, actively supports several multilateral organisations. Funding for thematic areas in Norwegian development policy, such as vaccination and forests, is largely provided through multilateral channels. The multilateral agencies usually have a greater impact than Norway has alone. In connection with development aid, Norway uses this channel in order to be able to draw on the organisations' experience and expertise, and on their international networks and reputation. Increased use of this channel improves the coordination of development aid, and it is easier

for recipient countries to deal with fewer stakeholders. Multilateral organisations also are present in countries where Norway does not have an embassy or other form of representation.

There has at times been a great deal of criticism of the multilateral organisations' use of funds. Norway and other donors actively monitor the organisations and speak out when their management is not up to scratch. As may be seen from the paragraphs below, it is hard for the organisations to document their results, and work is in progress in this area.

NORWAY'S FOLLOW-UP OF THE EFFECTIVENESS OF MULTILATERAL ORGANISATIONS

The multilateral organisations normally report to their executive boards and through annual reports that are available to the general public. The largest UN organisations, i.e. the UN Children's Fund (UNICEF), the World Food Programme (WFP) and the UN Development Programme (UNDP), present annual reports on all their activities. The World Bank, the Asian Development Bank and the African Development Bank produce similar reports.

They all also have their own evaluation departments, which carry out many evaluations each year. These organisations also have comprehensive quality assurance mechanisms. Norway is represented on the executive boards either directly or in cooperation with other countries and thus participates in the evaluation of these reports.

In addition to the considerable amount of information that comes in from the multilateral organisations, Norway monitors the situation through informal networks and contacts, for instance in connection with Norway's membership of OECD/DAC. In recent years, cooperation between some donor countries has been more systematised through new networks.

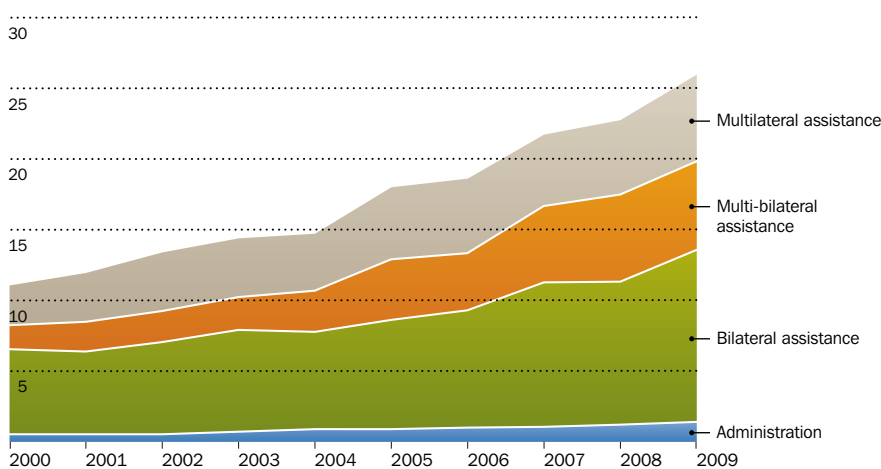
For example, Norway is a member of the Multilateral Organisations Performance Assessment Network (MOPAN). This is a network of sixteen donor countries which, since 2003, have been evaluating multilateral organisations and publishing annual reports on their findings. They primarily evaluate their organisational efficiency and ability to generate results rather than the results themselves. In 2010 they reviewed the Asian Development Bank, the World Health Organisation (WHO), the UN Population Fund (UNFPA) and the International Fund for Agricultural Development (IFAD). The Norwegian Ministry of Foreign Affairs and Norad use the MOPAN reports to improve their insight into UN organisations and provide better feedback.

One issue that is receiving increasing attention is the overall effect of what the experts call 'a complicated aid architecture'. In many countries there is a multiplicity of channels, donors and methods of providing aid. This issue is particularly debated in relation to the health sector. Even if good results are achieved, questions are asked about whether channelling large amounts of money outside the recipient countries' own health systems may undermine these countries' own priorities and the development of a public health service.

NORWAY'S SHARE OF MULTILATERAL RESULTS

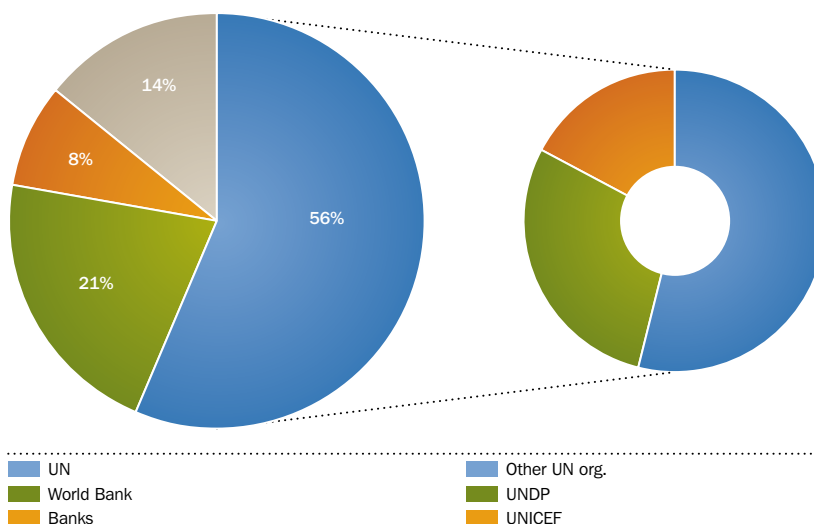
In the case of multilateral organisations where Norway's contribution takes the

FIGURE 2.4 The proportion of multi-bilateral development assistance is increasing



Breakdown of aid by type (2000-2009) (NOK billion)

FIGURE 2.5 The largest UN organisations receive the most multilateral assistance



form of an annual core allocation, it is difficult to define Norway's share of the results. However, it is reasonable to assume that Norway's share of the results is equivalent to Norway's share of the financing.

The Global Alliance for Vaccines and Immunisation (GAVI)

The Global Alliance for Vaccines and Immunisation (GAVI) was established in 2000. Its purpose is to promote vaccination and the development of vaccines against the most serious infectious diseases in poor countries in order to reduce child mortality and the burden of disease. Since the start, 257

million children have been vaccinated through GAVI. This effort has prevented approximately 5.4 million future deaths from hepatitis B (3.0 million), measles (1.2 million), whooping cough (480,000), meningitis (430,000), yellow fever (140,000) and polio (30,000).

Norway's core contribution amounts to NOK 441 million (2001-2009) which, alongside more than NOK 160 million provided through the International Finance Facility for Immunisation (IFFim), accounts for around ten per cent of GAVI's funding. On this basis, it can be calculated that in the last ten years Norway has prevented ap-

proximately 540,000 deaths from infectious diseases through its contribution to GAVI. However, it should be added that Norway's contribution has not been limited to financial support. Norway's political and professional engagement in this initiative has been very strong, and Norway's influence in GAVI has been far greater than the amount of financing might indicate.

The World Bank

An example from the World Bank concerns the reporting system of the International Development Association (IDA), the World Bank's fund for the very poorest countries, which, because of their financial situation, cannot borrow from the World Bank on ordinary terms.

The Fund's reports on the 14th and 15th replenishments for the period 2005–2011 show that projects financed by the fund achieve results ³⁹:

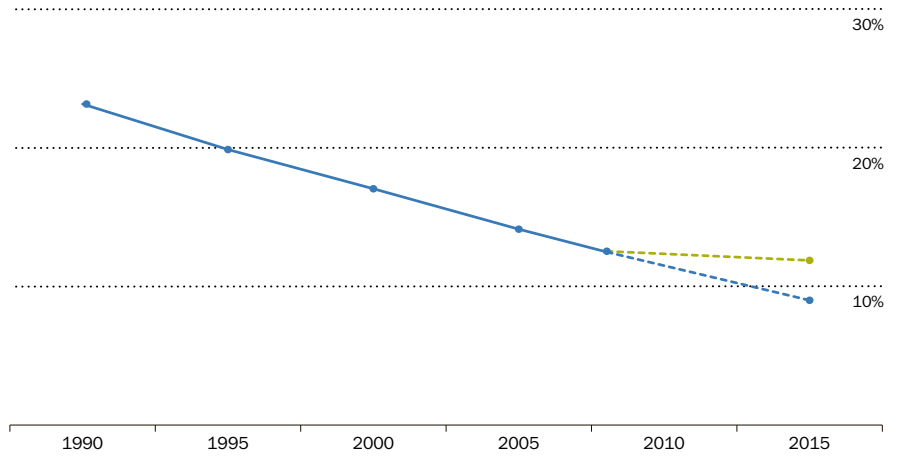
Education

- » More than one million new teachers have been trained to teach at primary level
- » More than 600,000 new classrooms have been provided through construction and rehabilitation

Health

- » 8 million people now have access to basic health, nutrition and family planning services
- » 412,000 health workers have been trained
- » 2,200 health clinics have been built, rehabilitated or have new equipment
- » 12.6 million children have been vaccinated and 7.9 million children have received a dose of vitamin A
- » More than 1.5 million pregnant women have been examined or have received help and treatment during pregnancy
- » 27.9 million insecticide-treated mosquito nets have been purchased and distributed, or are currently being distributed

FIGURE 2.6 The Millennium Development Goal for access to drinking water is about to be achieved

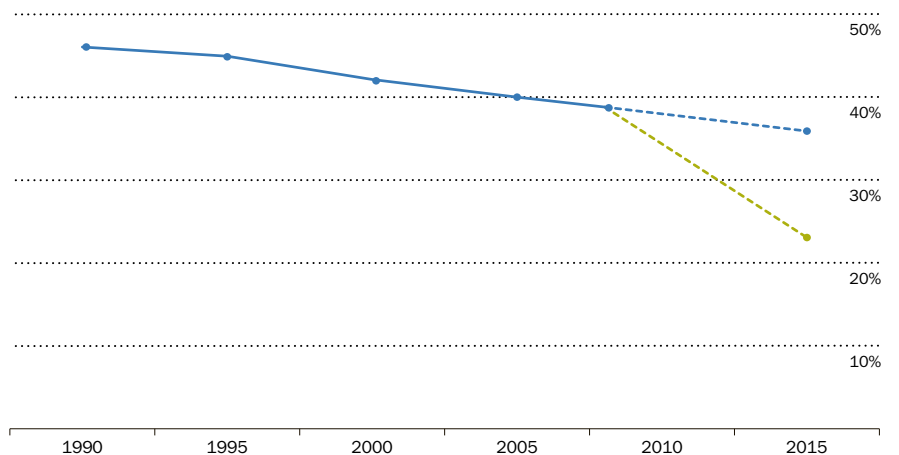


Percentage of the world's population without basic sanitation facilities

--- Estimate --- Millennium Development Goal (MDG)

Source: Progress on Sanitation and Drinking-water: 2010 Update, WHO and UNICEF 2010

FIGURE 2.7 Even if sanitation in the world is improving, the Millennium Development goal does not seem to be achieved



Percentage of the world's population without basic sanitation facilities

--- Estimate --- Millennium Development Goal (MDG)

Source: Progress on Sanitation and Drinking-water: 2010 Update, WHO and UNICEF 2010

- » 28,600 adults and children with HIV have received treatment that slows the growth of the virus and postpones the development of AIDS

Transport

- » 3,793 km of rural roads and 1,891 km of roads in non-rural areas have been constructed or rehabilitated

Water supply

- » Approximately 11,600 water pumps have been built or rehabilitated

- » More than 300,000 households have running water for the first time, and previous water systems in 157,000 households have been rehabilitated

- » 1,280 waterworks and service providers (water and sewage) are receiving support

Norway's contribution in this period is NOK 5 billion, a share of approximately 1.5 per cent, which illustrates the proportion of these results that can reasonably be ascribed to Norway.

³⁹ The IDA 16 Replenishment Implementation Framework Report, IDA (OPCS), 2010.

The UN Children's Fund (UNICEF)

Norway is one of the main contributors to UNICEF. In 2009 only the USA contributed more⁴⁰. The official Norwegian contribution of NOK 1.25⁴¹ billion was equivalent to around six per cent of the Fund's total resources in 2009, including UNICEF's own revenues and private donations. Although Norway can thus claim a significant share of UNICEF's results over the years, they are difficult to identify. Through its active participation on the Executive Board, Norway has sought to influence UNICEF to establish clearer goals and good indicators. As the most pivotal organisation for children's welfare, UNICEF has much of the honour for the following changes⁴², even though a great deal is also due to other stakeholders and factors.

- » The number of deaths among children under five has dropped from 12.5 million in 1990 to less than 9 million in 2008
- » The use of breast-milk as the only form of nutrition for new-born babies has risen in all development regions except one
- » The number of children not attending school declined by 14 million between 2002 and 2007
- » Deaths from measles have been reduced by 74 per cent since 2000
- » More than 1.6 billion more people were given access to clean drinking water between 1990 and 2006

UNICEF does not claim these results itself, but refers to results in the form of the products and services the organisation has delivered⁴³. UNICEF is not alone here either, and it is not easy to divide results between contributors:

- » In 2009, UNICEF provided 43 million insecticide-treated mosquito nets, up 62 per cent from the previous year. These nets can be effective. For example, the number of malaria cases in Liberia dropped 50 per cent between 2005 and 2008, and Sudan

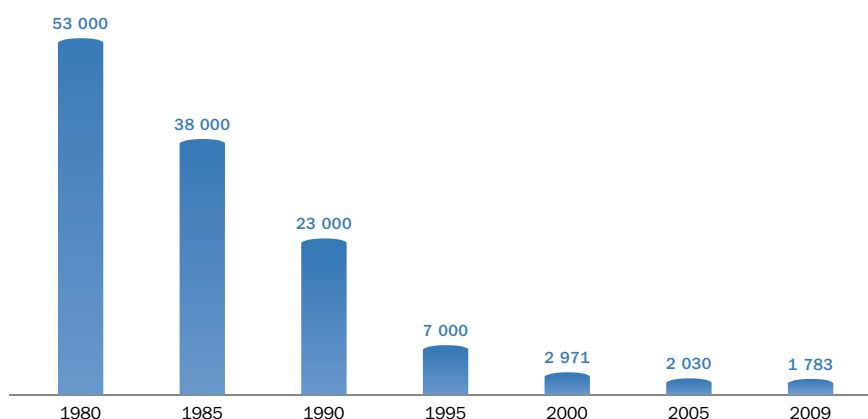
40 UNICEF Annual Report 2009, June 2010.

41 Excluding private contributions, etc.

42 The State of the World's Children, UNICEF, November 2009.

43 Annual Report of the Executive Director: Progress and Achievements in 2009, UNICEF, March 2010.

FIGURE 2.8 Polio is close to eradicated



Source: WHO, Immunisation surveillance, assessment and monitoring, October 2010

has experienced a strong decline in deaths from malaria

- » The number of countries that have integrated HIV and AIDS into the school curriculum has risen from 56 in 2005 to 79 in 2009
- » Antiretroviral treatment reduces or keeps in check the growth of the HIV virus and postpones the development of AIDS. From 2005 to 2008 the number of children under 15 receiving this treatment increased from 75,000 to 275,000, which is equivalent to 38 per cent of the estimated 730,000 children living with HIV today
- » UNICEF is a key actor in the global effort to eradicate polio and purchased 2.3 billion doses of polio vaccine in 2009⁴⁴

The fight against polio

The Global Polio Eradication Initiative (GPEI) is an internationally coordinated health project and is said to be the biggest ever. It is an example of the complexity in the world of development aid and the need for collaboration and coordination between many stakeholders. A large number of public and private organisations contribute. Some developing countries also finance vaccines themselves, from their own funds or aid funds. For example, India contributed more than ten per cent of the total resources for the project up to 2009⁴⁵.

44 Many donors are responsible for financing vaccines, see the section on polio.

45 Contributions and Pledges to the Global Polio Eradication Initiative, 1985-2012, GPEI April 2010.

Some countries, such as China, India and Indonesia, produce their own vaccines.

In the period up to 2009, Norway provided USD 66 million in direct support for the polio initiative, which is less than one per cent of the available funds. However, through its contributions to the World Bank, GAVI, the World Health Organisation, UNICEF and the African Development Bank, Norway's share is in reality more than one per cent.

More than half of all polio victims are children under the age of three. When the GPEI was launched in 1988, the disease affected more than 350,000 children in 125 countries. By 2009 the total registered incidence of the disease had dropped to 1,800 cases divided between 24 countries.

Although the disease presently only occurs frequently in India, Pakistan, Nigeria and Afghanistan, the fight against polio continues. In 2010 there was a polio outbreak in Europe for the first time in many years. This shows that eradication of the disease is of global benefit and also a matter of national concern for European health authorities. Tajikistan, which was declared polio-free by the WHO in 2002, had not maintained a high vaccination coverage, which led to the disease being transmitted from Afghanistan. In several neighbouring countries, there is a danger that the disease will return if routine vaccination is not maintained. In 2005, GAVI decided to contribute USD 300 million to build a reserve of polio vaccine.





NORWAY'S CONTRIBUTION TO CONSERVATION OF THE RAINFOREST



Paskali William Shirima in Hembeti Village, Tanzania, on his way home from the banana plantation on a moped he has bought with money he has earned from bananas.

Norway's International Climate and Forest Initiative can serve as a good example of how to plan the measurement of results at the beginning of a major new initiative. Its goal is to reduce greenhouse gas emissions from deforestation and forest degradation in developing countries. Large quantities of carbon are stored in forests, particularly rainforests. Deforestation leads to the release of CO₂. These emissions account for almost one fifth of global greenhouse gas emissions.

The initiative comprises measures to combat deforestation and forest degradation in tropical forests in developing countries. Funding will be increased to approximately NOK 3 billion per year and will be financed from the aid budget. The development policy goals relating to sustainable development and poverty reduction also apply to the rainforest funds, and the Climate and Forest Initiative is subject to the same requirements for follow-up, target and performance management, transparency and anti-corruption measures as all other aid projects.

So far, approximately NOK 1.3 billion has been disbursed and a further NOK 2.8 billion has been pledged in 2010. These funds are spent on building forest management capacity, establishing international financing mechanisms and systems for monitoring forests, supporting civil society and paying for results that have already been achieved. The latter scheme is linked to a new type of agreement that has been developed, based on Norway's rewarding countries in arrears for positive results in the form of reduced deforestation. So far, this system has only entered into force in

Brazil, but agreements of intent on results-based support have been signed with Guyana and Indonesia.

Norway has made a provision of approximately NOK 6 billion to support efforts to prevent deforestation in Brazil by 2015. Payment takes place on the basis of the results that are achieved in the Amazon region and the documented need for financing of projects under the auspices of the Amazon Fund. NOK 292 million has been disbursed so far.

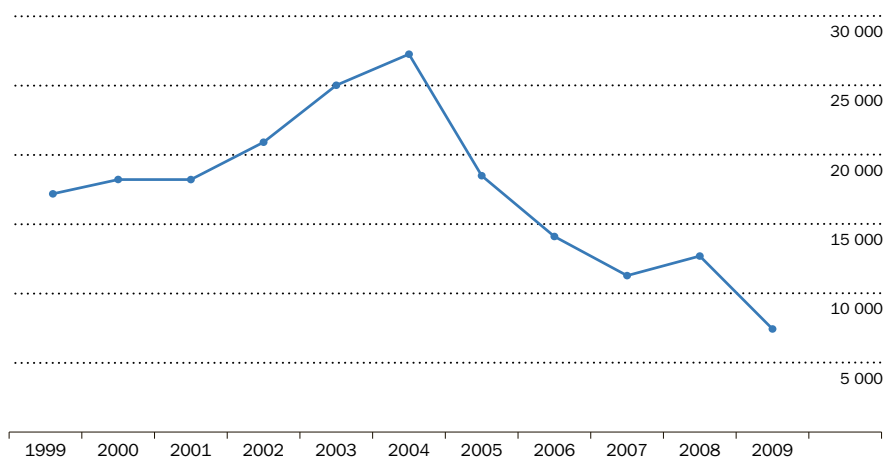
A total of NOK 735 million has been channelled through multilateral programmes under the auspices of the UN, the World Bank and the African Development Bank, NOK 333 million has been granted to partner countries Brazil and Tanzania and NOK 173 million has been spent on supporting civil society and research organisations.

WORK ON INTERNATIONAL CLIMATE AND FOREST POLICY

So far, no agreement has been reached on an international climate agreement for



FIGURE 2.9 Deforestation in Brazil has been reduced over the last five years



Deforested area, square kilometres

Source: National Institute for Space Research, INPE, Brazil 2010

the forest sector in developing countries. Norway has become one of the main actors in the negotiations on a forest agreement under the UN Framework Convention on Climate Change, both politically and technically. Norway's political influence arises especially from its support under the International Climate and Forest Initiative for measures to combat deforestation, and has been used to bridge the gap between the positions of different countries on the basis of technical expertise.

Since the climate summit in Copenhagen in 2009 failed to reach a new climate agreement, Norway and France have taken the initiative for an international partnership to reduce deforestation and forest degradation, which will work towards the next climate summit. This partnership is intended to improve international coordination and generate increased allocations from other donor countries and stakeholders. So far, NOK 25 billion has been pledged for the period 2010-2012.

Results

It is too soon to evaluate the results of this initiative, both internationally and for Norway. Norad has initiated a comprehensive effort to document the results of the Climate and Forest initiative. An independent evaluation of the initiative is being carried out by a group of international researchers and consultants commissioned by Norad. Their task is to document the

results of the Norwegian Forest Initiative at various points in time since the start-up in 2007. Both work on international climate and forest policy and support for national measures to reduce deforestation will be evaluated. The conclusions and recommendations will be submitted to the Climate and Forest Initiative to contribute to learning and improvements.

A few countries have initiated reforms in the forest sector, and Brazil can document significant reductions in deforestation in the Amazon region, but in many tropical forests the rate of deforestation and forest degradation is still high.

Norway has helped to build international institutions to channel funds and support national initiatives. They include the establishment of the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries and the design of the World Bank's new support scheme for climate and forests in developing countries.

Brazil. Deforestation in the Amazon region has declined in recent years. While the average area of annual deforestation in the period 1996-2005 was estimated to be 19,500 square kilometres, the area of deforestation in 2009 was 7,464 square kilometres. This is equivalent to a reduction of 62 per cent. Deforestation in Brazil is closely linked to agricultural commodity prices. Part of the decline can be explained

by improved monitoring systems and stricter forest management on the part of the Brazilian authorities. This can partly be linked to expectations of more support through an international forest agreement.

Brazil has shown that it is possible to reduce deforestation on a large scale and uses cooperation with Norway as an example of how an international forest agreement can function in practice.

Tanzania. Like most other forest countries, Tanzania has no systems for measuring, reporting on or verifying emissions from the forest sector, and there are serious challenges relating to governance and corruption. The International Climate and Forest Initiative has been the most important contributor to the establishment of institutions and the shaping of a political framework for efforts to combat deforestation and forest degradation. So far, there is no proof that assistance for Tanzania has so far led to a reduction in deforestation.

Other countries. It is too early to point to results from cooperation with Indonesia and Guyana as these agreements were entered into only recently. Through contributions to UN and World Bank programmes, assistance is provided to around 40 forest countries to enable them to start work on national plans to prevent deforestation and forest degradation.

Risk

The most important precondition for the success of the Climate and Forest Initiative is the outcome of climate negotiations. Without an international agreement on reductions in emissions from deforestation and forest degradation in developing countries, there is a danger that the input will not be large enough to lead to significant, sustainable results at the global level.

Results related to Norway's development policy goals, which are separate from its climate goals, are dependent on a climate agreement that includes requirements for the participation of indigenous and local populations, the conservation of biodiversity and good governance in the countries that participate.

The Climate and Forest Initiative operates in countries and regions where Norway has limited experience of development cooperation, i.e. Brazil, Papua New Guinea, the Congo region, Guyana and Liberia. Many of these countries are characterised by poor governance and widespread corruption and some of them are, or have recently been, in conflict.

In following up the initiative, it will be important to pursue anti-corruption measures and capacity development in these countries' forest management and in sectors that are crucial for deforestation, such as agriculture and energy.





PART 3

PART 3

NORWEGIAN DEVELOPMENT ASSISTANCE IN PERSPECTIVE

– STATISTICS AND FACTS



This section of the Results Report presents a compilation of statistics that show Norwegian development assistance in relation to international development results. Norwegian aid has increased from just over NOK 11 billion in 2000 to NOK 27 billion in 2010. The total amount of global aid has also risen and had reached NOK 730 billion in 2008. Development indicators show that the situation has improved, on the whole, for many developing countries. More countries can report high economic growth or less dependency on development assistance. Infant mortality is declining in every country except Afghanistan. Efforts to reduce poverty have been less successful in Africa than in Asia. Corruption is a major problem in many developing countries, and political and civil rights are often weak. Afghanistan and Sudan score poorly on most indicators, illustrating the negative situation of conflict-affected countries. Although the Palestinian Area also has poor scores for several of the indicators, it has high literacy and low child mortality rates.

The statistics section of the Results Report is divided into three main topics. The first part provides an overview of key figures in Norwegian development assistance. The second part places Norway as an aid donor in an international context, and compares several donors. The last part is a presentation of certain development indicators in some of the main countries that are recipients of Norwegian aid. A comparison of this type of data over time can be indicative of the development of the countries to which Norway provides the most assistance.





NORWEGIAN DEVELOPMENT ASSISTANCE

Simoni Pausi Lukoo looks after the goats that are part of a programme started by local farmers in Tanzania. The kids are reared and given to households that look after children whose parents have died of AIDS.



Norway has been a donor of development assistance since the Norwegian Foundation for Assistance to Underdeveloped Countries was established in 1952. Since then, the volume of development aid has considerably increased, more than doubling in the last decade (Figure 3.1). In 2009, Norway provided NOK 25.7 billion in aid and for the first time since 1994 Norwegian development assistance exceeded one per cent of gross national income (GNI). The share of GNI is an international measure used to compare the amount of development aid granted by individual donors.

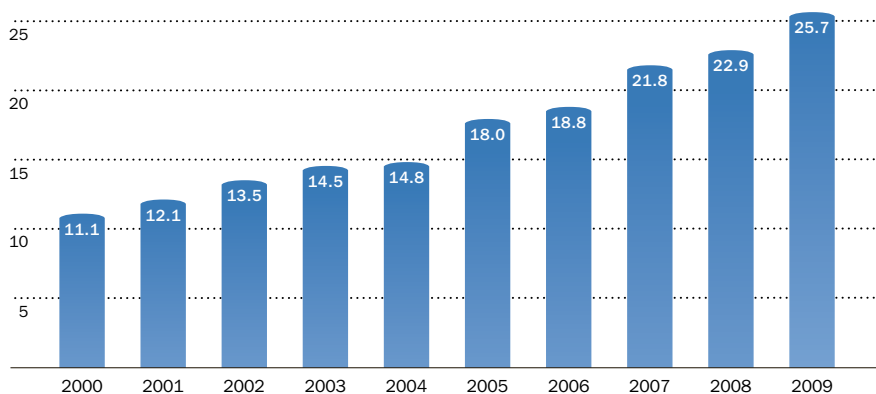
TABLE 3.1 Gradual increase in Norwegian development assistance since 2000

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Norwegian aid (NOK billion)	11.1	12.1	13.5	14.5	14.8	18.0	18.8	21.8	22.9	25.7
% OF GNI	0.77	0.80	0.89	0.92	0.87	0.94	0.89	0.95	0.88	1.06

Total Norwegian aid and aid as a percentage of GNI, 2000-2009

Source: Norad

FIGURE 3.1 Norwegian development assistance has more than doubled since 2000



Norwegian aid 2000-2009 (NOK billion)

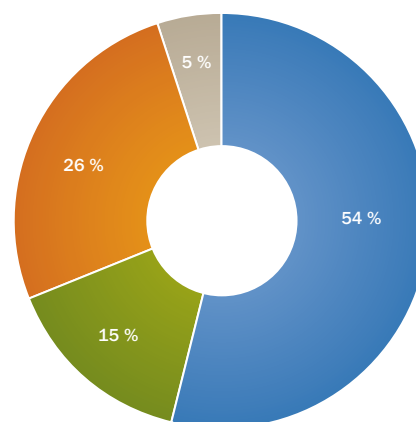
Source: Norad



Multilateral development assistance consists of core funding for multilateral organisations. Total bilateral aid consists of bilateral and multi-bilateral development assistance. The latter comprises contributions provided through multilateral organisations, where funds are earmarked for a specific recipient country/region, or target a particular sector such as education. Bilateral aid consists of funding for the public or private sector and non-governmental organisations. The breakdown of Norwegian development assistance between the

various types of aid has been fairly stable in the last decade (Table 3.2). The share of bilateral aid has decreased somewhat since the turn of the millennium, from 54 per cent in 2000 to 47 per cent in 2009. At the same time, multi-bilateral aid has increased from 15 to 25 per cent (Figures 3.3 and 3.4). This increase shows the growing use of multilateral organisations as a channel for Norwegian aid. In 2000, multilateral aid accounted for 26 per cent of total aid. This share rose slightly in the following years, before declining to 23 per cent in 2009.

FIGURE 3.3 Bilateral aid accounted for more than half of all development aid in 2000

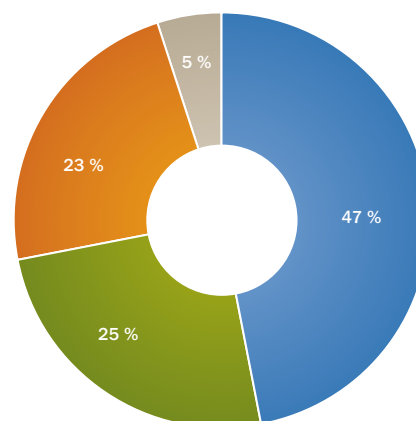


Breakdown of Norwegian aid by type of aid, 2000

- Bilateral
- Multi-bilateral
- Multilateral
- Administration

Source: Norad

FIGURE 3.4 In 2009 multi-bilateral aid accounted for a larger share than before

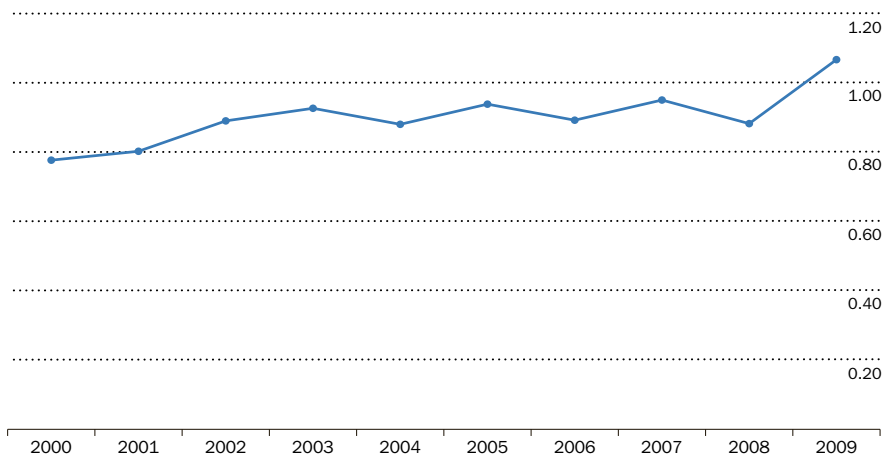


Breakdown of Norwegian aid by type of aid, 2009

- Bilateral
- Multi-bilateral
- Multilateral
- Administration

Source: Norad

FIGURE 3.2 In 2009 development assistance exceeded one per cent of GNI for the first time since 1994



Norwegian aid as a percentage of GNI, 2000-2009

Source: Norad

TABLE 3.2: Development aid has increased every year since 2000 – the share of bilateral aid has declined slightly

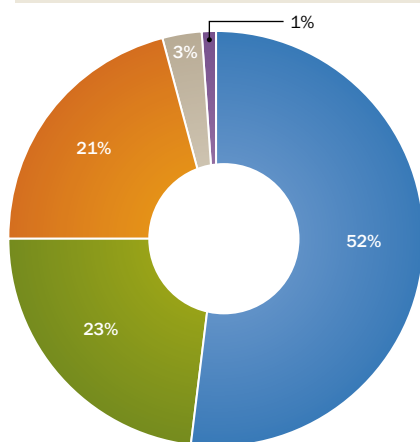
	2000	2001	2002	2003	2004	2005	2006	2007*	2008	2009
Total bilateral aid	7.7	7.9	8.5	9.4	9.6	12.0	12.4	15.8	16.2	18.5
> bilateral	6.0	5.8	6.4	7.2	6.9	7.8	8.4	10.3	10.3	12.1
> multi-bilateral	1.7	2.1	2.1	2.2	2.7	4.1	4.0	5.5	5.9	6.5
Multilateral aid	2.9	3.6	4.4	4.4	4.5	5.1	5.4	5.0	5.5	5.8
Administration	0.6	0.6	0.7	0.7	0.8	0.9	1.0	1.1	1.2	1.4
Total development aid	11.1	12.1	13.5	14.5	14.8	18.0	18.8	21.8	22.9	25.7

Breakdown of Norwegian development aid by type of aid, 2000-2009 (NOK billion)

*Changes in the registration of statistics as from 2007: All multilateral funds and programmes linked to specific thematic areas are registered as multi-bilateral aid. Some of these were previously registered as multilateral aid.

Source: Norad

FIGURE 3.5 In 2005 more than 50% of aid was channelled through multilateral organisations

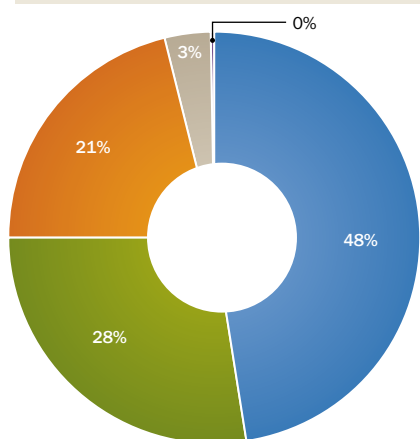


Channels for Norwegian development aid, 2005



Source: Norad

FIGURE 3.6 More aid was channelled through the public sector in 2009



Channels for Norwegian development aid, 2009



Source: Norad

TABLE 3.3 Multilateral organisations receive almost half of Norwegian development aid funds

Group of agreement partner	2005	2009
Multilateral organisations	9.3	12.2
Public sector	4.2	7.1
> Norwegian public sector	2.2	4.7
> Public sector in recipient country	1.8	2.1
> Public sector other donor countries	0.1	0.3
Non-governmental organisations	3.8	5.4
> Norwegian	3.1	3.6
> International	0.3	1.1
> Local	0.3	0.6
> Regional	0.1	0.2
Private sector	0.6	0.9
> Private sector other countries	0.3	0.6
> Norwegian private sector	0.2	0.2
> Consultants	0.1	0.1
Unspecified	0.2	0.0
Total	18.0	25.7

Breakdown of Norwegian development aid by group of agreement partner, 2005 and 2009 (NOK billion)

Source: Norad

Table 3.3 shows that almost half of Norwegian development aid was provided through multilateral organisations in 2009. In 2000, this share amounted to 41 per cent, and increased significantly up until 2005 (Figure 3.5), before dropping again slightly last year (Figure 3.6). In 2009, more use was made of the public sector as a channel for aid than in 2005, which is particularly reflected in the increase in funding for the category “Norwegian public sector”. Much of this increase is ascribable to expenses for refugees in Norway, where the Norwegian authorities are the contract partner. International non-governmental organisations have also become a more important channel for Norwegian development assistance since 2005.

Table 3.4 shows a breakdown of total bilateral development assistance by region. Although Norwegian aid initially focused on Asia, gradually more and more aid targeted Africa, which by 1972 was receiving the most development assistance. These two continents have been the largest recipients of Norwegian aid ever since. Since the turn of the millennium, there has been a gradual shift towards an increase in the share of aid that does not target a specific country or region (Figure 3.7); in 2009, for the first time, this global assistance accounted for the largest share of the bilateral aid (Figure 3.8). Global aid is funding provided for a specific sector. Examples of such aid are funds provided for major education programmes through the UN Children’s Fund (UNICEF) or world-wide vaccination programmes.

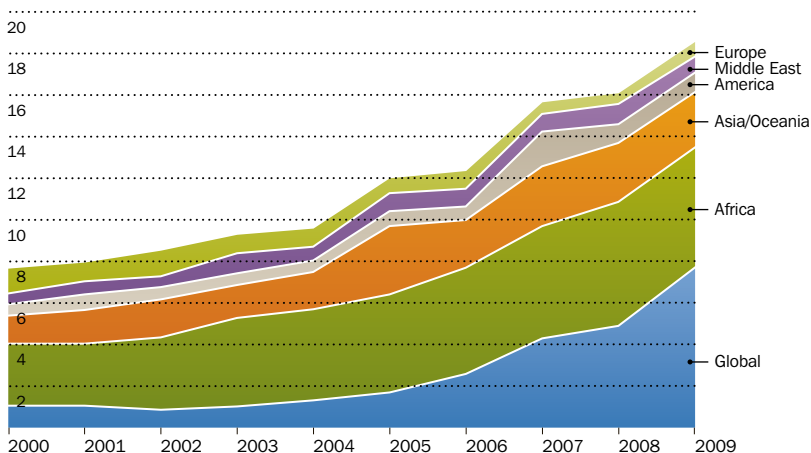
TABLE 3.4 Global aid accounted for the largest share of bilateral aid for the first time in 2009

	2000	2001	2002	2003	2004	2005	2006	2007*	2008	2009
Global	1.1	1.1	0.9	1.0	1.4	1.7	2.6	4.3	5.0	7.8
Africa	3.0	2.9	3.6	4.1	4.2	4.6	5.0	5.3	5.9	5.7
Asia and Oceania	1.3	1.6	1.7	1.8	1.9	3.4	2.3	2.9	2.9	2.7
America	0.5	0.8	0.5	0.5	0.6	0.7	0.7	1.6	0.8	0.9
Middle East	0.5	0.6	0.7	0.9	0.6	0.8	1.0	0.9	0.9	0.8
Europe	1.3	0.9	1.2	1.0	0.9	0.8	0.8	0.7	0.6	0.6
Total	7.7	7.9	8.5	9.4	9.6	12.0	12.4	15.7	16.2	18.5

Norwegian aid by region, 2000-2009 (NOK billion)

Source: Norad

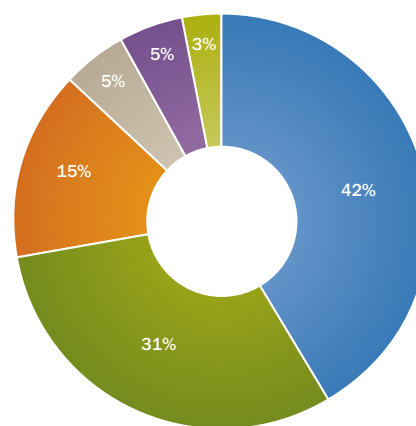
FIGURE 3.7 Global aid accounts for a steadily growing share of bilateral aid



Bilateral aid by region, 2000-2009 (NOK billion)

Source: Norad

FIGURE 3.8 Global aid clearly accounted for the largest share of bilateral aid in 2009

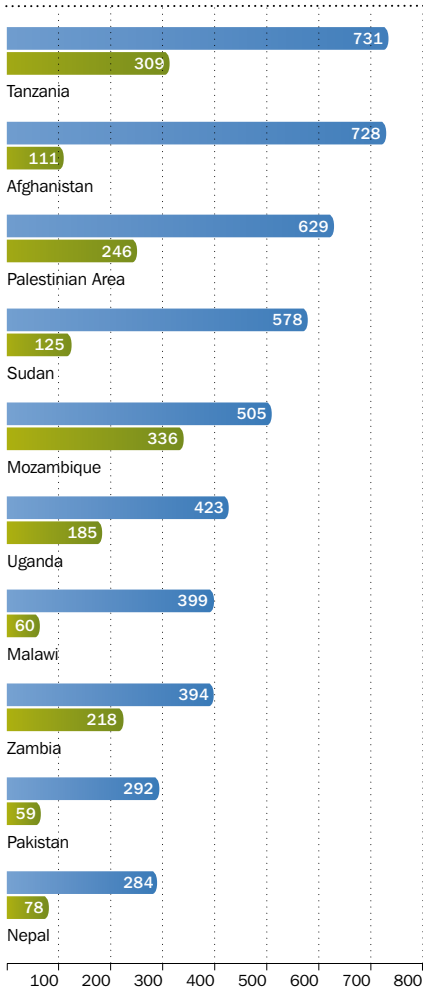


Bilateral aid by region, 2009

- Global
- Africa
- Asia/Oceania
- America
- Middle East
- Europe

Source: Norad

FIGURE 3.9 Tanzania and Afghanistan were the largest recipients in 2009



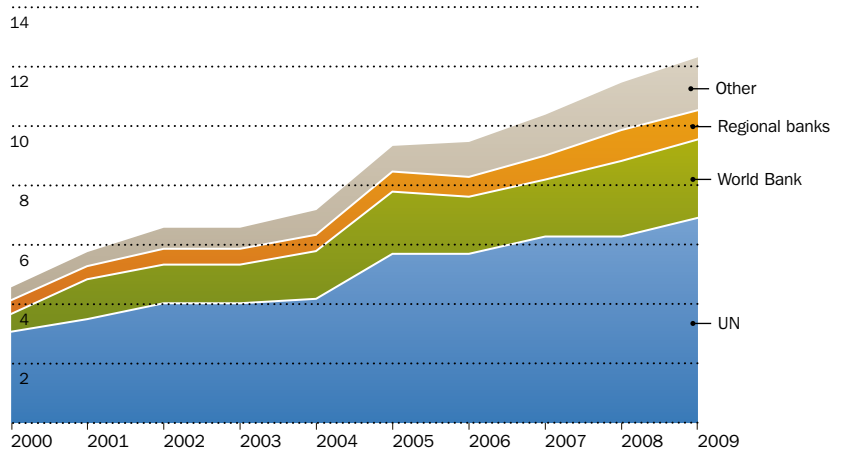
The 10 largest recipients of Norwegian development aid in 2009 (NOK mill.)

■ 2009
■ 2000

Source: Norad

In 2009, Tanzania was the country that received the most development assistance from Norway, totalling NOK 731 million. Tanzania is one of Norway's oldest development cooperation partners, with whom cooperation began in the early 1960s. In recent years, countries in conflict have been given higher priority, and Figure 3.9 shows that Afghanistan, the Palestinian Area and Sudan have become important recipient countries. The ten largest recipient countries received a total of almost NOK 5 billion in 2009, equivalent to 19 per cent of total development aid. This is a small increase from 2000, when the ten largest recipient countries received 16 per cent of total development aid.

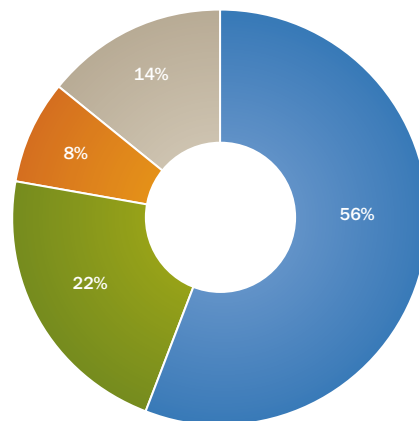
FIGURE 3.10 Among multilateral partners the World Bank's share has increased



Development aid to multilateral organisations, 2000-2009 (NOK billion)

Source: Norad

FIGURE 3.11 Over 50% of aid to multilateral organisations still goes through the UN



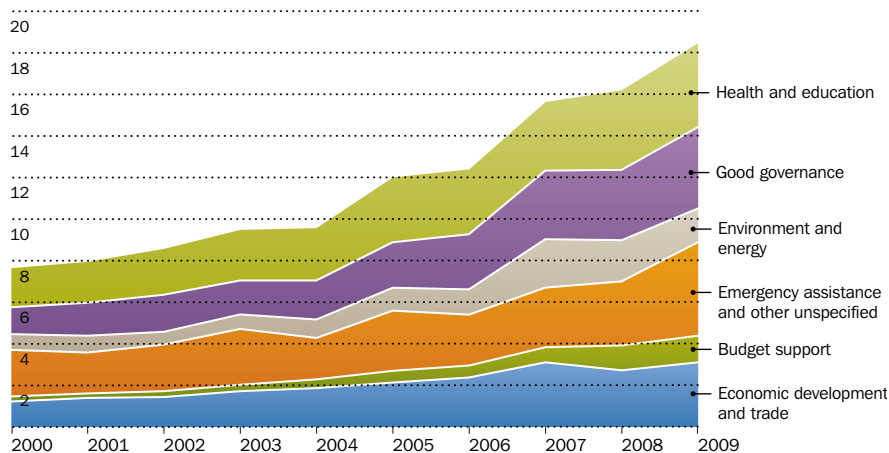
Development aid to multilateral organisations, 2009

■ UN
■ World Bank
■ Regional banks
■ Other

Source: Norad

Multilateral organisations received 48 per cent of development aid in 2009. The UN is still Norad's largest multilateral partner, but the share of aid channelled through the UN has dropped from 66 to 56 per cent since 2000. The World Bank group is now the channel for a larger percentage of aid than at the turn of the millennium, due to the fact that the organisation is increasingly used as an administrator of large funds such as the Fast Track Initiative education programme. Figures 3.10 and 3.11 also show that other multilateral organisations have received more aid in the period in question, their share having increased from 10 to 14 per cent.

FIGURE 3.12 Economic development and good governance have had growing priority



Bilateral aid, by sector, 2000-2009 (NOK billion)

Source: Norad

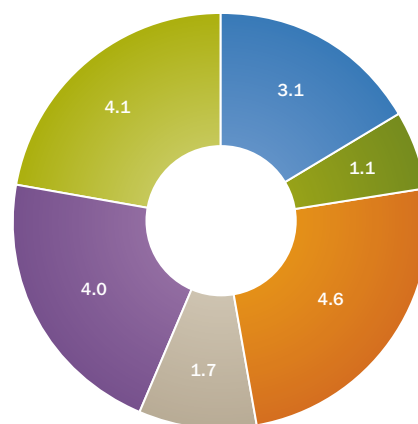
TABLE 3.5 Economic development and good governance have had growing priority in the past decade

Sector	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Economic development and trade	1.3	1.5	1.6	1.9	2.2	2.5	2.9	3.7	3.8	4.2
> of which budget support	0.1	0.2	0.2	0.4	0.4	0.4	0.6	0.8	1.2	1.1
Emergency assistance and other unspecified	2.3	2.0	2.3	2.7	2.0	2.9	2.4	2.9	3.1	4.6
Environment and energy	0.7	0.8	0.7	0.7	0.9	1.1	1.2	2.3	1.9	1.7
Good governance	1.3	1.5	1.7	1.7	1.9	2.2	2.8	3.3	3.5	4.0
Health and education	2.0	2.1	2.3	2.4	2.6	3.2	3.1	3.5	3.8	4.1
Total	7.7	7.9	8.5	9.4	9.6	12.0	12.4	15.7	16.2	18.5

Breakdown of bilateral aid by sector, 2000-2009 (NOK billion)

Source: Norad

FIGURE 3.13 Aid was distributed evenly between sectors in 2009



Bilateral aid, by sector, 2009 (NOK billion)

- Economic development and trade
- Budget support
- Emergency assistance and other unspecified
- Environment and energy
- Good governance
- Health and education

Source: Norad

At the turn of the millennium, the largest sectors for Norwegian development aid were *health/education* and *emergency assistance/other* (Table 3.5). Ten years later, aid is distributed more evenly across the different sectors. In 2009, *good governance* and *economic development and trade* accounted for a larger share of the development aid budget (Figure 3.13). *Economic development and trade* also comprises *budget support*, which has contributed to the increase. Assistance for *environment and energy* has been relatively stable during the period in question, accounting for nine per cent of bilateral aid at both the start and the end of the decade.





Power lines at the Chuka power station in Bhutan

NORWEGIAN DEVELOPMENT ASSISTANCE IN AN INTERNATIONAL CONTEXT

This part examines how Norwegian development assistance compares to aid provided by other donor countries. In 1970, the UN General Assembly adopted the goal that donor countries should give 0.7 per cent of their gross national income as development aid. Norway achieved this goal for the first time in 1976, and has exceeded the target level ever since.



TABLE 3.6 The total amount of development aid rose sharply in 2005 – Norway's share has remained the same throughout the period

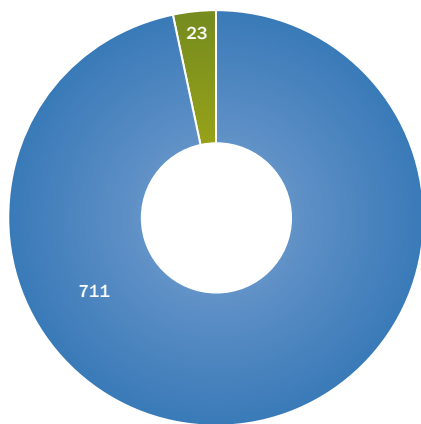
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total global aid (USD billion)	49.5	52.2	61.4	70.9	79.7	108.2	106.4	107.1	128.6
Norwegian aid (USD billion)	1.3	1.3	1.7	2.0	2.2	2.8	3.0	3.7	4.0
Norway's share of total aid	3%	3%	3%	3%	3%	3%	3%	3%	3%

Norwegian development assistance as a percentage of total global aid, 2000-2008 (USD billion)

Source: OECD/DAC

In this section of the report, Norway as a donor is compared with Sweden, Denmark, the UK, the USA and Japan, in addition to an average for the 23 member countries in the OECD's Development Assistance Committee (DAC). The committee is a forum for aid donors, to which all the members report annually on the assistance they have provided. Table 3.6 shows a marked increase in total development assistance in 2005. After 2005, assistance stayed at a steady level for a few years, until it increased again substantially in 2008.

FIGURE 3.14 Norwegian aid constitutes a small share of total development assistance



Norwegian aid as a percentage of total global aid, 2008 (NOK billion)

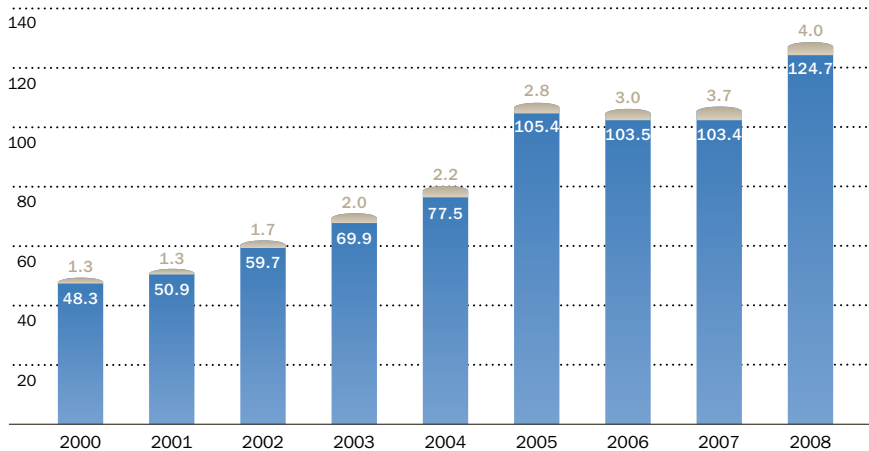
- Aid from other donors
- Norwegian aid

Source: OECD/DAC

Although Norway contributes a large percentage of its GNI as development aid, there are many countries that give more aid in terms of money. The USA is the largest donor, providing USD 29 billion in development assistance in 2009. France was the second largest donor in 2009, contributing USD 12 billion, followed by Germany and the UK. Norway was the ninth largest donor in 2009, providing USD 4 billion in aid. Norwegian development assistance accounted for 3 per cent of overall international aid (Figure 3.14). A total of NOK 734 billion in aid was provided in 2008.

In 2009, Norway, Sweden, Denmark, the Netherlands and Luxembourg all exceeded the UN goal of 0.7 per cent of GNI (Figure 16). While the percentage of aid given by Norway and Sweden has showed a rising trend in the past decade, aid provided by Denmark has declined slightly in the same period. The average for OECD/DAC members in 2009 was 0.31 per cent, up from 0.22 per cent in 2000.

FIGURE 3.15 Total development assistance increased significantly in 2005 and 2008

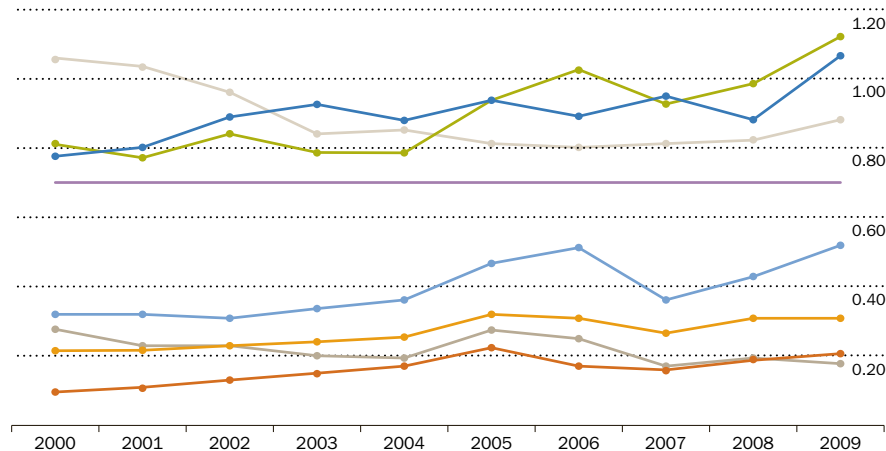


Total global aid and Norwegian aid's share thereof, 2000-2008 (USD billion)

- Norwegian aid
- Aid from other donors

Source: OECD/DAC

FIGURE 3.16 The Scandinavian countries have exceeded the UN aid target

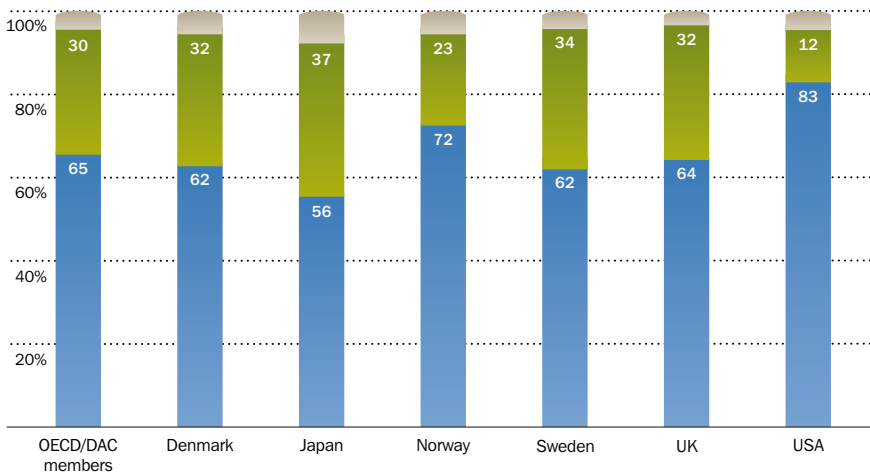


Development assistance as a percentage of GNI 2000-2009

- Sweden
- Norway
- Denmark
- United Kingdom
- DAC members
- USA
- Japan
- The UN aid target

Source: OECD/DAC. Figures for 2009 are provisional

FIGURE 3.17 Japan provides the highest percentage of aid in the form of multilateral assistance



Breakdown of development aid, by type, from selected donor countries (% of aid), 2009

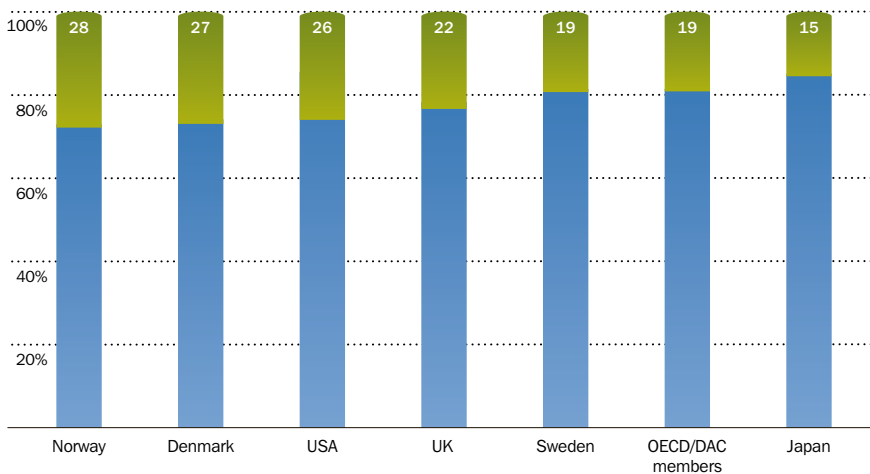
Administration
 Multilateral aid
 Bilateral aid

Source: OECD/DAC. Figures for 2009 are provisional

Japan is the country that provides the largest percentage of aid (37 per cent) in the form of core funding for multilateral organisations (Figure 3.17). The USA gives the smallest percentage of aid (12 per cent) as core funding. In 2000, core funding accounted for 26 per cent of total aid. Norway is the donor that provides the second lowest percentage (23 per cent) of aid in the form of core funding. The average for OECD/DAC member countries is 30 per cent, a level that has been stable for the past decade. That makes the USA and Norway the countries that provide the largest share of aid (83 per cent and 72 per cent, respectively) in the form of bilateral assistance. The average for OECD/DAC members was 65 per cent.

The percentage of development assistance provided by each donor country for the least developed countries (LDCs) has varied substantially from year to year. For OECD/DAC members, on average, the share of aid for LDCs has increased from 15 to 19 per cent in the past decade, whereas it was as high as 24 per cent in 2003. In 2008, 28 per cent of Norway's total aid went to LDCs, making Norway and Denmark the donors who gave the largest share of their total aid to this group (Figure 3.19). In 2000, Norway gave 25 per cent of its development assistance to LDCs.

FIGURE 3.18 Norway gives largest share of its aid to least developed countries



Percentage of development aid to least developed countries, 2008

Aid for LDCs
 Other aid

Source: OECD/DAC

Japan differs from other donor countries in that as much as 65 per cent of the aid it provides targets economic development and trade (Table 3.7 and figure 3.19). At the same time, only 2 per cent of its aid is for good governance. The USA is the country that focuses the most on health and education, allocating 38 per cent of its aid to this sector. Norwegian aid is distributed fairly evenly between the various sectors, while economic development and trade was the most important sector in 2008 on average for OECD/DAC members, accounting for 40 per cent of their bilateral assistance. Health and education is the second largest sector, receiving an average of 29 per cent of OECD/DAC aid.

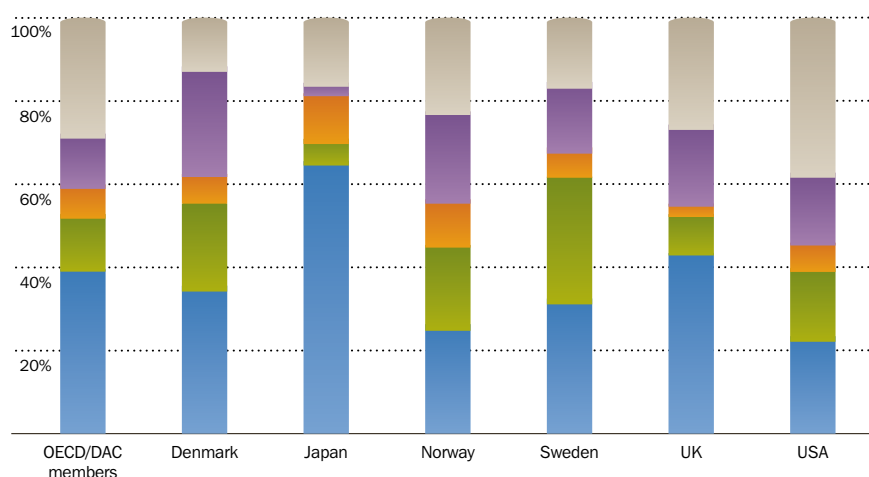
TABLE 3.7 Economic development, health and education are the largest development aid sectors

	Economic development and trade	Emergency relief and other unspecified	Environment and energy	Good governance	Health and education	Total bilateral assistance
OECD/DAC members	43 690	13 377	8 318	13 195	32 008	110 589
USA	6 602	5 011	1 974	4 884	11 533	30 003
Japan	10 998	837	2 063	277	2 848	17 023
UK	3 152	727	175	1 356	1 971	7 381
Sweden	912	871	181	465	492	2 920
Norway	702	553	292	619	659	2 825
Denmark	496	300	92	365	183	1 436

Bilateral aid from selected countries, by sector, 2008 (USD million)

Source: OECD/DAC. Figures for Norway and Sweden are amounts that have been paid out, while the figures for the other countries are pledged amounts

FIGURE 3.19 Breakdown of aid by sector varies significantly among donors

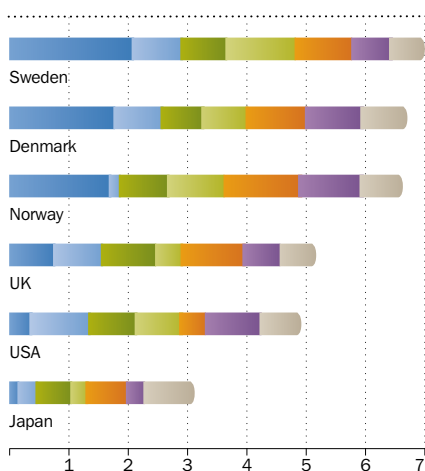


Development aid provided by selected countries, by sector, 2008

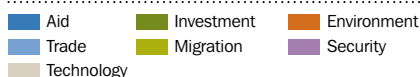
Health and education
 Good governance
 Environment and energy
 Emergency relief and other unspecified
 Economic development and trade

Source: OECD/DAC

FIGURE 3.20 Sweden was the best aid donor in 2009



Commitment to Development Index, 2009. 2.8 (South Korea) was the poorest score and 7 (Sweden) the best.



Source: Center for Global Development

Every year, the research institution *Center for Global Development* publishes its Commitment to Development Index. In addition to reporting on the amount of development assistance each donor country grants, it takes into consideration other policy areas that must be included when determining how effective the aid is. Awarding scores of between 2.8 and 7, it rates various countries as to how good a donor they are. In 2009, Sweden was ranked as the best donor, followed by Denmark and Norway. Norway scores poorly on the trade component, which measures how open countries are to imports from poor countries. Norway was also given a poorer score on the aid component than might be warranted by the amount of aid it provides, because Norwegian aid is considered to be less selective and spread across many small projects. The UK (12), USA (17) and Japan (21) were ranked further down the list of the 22 countries assessed.

Most donors achieved a higher score in 2009 than in 2003 (Table 3.8). Denmark is the only donor in the sample that received a lower score in 2009, but the country started out with a high score in 2003. The Nordic countries stand out as the best donors.

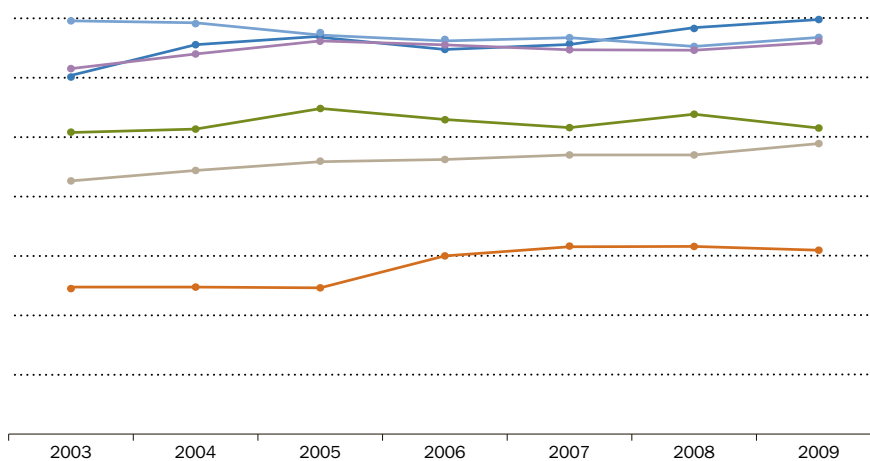
TABLE 3.8 Donors, headed by the Scandinavian countries, are steadily improving

	2003	2004	2005	2006	2007	2008	2009	Change 2003-09
Denmark	7.0	7.0	6.7	6.6	6.7	6.5	6.7	- 0.3
Sweden	6.0	6.5	6.6	6.5	6.6	6.8	7.0	+ 1.0
Norway	6.2	6.4	6.6	6.5	6.5	6.4	6.6	+ 0.4
UK	5.1	5.1	5.5	5.3	5.2	5.4	5.1	0.0
USA	4.3	4.4	4.6	4.6	4.7	4.7	4.9	+ 0.6
Japan	2.4	2.5	2.4	3.0	3.1	3.1	3.1	+ 0.7

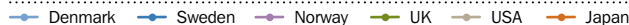
Scores in the Commitment to Development Index, 2003-2009. 2.8 (South Korea) was the poorest score and 7 (Sweden) best

Source: Center for Global Development

FIGURE 3.21 Donors are steadily improving



Scores in the Commitment to Development Index (CtD Index), 2003-2009. 2.8 (South-Korea) lowest score, 7 (Sweden) best score



Source: Center for Global Development

DEVELOPMENT TRENDS IN A SAMPLE OF RECIPIENT COUNTRIES



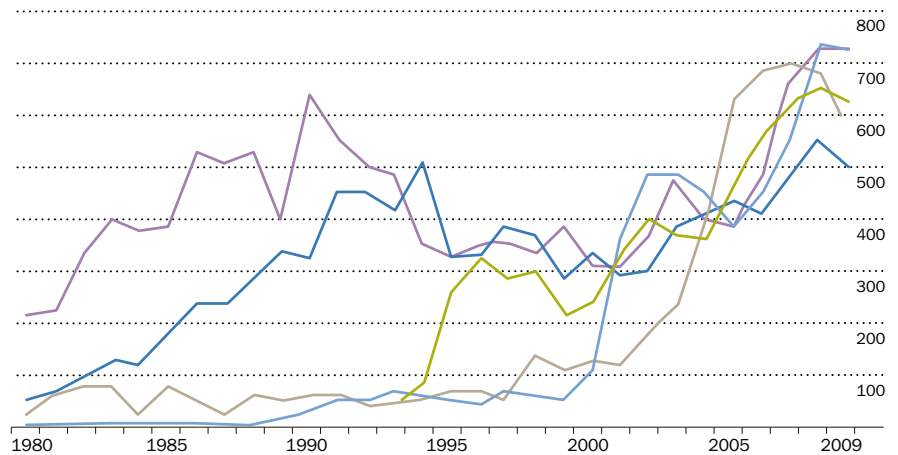
Although development assistance is not the only road to development, this chapter presents various development indicators in a sample of the countries to which Norway has given substantial aid. The indicators provide an overview of the level of development in the sample countries.

The focus is on Afghanistan, Ethiopia, Malawi, Mozambique, Nepal, Nicaragua, Pakistan, the Palestinian Area, Sri Lanka, Sudan, Tanzania, Uganda, Vietnam and Zambia. These countries are all on the list of the 25 largest recipients in the past five years. Some of them have been important recipient countries for a long time, while others are more recent aid recipients. For example, Tanzania was a major aid recipient

in 1980, while Afghanistan barely received any aid at that time. The two countries have received an approximately equal amount of development assistance in recent years (Figure 3.22).

A common way of measuring development trends is to look at a country's economic development (for an in-depth discussion of this subject, see Norad's 2009 Results

FIGURE 3.22 Both traditional and new aid recipients are among the largest recipients today



The five largest recipients of Norwegian development assistance in the past five years: Afghanistan, Mozambique, the Palestinian Area, Sudan and Tanzania. Allocations over the last 30 years.

— Afghanistan — Mozambique — Palestinian Area — Sudan — Tanzania

Source: Norad



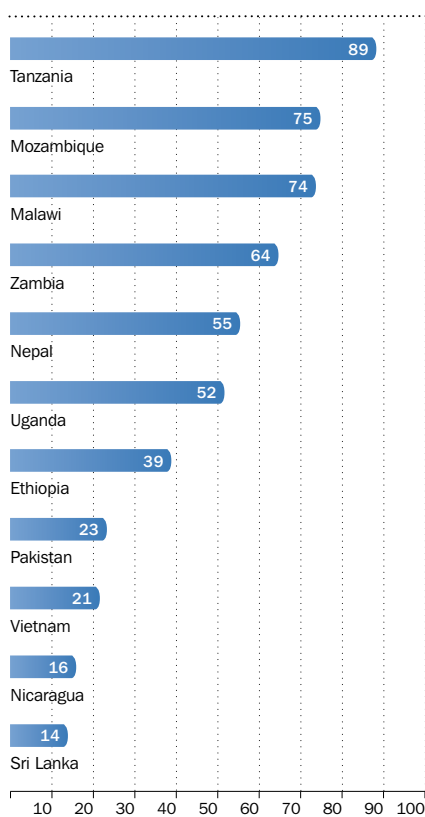
Use of sources

In this section we have used a variety of statistical sources. It is often difficult to compile good statistics in countries with weak systems, and even though we have used the most recent statistics available, they are not always complete for the countries and years that we are studying. Methods can also change from one year to the next. This means that not all figures are comparable and that some countries are missing in some of the surveys. Nevertheless, international statistics are steadily improving. New indices are being produced, and more countries are being included in older surveys. This makes it increasingly easy to compile and compare statistics. And with better figures it is gradually getting easier to measure results.

Report). This section presents poverty, economic growth and electric power consumption, all of which are indicators of economic development. Numerical data are also presented that show development assistance as a percentage of some recipient countries' GNI. This can be indicative of how economically independent the countries are. Figure 3.23 shows that the African countries in the sample have the highest percentage of poor people. Tanzania has the very highest percentage, almost 90 per cent. At the opposite end of the list we find Sri Lanka, where 14 per cent of the population lives on less than USD 1.25 per day.

In 2010, the Multidimensional Poverty Index was published for the first time as a joint endeavour by the Human Development Report and the University of Oxford. The index measures both how many people are poor and how poor they are. Figure 3.24 shows the index for the sample countries. Ethiopia is worst off, as 90 per cent of its population is poor. Tanzania's poverty percentage is lower than in Figure 3.23, with 65 per cent of its population living in poverty. The Palestinian Area has 1 per cent of poor people in this poverty index. The two presentations show that using different

FIGURE 3.23 Tanzania has the highest percentage of poor in the sample

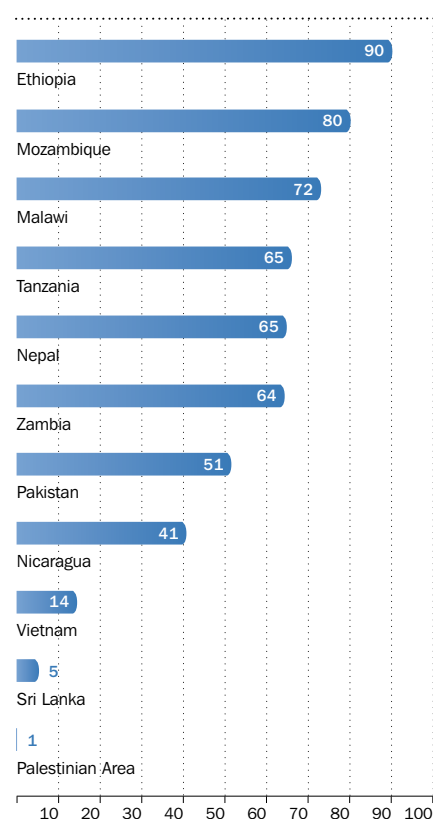


Percentage of the population who live on less than USD 1.25 per day. Most recent figures available for each country for the period 2000-2006.

Source: World Bank

methods of measurement can produce quite different pictures. Both measurement methods show that African countries have the highest poverty percentage. Figures 3.23 and 3.24 describe the same tendency, but with slightly different results.

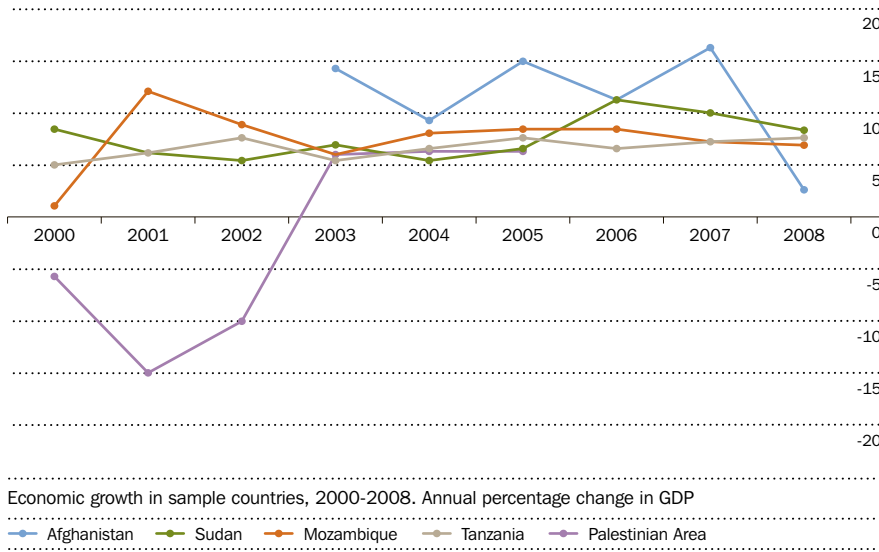
FIGURE 3.24 Ethiopia has the highest percentage of poor people based on an expanded poverty perspective



Percentage of the population defined as poor in the Multidimensional Poverty Index. Data from the most recent annual statistics available after 2000

Source: Human Development Reports (Multidimensional Poverty Index)

FIGURE 3.25 Generally high economic growth for the largest recipients



Economic growth is essential for development and increased prosperity. Despite being a prerequisite for development, however, economic growth alone is not sufficient. Economic growth among the sample countries in Figure 3.26 averaged 5.8 per cent in 2008. Poor countries often have periods of high economic growth. Ethiopia, for instance, had growth of 11 per cent in 2008. However, this does not mean a reduction in the country's poverty. The sample shows that the African countries in particular did well in 2008, whereas Figure 3.23 shows that the African countries have the largest percentage of people living in poverty. Afghanistan and Pakistan are the countries in the sample that had the lowest economic growth rate, while Figure 3.25 shows that the growth rate in Afghanistan has varied significantly in recent years. The same applies to the Palestinian Area.

FIGURE 3.26 The African countries have the highest economic growth in the sample

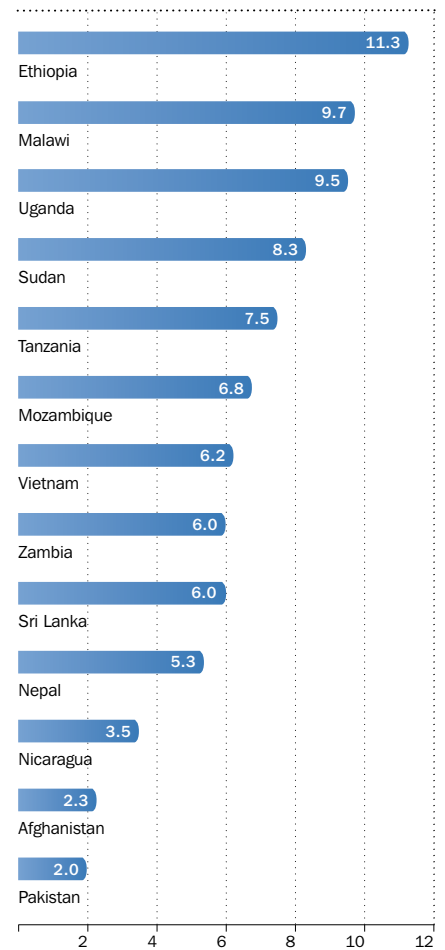
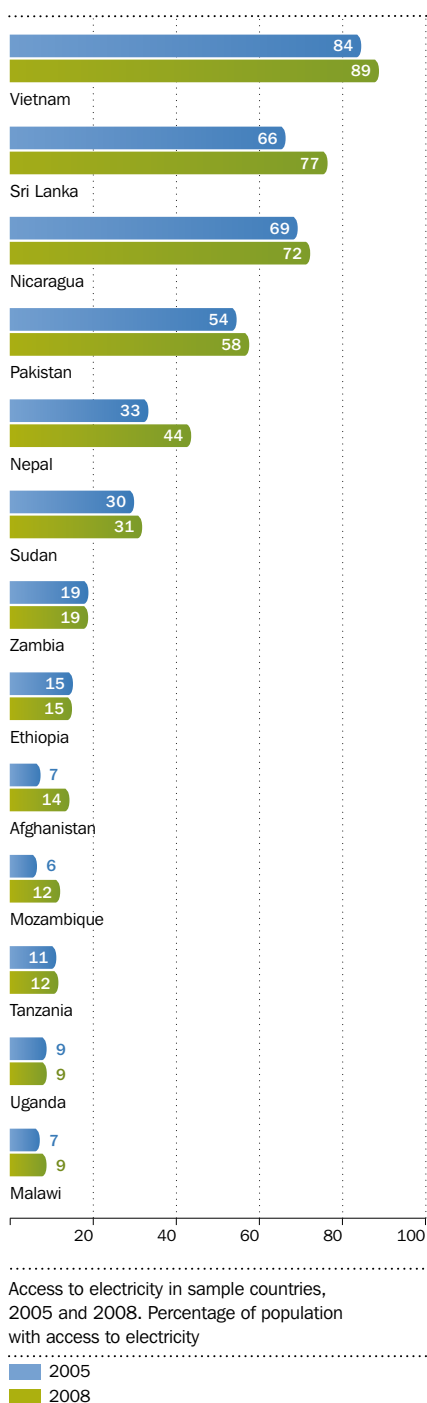


FIGURE 3.27 A growing share of the population has access to electricity


Infrastructure can be both a basic condition for and a result of the level of a country's development, and can be measured in different ways. For example, a country's electric power consumption can be used as an indication of the country's level of development. Table 9 shows that Mozambique and Vietnam are the two countries where elec-

TABLE 3.9 Electric power consumption has increased most in Mozambique and Vietnam

	2000	2005	2007	Change 2000-07
Vietnam	295	573	728	147%
Zambia	595	700	720	21%
Pakistan	374	455	474	27%
Mozambique	122	444	472	287%
Nicaragua	337	415	446	32%
Sri Lanka	296	398	417	41%
Sudan	62	79	90	45%
Tanzania	58	69	82	41%
Nepal	58	79	80	39%
Ethiopia	23	34	40	75%

Annual per capita electric power consumption (kWh) in selected countries, 2000, 2005 and 2007

Source: World Bank

TABLE 3.10 Improved access to electricity in almost all countries

Country	2005		2008	
	Access to electricity % of population	Population with no electricity (millions)	Access to electricity % of population	Population with no electricity (millions)
Vietnam	84	13.2	89	9.5
Sri Lanka	66	6.7	77	4.7
Nicaragua	69	1.7	72	1.6
Pakistan	54	71.1	58	70.4
Nepal	33	18.1	44	16.1
Sudan	30	25.4	31	27.0
Zambia	19	9.5	19	9.9
Ethiopia	15	60.8	15	68.7
Afghanistan	7	27.0	14	23.3
Mozambique	6	18.6	12	19.3
Tanzania	11	34.2	12	36.8
Uganda	9	24.6	9	29.1
Malawi	7	11.8	9	13.0

Access to electricity in sample countries, 2005 and 2008.

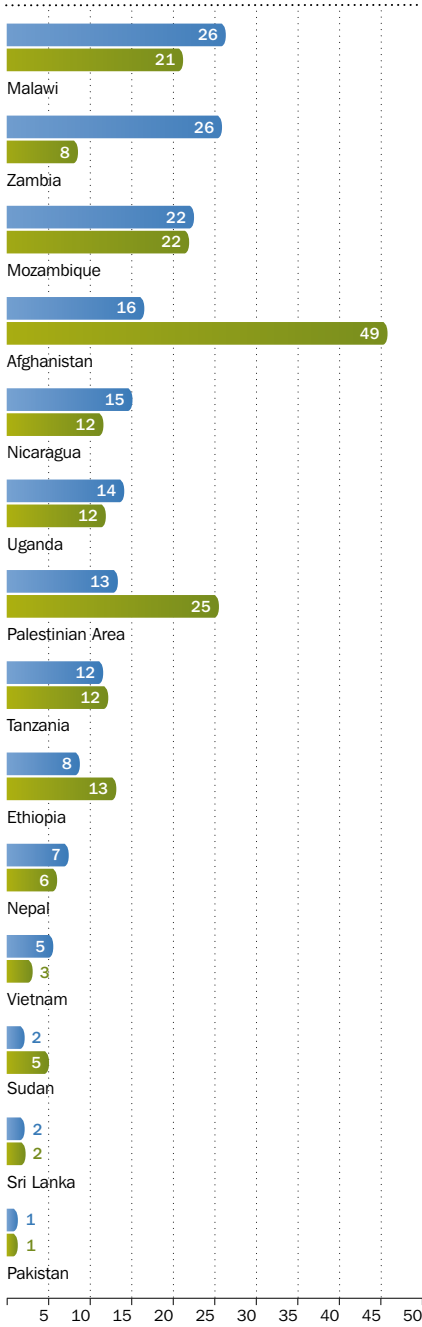
Percentage of population with access, and total number of people without access to electricity

Source: World Energy Outlook

tricity consumption has increased the most since 2000. Further down the list we find Ethiopia, where per capita consumption averaged 40 kWh in 2007. By comparison, Norwegian per capita consumption was almost 25,000 kWh in the same year. Average power consumption in all the countries has increased since the turn of the millen-

nium. The statistics do not indicate whether this can be ascribed to better developed power grids or higher consumption among those who already had access to electric power in 2000. The increase may also be due to industrial consumption in certain countries. It is probably a combination of the three explanations.

FIGURE 3.28 Afghanistan and the Palestinian Area have become more dependent on aid

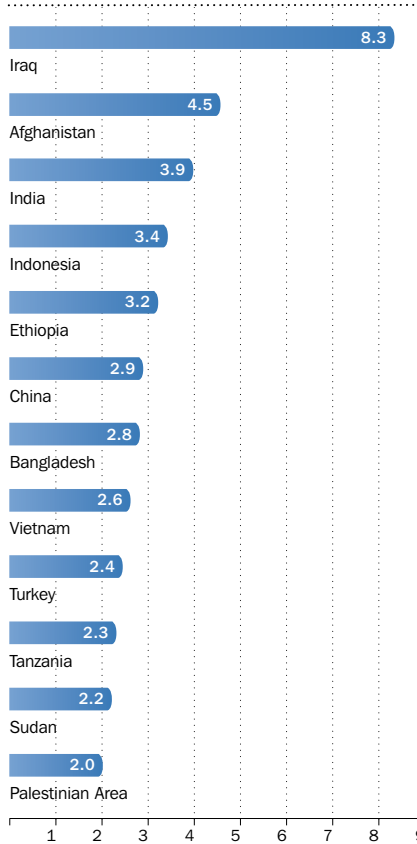


Development aid as a percentage of GNI in sample countries, 2000 and 2008. The percentage for Afghanistan in 2000 is a figure from 2001. The percentage for the Palestinian Area in 2008 is a number from 2005.

2000
2008

Source: World Bank

FIGURE 3.29 Iraq was the largest aid recipient in 2008



Breakdown of total development aid by the 12 largest recipient countries, 2008 (USD billion)

Source: OECD/DAC

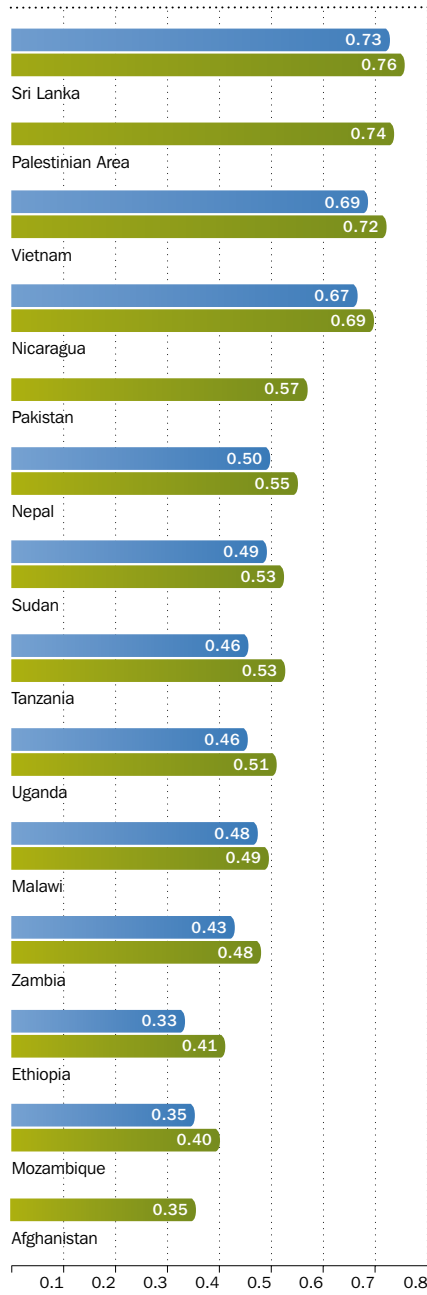
Table 3.10 and Figure 3.27 together show that access to electric power improved in all the countries in the period 2005 – 2008, except for Zambia where it was marginally reduced. Although the percentage of the population with access to electric power has risen, in some countries many people do not yet have access. The absolute figures show a slight increase in the number of millions of people who must manage without electricity.

Figure 3.28 shows that Zambia has had the greatest decline in terms of development assistance as a percentage of GNI. Since 2000, the country has gone from receiving aid equivalent to 26 per cent of its gross national income, to 8 per cent in 2008. Afghanistan, the Palestinian Area, Sudan, Ethiopia, Tanzania, Sri Lanka and Pakistan have become more dependent on aid in the period in question. Development assistance was equivalent to 46 per cent of Afghanistan's GNI, a rise of 16 per cent in 2000. Figure 3.29 shows that both Afghanistan and the Palestinian Area are on the list of the 12 largest recipients of total international aid. Iraq and Sudan are other weak states among the largest aid recipients.

Social factors are also indicative of a country's level of development. Below is a presentation of the Human Development Index, the UN's annual survey of the standard of living in every country in the world. It ranks every country by combining statistics on life expectancy, gross national income (GNI) and education. An overview of literacy, infant mortality and gender equality is also presented.

All the countries in Figure 3.30 scored higher on the Human Development Index in 2007 than in 2000, which means that they have all achieved a higher level of development. Figure 3.31 shows that all the sample countries except for Malawi have moved down the list. Although the level of development of the sample countries has risen, the development level of other countries has increased more.

FIGURE 3.30 The Human Development Index shows that every country has made progress

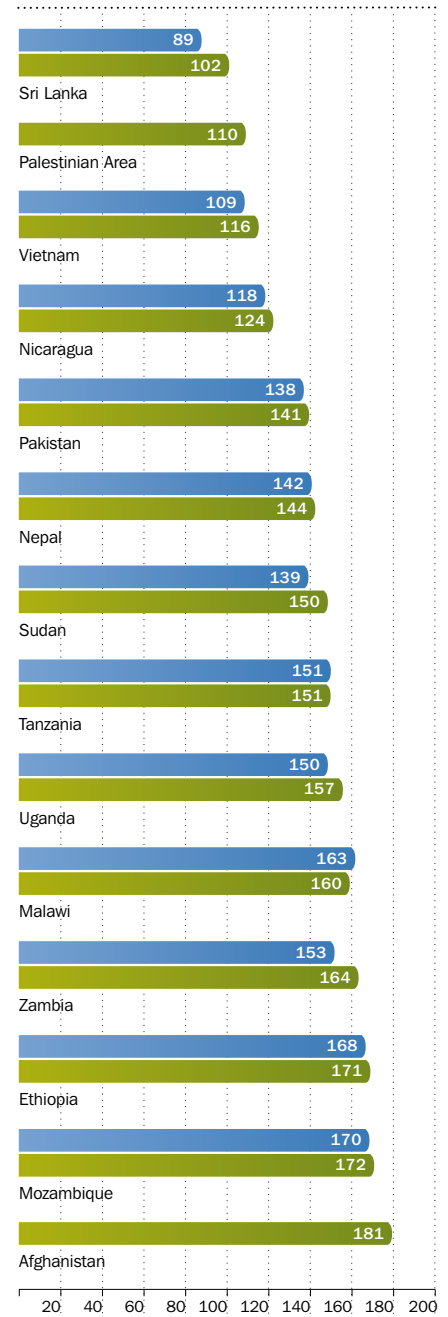


Human Development Index (HDI) scores for 2000 and 2007, where 1 is highest and 0 is lowest

2000
2007

Source: Human Development Report 2009

FIGURE 3.31 Nevertheless, the sample countries have a lower index ranking

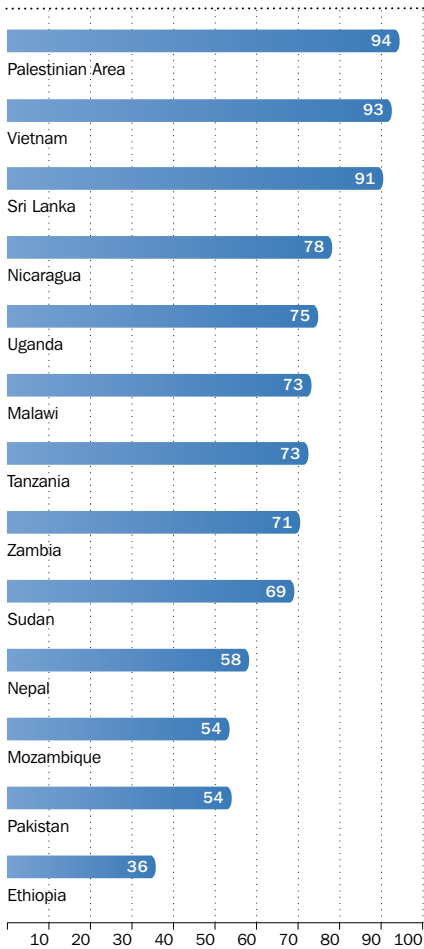


Human Development Index (HDI) rankings, 2000 and 2007, where 1 is the highest ranked country

2000
2007

Sources: Human Development Report 2002 og 2009

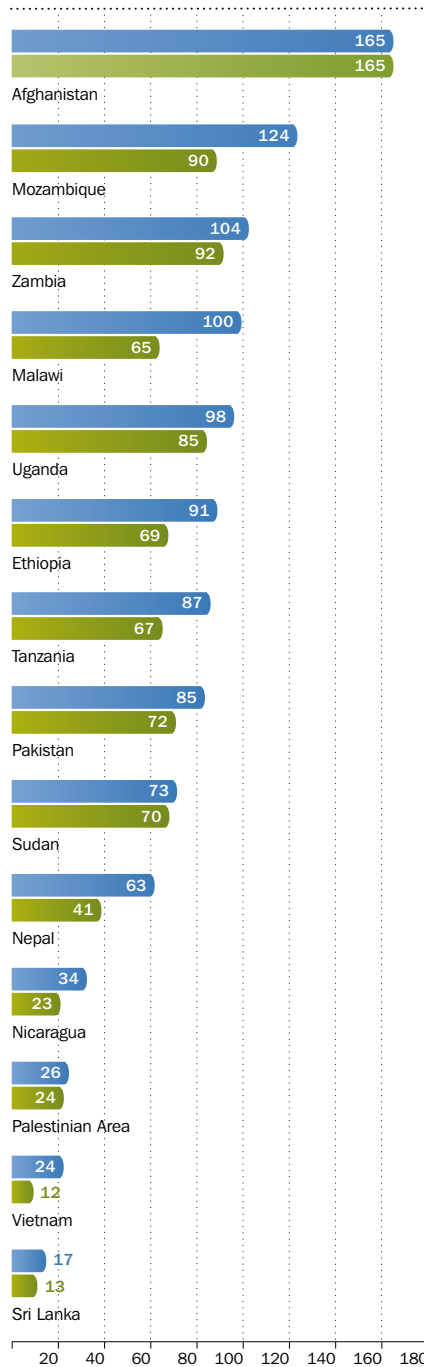
FIGURE 3.32 Ethiopia has a low literacy rate



Percentage of the population aged over 15 who can read and write. Data from most recent annual statistics available in period 2004-2008

Source: World Bank

FIGURE 3.33 Decline in infant mortality



Number of children who die before the age of one per 1000 live births

2000
2008

Source: UN (Millennium Development Goals indicators)

The Palestinian Area, Vietnam and Sri Lanka all have a high literacy rate of over 90 per cent (Figure 3.32). These three countries, along with Nicaragua, also had the lowest infant mortality rate in 2008 (Figure 3.33). Ethiopia has the lowest literacy rate, 36 per cent, in this sample of countries. As regards infant mortality, Afghanistan scores particularly negatively: 165 infants out of 1000 live births do not survive their first year of life. Figure 3.33 shows that all the countries in the sample, except for Afghanistan, had a lower child mortality rate in 2008 than in 2000.

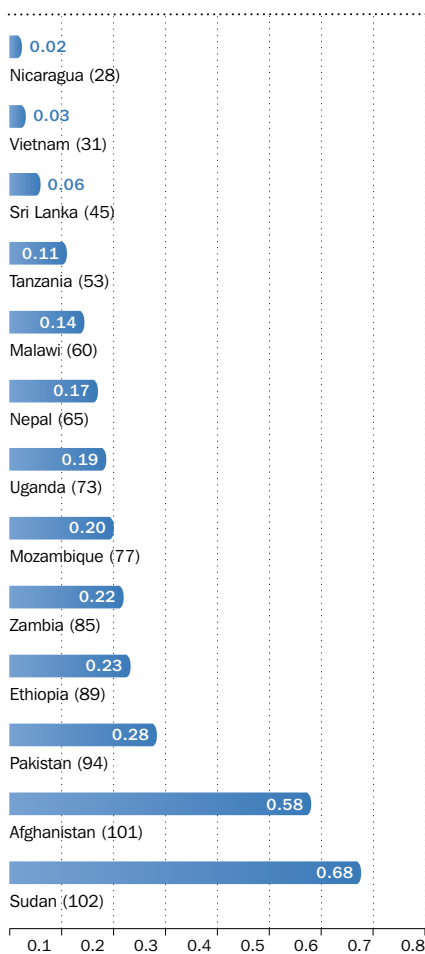
Figure 3.34 shows the degree of gender equality in the sample countries. By comparing twelve different variables such as family situation, rights, inheritance and physical integrity, the OECD provides a picture of how equal a society is⁴⁶. The ranking was carried out for the first time in 2009, and shows the level of gender equality in 102 countries that are not members of the OECD. The variables are coded on a scale from 0 to 1, where 0 shows no or very low inequality, while 1 indicates very high inequality. Figure 3.34 shows that Sudan and Afghanistan are the countries with the least gender equality. Nicaragua is the country with the highest degree of gender equality in the sample.

Development is often closely connected with good governance, a link that Norway emphasises in its development assistance strategy. Every year the World Bank prepares a ranking called the Country Policy and Institutional Assessment (CPIA). In this ranking, countries are given points for various factors such as economic policy, public institutions and social policy. Around 75 countries are rated on a scale from 1 to 6, where 1 indicates the poorest governance⁴⁷. The rating measures the degree to which a country is organised to achieve growth and reduce poverty, and is used as a guideline for the World Bank in deciding to which countries they will provide loans. Figure 3.35 shows that Afghanistan and Sudan have the poorest ratings in the sample. The greatest positive change between 2005 and 2008 was in Mozambique and Zambia, both of which moved 13 places up the list. Pakistan had the most negative change, falling 23 places. The country scored 0.4 points less in 2008 than in 2005.

46 For more information on how the index is computed, see <http://www.genderindex.org/>

47 More information on this rating may be found on the World Bank website, <http://www.worldbank.org>

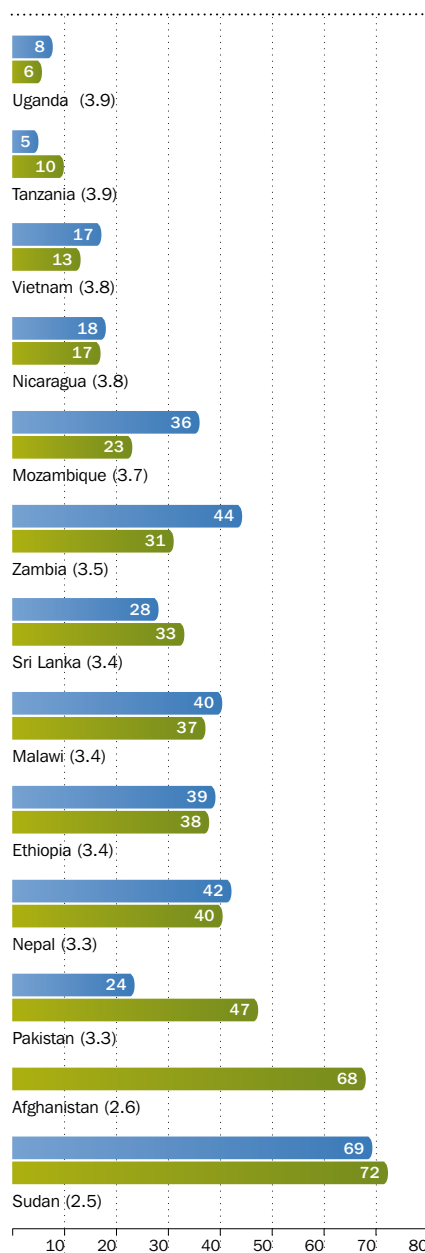
FIGURE 3.34 Sudan and Afghanistan have the least gender equality



Social Institutions and Gender Index (SIGI), 2009
 0 = no or very low gender inequality,
 1 = very high inequality.
 The figures under each bar shows the country's ranking out of a total of 102 countries

Source: OECD

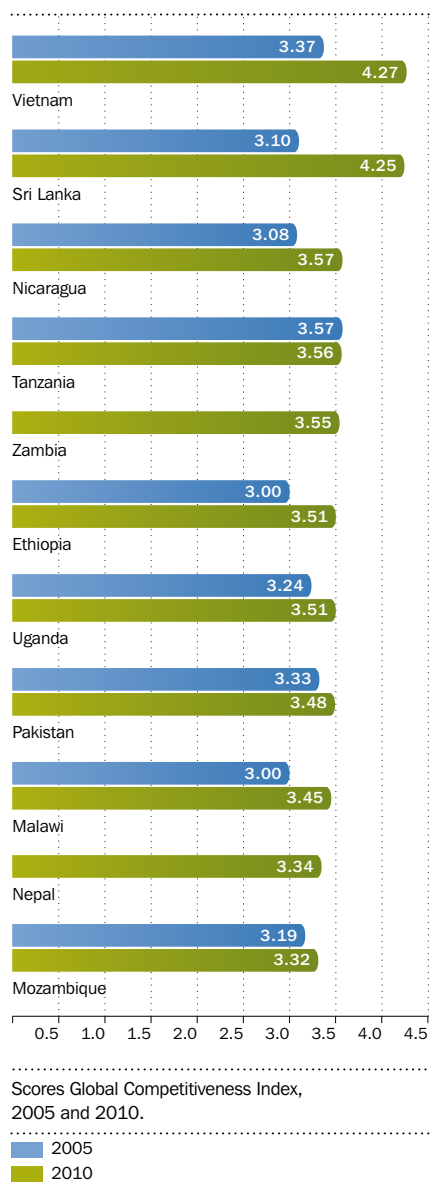
FIGURE 3.35 Afghanistan and Sudan have the weakest political institutions



Rankings in the World Bank's Country Policy and Institutional Assessment (CPIA). Ranking between 1 and 78. The figures above the bars show ratings in 2008, where 6 is the best rating.

2005
 2008

Source: World Bank/IDA

FIGURE 3.36 Vietnam and Sri Lanka are the most competitive countries in the sample

Source: World Economic Forum

TABLE 3.11 Vietnam and Sri Lanka are rated best among the sample countries in the competitiveness assessment

Country	2005		2010	
	Rank	Score	Rank	Score
Vietnam	81	3.37	59	4.27
Sri Lanka	98	3.10	62	4.25
Nicaragua	99	3.08	112	3.57
Tanzania	71	3.57	113	3.56
Zambia			115	3.55
Ethiopia	106	3.00	119	3.51
Uganda	87	3.24	118	3.51
Pakistan	83	3.33	123	3.48
Malawi	105	3.00	125	3.45
Nepal			130	3.34
Mozambique	91	3.19	131	3.32

Rank and score in the Global Competitiveness Index. Switzerland was ranked in first place in the 2010 index with a score of 5.63. Norway was 14th, scoring 5.14. A total of 117 countries were ranked in 2005, while 139 were included in the index in 2010

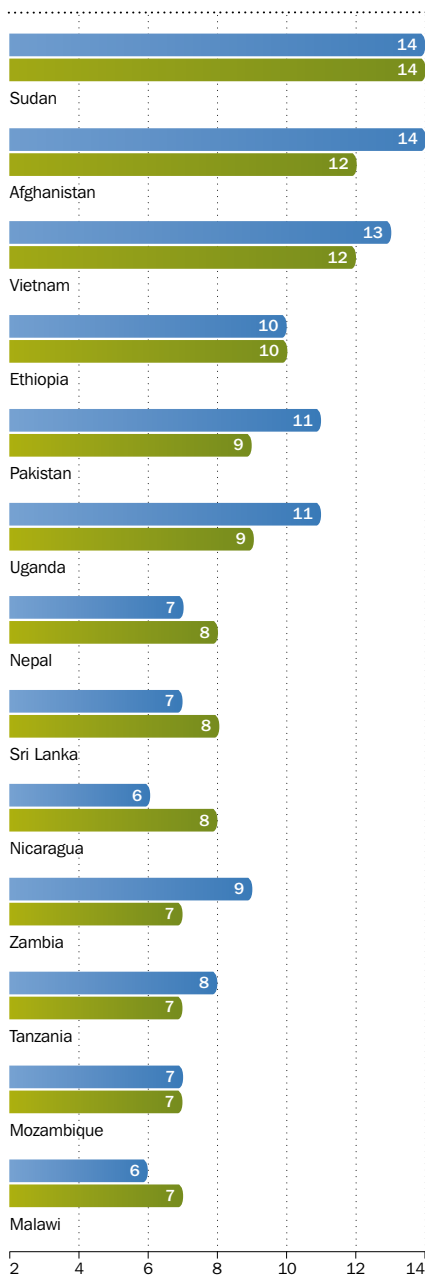
Source: World Economic Forum

Every year, the World Economic Forum publishes a Global Competitiveness Report. Based on information such as the macro-economic environment in the country, the quality of public institutions and innovation and technology, the report measures the competitiveness of countries. The index shows the possibility of achieving increased prosperity based on the country's productivity. Vietnam and Sri Lanka are given the highest ratings among the sample countries. They are considered to be relatively competitive (Table 3.11), and thus have the greatest chances of achieving more prosperity. All the countries assessed in 2005 score higher in 2010, which shows that their prospects of increased development have improved. Despite the improvement, however, all the countries in the sample, except for Vietnam and Sri Lanka, are ranked at a low level.

How politically open a country is, and thus its population's freedom, is measured annually in the Freedom in the World Report published by Freedom House⁴⁸. The comparative assessment rates the degree of freedom in countries by examining political and civil rights. 14 is the worst possible rating, and indicates a poor level of political and civil rights. The best rating achievable is 2, which indicates good rights. Afghanistan and Sudan have the poorest ratings in the sample (Figure 3.37). The situation in Afghanistan improved slightly in 2009. The best ratings were achieved by Malawi, Tanzania, Mozambique and Zambia. Nepal, Sri Lanka, Malawi and Nicaragua attained lower ratings in 2009 than in 2000.

48 For more information on the report, see <http://www.freedomhouse.org>

FIGURE 3.37 Political and civil rights are weakest in Afghanistan and Sudan

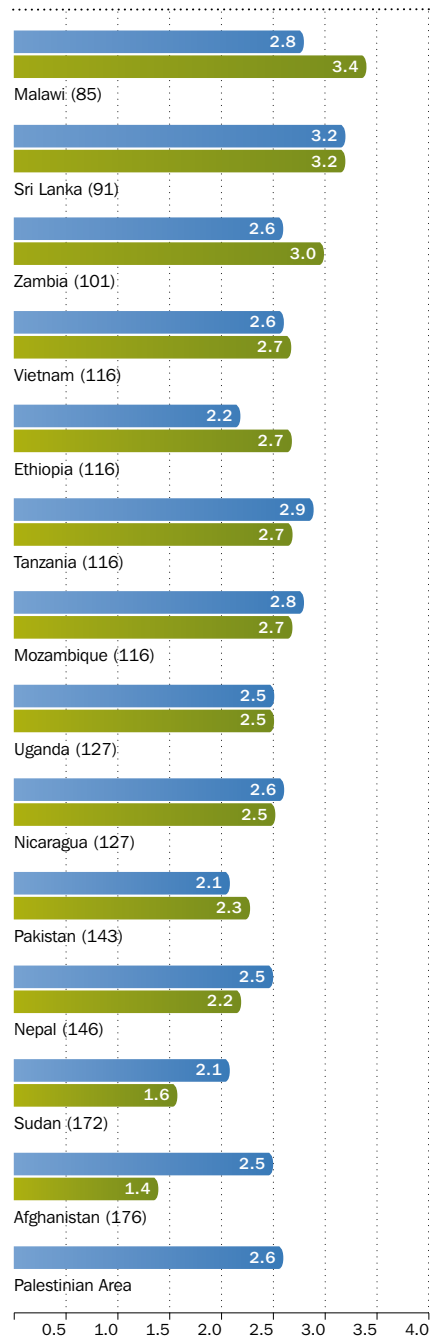


Ratings in the Freedom in the World index, 2000 and 2009.
2 = best, 14 = weakest

■ 2000
■ 2009

Source: Freedom House

FIGURE 3.38 Malawi least corrupt among the sample countries, but all the countries rank low

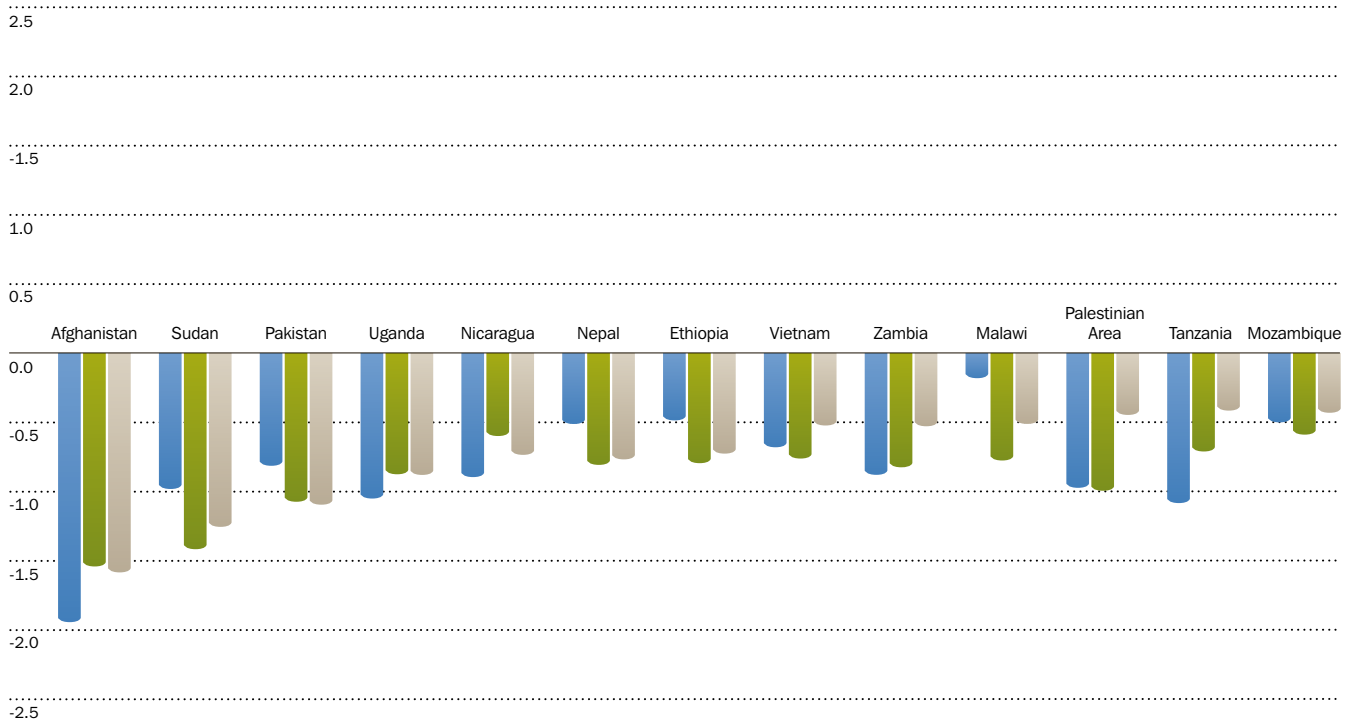


Scores in Corruption Perceptions Index, 2005 and 2009. Ranking in 2009 (out of 180 countries) in parentheses. The highest possible score is 10

■ 2005
■ 2010

Source: Transparency International

FIGURE 3.39 Some improvement, but high level of corruption in all sample countries



Scores in the World Bank's Control of Corruption survey, 2000, 2005 and 2009. Scores range from -2.5 (most corrupt) to 2.5 (least corrupt)

2000
2005
2009

Source: World Bank (Worldwide Governance Indicators)

Just as the private sector and freedom can promote development, corruption is often an obstacle. Transparency International's annual Corruption Perceptions Index ranks countries by perception of corruption⁴⁹. In the index, Malawi is ranked as the least corrupt of the sample countries. Since the best achievable score is 10, Figure 3.38 indicates that there is a high level of corruption, on average, in all the sample countries. Both Sudan and Afghanistan score lower in 2010 than in 2005, and are therefore perceived as more corrupt.

Figure 3.39 is based on the World Bank's annual survey of corruption levels⁵⁰. The survey paints the same picture as Figure 3.38, i.e. a generally high level of corruption in the sample countries. Figure 3.39 shows, for instance, that the level of corruption in Afghanistan was slightly lower in 2005 than in 2009. Increased efforts to combat this problem also highlight it. Due to increased focus on corruption, the level of corruption may be perceived as high, which is in turn reflected in poor ratings.


49 More information on this subject may be found at <http://www.transparency.org>

50 This is one of the World Bank's Worldwide Governance Indicators. More information may be found at <http://info.worldbank.org/governance/wgi/index.asp>



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