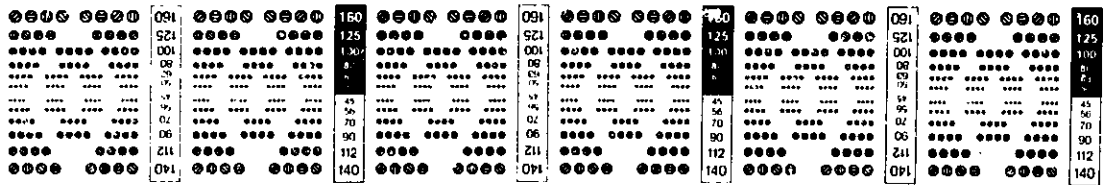


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MEMORANDUM OF SWEDEN

The statistical tables submitted by the Swedish authorities will be circulated separately as an annex to this document.

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## I. MAJOR NEW POLICY ORIENTATIONS

### 1. General

Sweden allocated SEK 13,871 million for international development cooperation for fiscal year 1991/92. Of this, SEK 3,319 million is allocated for multilateral aid programmes. Bilateral aid through SIDA accounts for SEK 7,305 million. SEK 1,968 million is allocated to "other development programmes".

The overall objective of Sweden's international development cooperation is to promote an increased standard of living and enhanced quality of life for the poor people in the world. Five specific objectives are formulated; Swedish development assistance should contribute to

- economic growth,
- increased equality,
- political and economic autonomy,
- democratic development and
- a sustainable use of natural resources and protection of the environment.

In recent years, overall attention has been given to promotion of democracy, protection of human rights and support for economic reform programmes in the Swedish development programme. Cross-cutting issues such as an environmentally sound development and measures to bring women more fully into the development process are in the forefront. A special area of concern is AIDS. Measures to prevent and combat the disease are financed through both multilateral and bilateral channels.

In the Swedish aid policy, continued priority is given to the long term development of the least developed countries, with a particular emphasis on Sub-Saharan Africa. For fiscal years 1990/91 and 1991/92, about 50 per cent of total Swedish bilateral ODA, well above the DAC average, was allocated to Sub-Saharan Africa. Adverse external conditions and problems in formulating and implementing effective economic policies, have led to a period of economic decline in many least developed countries. This, in its turn, has had a negative impact on the social progress which has already been achieved.

However, signs of improvement of Africa's economy have been noted lately. In 1990, economic growth was for the first year in more than a decade higher than population growth. This is a result both of readjusted economic policies and better coordinated international development cooperation. Nevertheless, Africa's long-term problems remain severe.

A review of the experiences gained in Swedish development cooperation with Sub-Saharan Africa was undertaken in 1988/89. Based on the findings of the review, guidelines for Swedish development cooperation with Sub-Saharan Africa in the 1990s were approved by Parliament in 1989. The challenge in the 1990s will be to support the fostering of an environment which facilitates

growth and development, better management of natural resources, improvement of social conditions, rehabilitation of the infrastructure, institution-building and enhancement of skills, and continuing support in the struggle against apartheid.

Increasing debt burdens are considered by Sweden to be a major obstacle to economic recovery and development in many low- and middle-income countries. It is therefore of high importance that countries undertaking economic adjustment programmes are supported by additional aid combined with debt relief. Sweden has actively promoted various internationally coordinated initiatives aimed at alleviating the debt burden of the poorest debt-distressed countries. Special weight is accorded to the World Bank's Special Programme of Assistance (SPA), mobilizing substantial additional financing to the countries concerned. Sweden has also appreciated funds granting support to the Enhanced Structural Adjustment Facility (ESAF) of the International Monetary Fund for interest rate subsidy. Furthermore, Sweden urges for greater concessionality in the rescheduling of Paris Club debt and gives support to debt buy-back operations for commercial debt. It is recognized by Sweden that not only economic reforms but also political development is crucial for recovery and long term development in Africa.

Humanitarian and long-term development assistance to Latin America has also increased, especially to Central America. Within this area, special emphasis is placed on activities that can strengthen the democratic development and lead to national and regional reconciliation.

Over the years, an increased share of appropriations for bilateral development cooperation through SIDA has been allocated for activities implemented by non-governmental organisations. Their share of disbursements has increased from 8.6 per cent in the fiscal year 1981/82 to 20 per cent in fiscal year 1991/92.

There has been a growing recognition in Sweden that developing countries differ widely and that they also face different opportunities and problems in their development efforts. Sweden's development assistance programme is also becoming increasingly diversified. In 1990/91, more than 75 countries received sums of more the SEK 2 million.

Sweden's development assistance will continue to focus strongly on the poorest developing countries. However, development cooperation also has an important role to play in other types of developing countries -- for example technical cooperation in transferring technology and in sharing experience as to how various issues and problems in society can be approached and tackled. The larger developing economies, and many middle income countries, are important actors in the world economy. They contribute to its dynamism and it is in the interest of richer and poorer countries alike that their growth is maintained. In Sweden's view, technical assistance to open bottle-necks and concessional capital flows at appropriate terms to facilitate important investments have an important role to play in many developing countries.

Following the recommendations of a special committee, the Swedish government is undertaking measures aiming at increasing the efficiency and effectiveness of the increasingly complex Swedish bilateral aid-programme. A common feature of the measures is the desire to make better use of the wealth of experience gained over the years by agencies, organisations and companies in Sweden through their cooperation in various fields with developing countries. Aid agencies in Sweden should increasingly act as a broker between specialised bodies and agencies in Sweden and recipients in developing countries. Another measure taken was the establishment of a new agency for industrial development cooperation. The new agency Swedish International Enterprise Corporation (SWEDECORP) was founded in July 1991 by a merger of the Import Promotion Office for Products from Developing Countries, (IMPOD) with the Swedish Fund for Industrial Cooperation with Developing Countries (SWEDFUND) and with parts of the Industrial Division of SIDA.

Another area reviewed within the Ministry for Foreign Affairs is the formulation of criterias for efficiency of development assistance and evaluation. One measure undertaken to increase efficiency is the introduction of three year budget cycles for the aid agencies, as well as for other agencies in the Swedish government administration. Three year budget cycles will give more authority to the agencies and will also facilitate assessment of results against agreed performance criteria.

The high share of multilateral assistance is maintained in the Swedish programme. In 1988, Sweden, together with other Nordic countries, launched a special three year programme of studies and analyses of the role of the United Nations in the economic and social field. The purpose of the programme is to identify proposals and ideas to strengthen an efficient role for the UN in the economic and social field. The Nordic UN Project presented its conclusions in June 1991.

## 2. Assistance for Central and Eastern Europe

In May 1990, the Swedish Parliament decided to allocate one billion Swedish kronor over the next three-year period for cooperation with Central and Eastern European countries. This support is mainly in the form of technical assistance. It is to be oriented so as to provide strategic support to reinforce the ability of the Central and Eastern European countries to implement economic and political reforms and to cope with the difficult and complex problems which they are facing. Cooperation in many areas of both the private and public sector is anticipated, chiefly in the form of training, experience-sharing and institutional cooperation. Extensive cooperation is already taking place between authorities, universities, organizations, companies and private citizens in Sweden and their counterparts in Central and Eastern Europe.

The environment has been given special priority. In Poland projects involve support for waste water treatment plants as well as projects to use energy more efficient in order to reduce the air pollution produced by extensive and inefficient coal-burning.

Technical assistance for the preparation of new legislation regarding ownership and user rights for land and other natural resources also benefits from Swedish support. As in the case of Poland, many projects in the Baltic republics are oriented towards the environment sector.

The Swedish Government encourages investment and initiatives in all Central and East European countries. It is foreseen that a substantial proportion of the development assistance will go to the Baltic republics and to other areas geographically close to Sweden. Specific allocations for cooperation with Poland ensure that initiatives there will have high priority. A number of projects have also been initiated in Czechoslovakia and Hungary, as well as in other countries eligible for G-24 support.

The Swedish Agency for International Technical and Economic Cooperation (BITS) has been given primary responsibility for the implementation of the assistance to Central and Eastern Europe. In line with previous practice, BITS will ensure that a specific entity or organization in Sweden, together with its counterpart in the country concerned, will be responsible for the design and execution of the various measures which are financed. The Swedish International Development Authority (SIDA) is responsible for channelling support via non-governmental organizations.

In the multilateral field, Sweden supports the economic reform programmes in Central and Eastern Europe e.g. through membership of the European Bank for Reconstruction and Development (EBRD). A special consultancy fund has been set up in order to provide Swedish expertise in the preparation of World Bank financed projects in Central and Eastern Europe. Sweden has also in collaboration with other G-24 donors extended balance of payments credits to Central and East European countries undergoing structural adjustment.

In October 1990 the Nordic Environment Finance Corporation (NEFCO) started its operations. The Corporation will contribute venture capital and, together with other companies, finance investments targeted at improving environmental conditions in Central and Eastern Europe.

The new government that took office in October 1991 has decided to establish a separately funded special programme in support of Central and Eastern Europe outside the development cooperation budget for developing countries.

## II. ODA VOLUME

The target for Swedish ODA remains at 1 per cent of GNP (Gross National Product). Accordingly, the overall ODA budget was increased by 11.5 percent and 6.7 per cent in the fiscal years 1990/91 and 1991/92. In current Swedish kronor (SEK), the appropriations for 1990/91 amounted to 13,000 million and for 1991/92 to 13,871 million. As is shown in Table 1, the appropriations for the years involve no significant change in the

distribution of funds between multilateral and bilateral assistance. As in past years, the sub-vote for multilateral assistance accounts for about 30 per cent of total ODA. Including contributions to multilateral development cooperation from other sub-votes, the multilateral share of Swedish ODA can be estimated at around 35 per cent.

In the Budget Bill presented to Parliament on 10 January 1991, an ODA allocation of SEK 13,871 million was proposed. Disbursement for 1990 represented 0.90 per cent of GNP, somewhat lower than 1989 (0.97). However, the peak-figure for 1989 is entirely explained by a large disbursement to the hydro-power project at Uri, India, using up substantial accumulated unspent reserves for India.

TABLE 1

Net ODA 1980-1988, (percentage of GNP)

	1986	1987	1988	1989	1990
ODA as % of GNP	0.85	0.88	0.87	0.97	0.90



TABLE 2

Development assistance appropriations for fiscal years  
1988/89-1990/91, million US\$, (SEK) (1)

	<u>1989/90</u>	<u>1990/91</u>	<u>1991/92</u>
<u>Multilateral development cooperation</u>	539 (3,333)	602 (3,566)	564 (3,319)
<u>Bilateral development cooperation through SIDA</u>	1,001 (6,190)	1,147 (6,787)	1,242 (7,305)
<u>Bilateral development cooperation through the Swedish Agency for International Technical and Economic Cooperation (BITS)</u>	99 (610)	118 (700)	122 (715)
<u>of which</u>			
<u>Technical cooperation</u>	34 (210)	51 (300)	54 (315)
<u>Grant element in associated financing transactions</u>	65 (400)	68 (400)	68 (400)
<u>Research cooperation through Swedish Agency for Research Cooperation with Developing Countries (SAREC)</u>	51 (315)	61 (360)	67 (395)
<u>Deduction for certain costs for asylum</u>			119 (700)
<u>Other<sup>2)</sup></u>	196 (1,213)	268 (1,587)	244 (1,437)
<u>Total</u>	1,886 (11,661)	2,196 (13,000)	2,358 (13,871)

- 
- 1) Exchange rates used:  
1989/90 1 US\$ = SEK 6.1826  
1990/91 1 US\$ = SEK 5.9183  
1991/92 1 US\$ = SEK 5.8825

- 2) Includes administrative costs for SIDA.
-

Table 3 below, compares the ODA appropriations with other major public expenditure for the fiscal years 1986/87 to 1989/90.

**TABLE 3:**  
The share of ODA appropriations in the central government budget compared with other major public expenditure categories in fiscal years 1989/90 to 1991/92

Share (percent) Fiscal year	89/90	90/91	91/92
ODA	3.1	3.2	3.1
Health and medical services, Social insurance, social services etc.	27.9	27.9	27.9
Interest on national debt	15.5	13.7	13.5
Education, research and culture	12.8	13.6	13.7
Defence	8.0	8.7	7.9
Housing and physical planning	5.6	5.1	7.2
Labour market, working life, unemployment benefits, training, immigration etc.	6.9	6.7	7.3

### III. AID QUALITY, COMPOSITION AND FINANCIAL TERMS

#### 1. General

The need to provide development assistance in a flexible form has been further emphasized in the light of the economic crisis now affecting many developing countries. For example, the ODA budget now permits increased rapid-disbursement of non-project assistance in order to meet balance of payments problems and to ensure the provision of the necessary inputs for production. The possibility of reallocating funds between projects and programmes to meet urgent needs as well as the provision of generous local cost financing should also be mentioned in this context. In addition, increased attention is being paid to the strengthening of the managerial capacity of recipient governments.

In 1990/91, disaster relief had to be considerably increased in response to the turmoil following the end of the cold war, the Gulf war and the famine in the Horn of Africa.

## 2. Aid Composition

Table 1 in the previous chapter presents the volume of Swedish aid and also provides a breakdown of the appropriations into their component parts.

The appropriation for multilateral development cooperation rose in fiscal year 1990/91 by SEK 233 million, while it in the budget for 1991/92 was decreased by SEK 247 million. However, the decrease was due to a change in budgeting technique, making it possible to draw on the large unspent reserves for commitments to the International Development Agency (IDA). The share of the multilateral component in the total aid budget is now approximately 25 per cent. Bilateral development aid through SIDA increased by SEK 597 million and SEK 518 million in the two fiscal years, totalling SEK 7,305 in 1991/92. This component represents about 53 per cent of total appropriations for 1991/92. The appropriations for the Swedish associated financing for fiscal year 1990/91 amount to SEK 400 million representing about 3 per cent of the total aid budget. The fact that relatively few low and middle income countries are credit worthy has also been a motive for maintaining this programme at a relatively low level. Suspension of new commitments of mixed credits to China has also reduced the requirements for funds from the soft loan programme.

During the last ten years, the appropriation for emergency and disaster relief aid has risen significantly. SEK 847 million was set aside for this purpose for fiscal year 1990/91. This sum also includes allocations for the reconstruction of countries devastated by war. The appropriation was further increased to SEK 1,060 million for fiscal year 1991/92. In financial year 1991/92 humanitarian assistance and promotion of human rights and democracy were consolidated into one budget item and at the same time substantially increased.

## 3. Financial Terms

There have been no recent changes in the financial conditions attached to Swedish development cooperation. The grant element is still 100 per cent.

For many years, Swedish aid has met the DAC recommendations on terms and conditions for aid.

## 4. ODA Debt Relief

For many years, Sweden has advocated special action to alleviate debt problems and support the adjustment efforts of the poorest and most heavily indebted developing countries. Against the background of the serious debt situation in many of these countries, particularly in Sub-Saharan Africa, Sweden introduced a special aid instrument in 1985 to provide support for the necessary measures.

Funds allocated for this purpose, in all SEK 3,010 million in fiscal years 1985/86 - 1990/91, have been used for debt relief measures on a bilateral basis and for the provision of additional internationally coordinated assistance linked to economic reform and adjustment programmes. Contributions have also been made from this facility to the Special Programme of Assistance of the World Bank and the Enhanced Structural Adjustment Facility of the IMF.

For fiscal year 1991/92, a further sum of SEK 500 million has been appropriated for special assistance to debt-distressed countries. According to guidelines decided by parliament, the funds should primarily be used within the framework of internationally coordinated efforts or joint initiatives with other donors to help to promote a solution of debt problems and support structural adjustment and economic growth of the poorest debtor countries.

The special allocation for balance of payment support and debt relief has made it possible for Sweden to take an active part in the international discussions on how to deal with the debt problems of the poorest developing countries. These measures include reduction of interest rates in reschedulings in the Paris Club, debt buy-back schemes, conversion of bilateral ODA credits to grants and special assistance to currently IDA-only countries which continue to have IBRD debt servicing problems, the so-called fifth dimension etc.

Following the Toronto agreement on rescheduling on concessional terms, Sweden has written down Paris Club debt for a number of low-income African countries to an amount of SEK 32 million and will write down another SEK 19 million during spring 1991, when bilateral agreements are concluded. This has been accommodated within the Swedish export credits guarantee system with no implications for the Swedish cooperation budget. In addition to granting Toronto concessional terms, Sweden has granted total interest payment relief under such bilateral reschedulings to an amount of SEK 77 million, using the special facility for debt-distressed countries.

Sweden has written off all ODA credits to the poorest developing countries and outside this category very few credits (extended in the 1970's) remain outstanding. Swedish ODA debt forgiveness amounts in total to SEK 1126 million. As Sweden has abandoned the system of ODA credits in its regular and long term cooperation with the programme countries no new debts of this type will be created.

#### IV. PUBLIC OPINION, INFORMATION AND DEVELOPMENT EDUCATION

The latest Swedish public opinion survey organized on a national scale was carried out in November/December 1991.

The poll showed continued readiness by a majority of Swedes to support the idea of development assistance. However, the support was visibly weakened over a period of three years. Of the interviewed 63 per cent wanted either to keep aid at its present level or increase it, which is 22 percentage points less than in December 1988.

As before support was strongest among women (72 per cent). The gap between men (57 per cent in favour) and women has narrowed. The most remarkable decrease occurred among young people (18-24 years), 92 per cent were in favour of development assistance in 1988, as compared with 64 per cent this year.

A majority of Swedes (61 per cent) are prepared to support development efforts in Eastern Europe.

A positive view of aid was, as before, closely correlated with belief in the effectiveness of aid and in its ability to reach the poorest strata of the population. 42 per cent believe that aid is reaching the poorest strata of the population to a certain, large, or very large degree as compared with 53 per cent in 1988.

The opinion polls on public attitudes to Sweden's development aid programme have -- over the years -- produced the following results:

TABLE 4. Public attitudes to Sweden's development aid.  
(Percentage distribution)

	1980	1982	1984	1986	1988	1990	1991
Swedish aid							
- should be increased	15	16	16	21	21	13	10
- is just about right	50	55	58	64	64	52	54
- should be reduced	24	22	19	11	12	29	27
- should be terminated	11	7	8	4	4	6	7

Appropriations for information activities have increased from SEK 30.4 million in fiscal year 1989/90 to SEK 49 million in 1990/91. More than two thirds of the total allocation is channelled to and through various NGOs. About one third is used for SIDA's own information activities. In recent years, the Government and the Parliament have encouraged all the implementing agencies in the Swedish aid programme to step up their evaluation and information activities. The International Development Cooperation Department is increasing its efforts to inform the public about the multilateral cooperation and assistance.

In the recent election campaign, development cooperation was given a certain amount of attention. Some strong right-wing populist criticism about the usefulness of assistance was expressed by a new party that received 6.7 per cent of the vote.

## V. MULTILATERAL CONTRIBUTIONS

### 1. Sweden's General Policy concerning Multilateral Development Assistance

The multilateral proportion of Swedish development assistance remains at a high level. De facto, about one third of the Swedish ODA is channelled through international organizations. This involves the multilateral appropriation itself, plus various special contributions, emergency operations and multi-bi arrangements which are channelled through other areas of the ODA budget. The present multilateral share is broadly the same as in previous years.

In April 1988, Parliament adopted a fifth objective for the Swedish ODA: Sustainable use of natural resources and protection of the environment. This compliments the four objectives established earlier: Economic growth; Improved economic and social equality; Democracy and Economic and political independence. All five objectives are to be promoted in Swedish multilateral development assistance.

In addition to the five development objectives and to the general objective for Swedish ODA of alleviating poverty, Sweden's multilateral assistance is based on its strong political support for international cooperation within the United Nations and for multilateral solutions to global and regional problems. Both financially and politically, Sweden is a strong supporter of the United Nations as a peace-maker, peace-keeper and peace-builder as well as a source of development assistance.

Sweden's strong support for multilateral cooperation is reflected in appreciable contributions to the various development institutions within the system. The main channels, as can be seen in Table 4, are IDA, UNDP and UNICEF. Sweden continues its policy of making multi-year pledges to the larger institutions. This provides these organizations with a more stable income and facilitates their planning.

A review of the Swedish multilateral assistance programme was undertaken in 1989. The study was conducted by a parliamentary committee and aimed at reviewing to what extent the contributions to different international organizations fulfil the Swedish development objectives.

TABLE 4

Multilateral assistance: appropriations in fiscal years 1990/91 and 1991/92, US\$, (SEK)

	1990/91		1991/92	
	US\$ <sup>1</sup> million	% share share	US\$ <sup>2</sup> million	% share share
<u>United Nations Programme</u>				
United Nations Development Programme (UNDP)	121 (715)	20.1	110 (650)	19.6
United Nations Capital Development Fund (UNCDF)	9 (55)	1.5	9 (55)	1.7
United Nations Fund for Population Activities (UNFPA)	21 (125)	3.5	23 (135)	4.1
United Nations Children Fund (UNICEF)	57 (340)	9.5	63 (370)	11.1
Total	209 <u><u>(1,235)</u></u>	34.6	205 <u><u>(1,210)</u></u>	36.5

<u>International Development Financing Agencies</u>	1990/91		1991/92	
	US\$1 million	share	US\$2 million	% share
International Development Association (IDA)	142 (843)	23.6	73 <sup>1)</sup> (432)	13.0
International Finance Corpo- ration (IFC)			3 (15)	0.5
African Develop- ment Fund (AfDF)	43 (254)	7.1	49 (289)	8.7
African Develop- ment Bank (AfDB)	3 (15)	0.4	3 (15)	0.5
Asian Develop- ment Fund (AsDF)	15 (91)	2.6	27 (160)	4.8
Asian Development Bank (AsDB)				
Inter-American Developing Bank (IDB)	3 (22)	0,6	3 (15)	0.5
Other cooperation with international financial institutions				
International Fund for Agricultural Development (IFAD)	12 (70)	2.0	6 (36)	1.1
<b>Total</b>	<u>202</u> =====	<u>36.3</u> =====	<u>164</u> =====	<u>29.1</u> =====
	(1,295)		(962)	

<u>International food aid</u>	1990/91		1991/92	
	US\$1 million	share	US\$2 million	% share
World Food Programme (WFP)	21 (122)	3.4	21 (122)	3.7
Food Aid Con- vention (FAC)	10 (57)	1.6	9 (55)	1.7
International Emergency Food Reserve (IEFR)	14 (85)	2.4	16 (95)	2.9
<b>Total</b>	<u>45</u> =====	<u>7.4</u> =====	<u>46</u> =====	<u>8.3</u> =====
	(264)		(272)	



Table 4 (Cont'd)

<u>Refugee Assistance via the United Nations</u>	1990/91		1991/92	
	US\$1 million	share	US\$2 million	% share
United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)	22 (130)	3.7	22 (140)	4.2
United Nations Commissioner for Refugees (UNHCR)	32 (190)	5.3	37 (215)	6.5
<b>Total</b>	<u>54</u> <u>(320)</u>	<u>9.0</u>	<u>59</u> <u>(355)</u>	<u>10.7</u>
<u>Other organizations</u>	US\$1 million	share	US\$2 million	% share
International Planned Parenthood Federation (IPPF)	14 (85)	2.4	15 (90)	2.7
International Trade Center (ITC)	4 (22)	0.6	4 (22)	0.7
UNFDAC	8 (50)	1.4	9 (55)	1.7
World Maritime University (WMU)	3 (17)	0.5	3 (18)	0.5
<b>Total</b>	<u>29</u> <u>(174)</u>	<u>4.9</u>	<u>31</u> <u>(185)</u>	<u>5.5</u>
<u>Other Multi-lateral Contributions</u>	47 (278)	7.8	57 (335)	9.9
<b>GRAND TOTAL:</b>	<u>602</u> <u>(3,566)</u>	<u>100</u>	<u>564</u> <u>(3,319)</u>	<u>100</u>

Exchange rate used:

1990/91 1 US\$ = SEK 5.9183

1991/92 1 US\$ = SEK 5.8825

## 2. Policies Regarding Future Replenishments and Increased Capital for the Multilateral Financial Institutions

Sweden's support to the multilateral financial institutions remains high and constitutes a major proportion of its multilateral assistance. Sweden's share in several of these institutions compares favorably with that of countries of similar size.

In view of its continued strong support, Sweden also considers the lending capacities of international financial institutions to be critically dependent on concerted efforts by the donor community. Burden-sharing is seen as a crucial element in multilaterally negotiated agreements in this area.

The World Bank Group continues to play the leading role for development financing in general and is of increasing importance particularly for highly indebted countries. The Bank Group's lending requirements are thus continuously augmenting.

Sweden played an active role in the negotiations for a substantial 9th replenishment of IDA. Sweden's share of this replenishment is the same as in IDA 8, i.e. 2.62 %. Sweden also supported the new emphasis on poverty alleviation and environment in IDA activities, as well as it supports these areas as priorities in the Bank's overall lending activities.

Sweden believes that it is necessary to give special attention to the debt burden of the poorest countries, many of which are unable to cope with the current situation. The World Bank Group has an important role in this context as a provider of rapid disbursements, in the policy dialogue and in the analysis and development of debt strategies. Sweden has actively supported the Special Action Programme for Sub-Saharan Africa which is now being implemented in cooperation with other bilateral and multilateral donors. In addition, Sweden has actively promoted the idea of refinancing IBRD loans made in the past to debt-distressed countries undertaking policy reforms which are currently exclusively dependent on IDA loans, the so-called 5th dimension. Sweden has also supported and participated in debt buy-back operations for the poorest debtor countries, the so-called 6th dimension.

Sweden recognizes the important contribution that international direct investment can make to growth and adjustment in developing countries. In view of the obstacles to such investments, Sweden supports the role of the Multilateral Investment Guarantee Agency, MIGA, and IFC activities in this area directed at management education and consultation in Africa. Sweden also supports the recent initiative to strengthen the African countries' economic policy analysis and management capacity through the establishment of a fund for this purpose. Sweden continues to regard the regional development banks as important channels of development financing in their respective regions. Their increased emphasis on policy reforms, social sector development, poverty alleviation and environment will enhance their development impact and has strong Swedish support. Sweden will continue to contribute at relatively sizeable levels to the African Development Fund and the Asian

Development Fund, where replenishment negotiations are taking place at the moment. In the last replenishments the Swedish shares were 4.50 per cent and 1.37 per cent respectively.

In the third replenishment of IFAD's resources Sweden increased its contribution to 3.9 per cent of the total replenishment.

### 3. UN Agencies and Programmes

Sweden remains committed to the United Nations and continues to channel a large part (approximately one third) of its total ODA allocations through multilateral organisations, in particular through UN agencies. Sweden attaches great importance to cooperation between the UN organisations and coherence in the development assistance they provide to recipient countries. UNDP's role in this respect remains important.

Sweden is concerned about the efficiency and relevance of the technical assistance provided by UN agencies, particularly as developing countries' needs for technical assistance, human resources development and capacity building remain considerable. Sweden welcomes the decision by the UNDP Governing Council on agency support costs as a first step towards necessary changes in the UN system's delivery of technical assistance. A constructive follow-up of this decision, as well as other reform issues, is vital.

Sweden also welcomes UNDP's decision to publish the Human Development Report which pictures development from a fresh angle and in a non-traditional perspective.

UNDP is the second largest recipient of Swedish multilateral assistance. In fiscal year 1990/91, Sweden increased its contribution to UNDP's general resources as well as to the Special Programme for the Least Developed Countries and the UN Capital Development Fund. In the 1991/92 budget the contribution to UNDP was increased to SEK 650 million. Sweden's contribution to the United Nations Population Fund was increased substantially in 1990 in response to growing needs in this area.

UNICEF remains one of the main recipients of Swedish multilateral aid and Sweden is one of UNICEF's major donors. Sweden supports UNICEF's strategy for child survival and development, carried out as an integrated part of primary health care, education and other development activities. The Swedish Government remains convinced that the scope of UNICEF programmes must be broader than, for example, narrowly defined immunization activities. Sweden has repeatedly stressed the importance of maintaining a balance between different aspects of UNICEF programme cooperation.

Sweden has endorsed the expansion of UNICEF's activities in Africa and the strengthening of offices and staff in African countries south of the Sahara. The increased attention given by UNICEF to the situation of children in southern Africa is supported by the Swedish government.

Sweden attaches particular importance to integrated activities based on long-term country programmes for the sustainability of child survival and development activities and to political mobilization to this end. In addition to the core support of SEK 370 million in 1991/92, a substantial part of Swedish disaster relief is channelled through UNICEF. Furthermore, UNICEF is also implementing agency for a number of Swedish multi-bi activities.

In recent years, Sweden has increased its assistance to refugees throughout the world. Apart from increased contributions to UNHCR and UNRWA, aid is being channelled through several Swedish non-governmental organizations involved in refugee work. Being one of the largest contributors to the UNHCR, Sweden took an active role in solving the organisations acute financial problems in 1989. A personal intervention by the Prime Minister contributed to the consensus that was eventually reached.

The Swedish aid budget provides for resources to sustain previous efforts in combination with a continued use of multi-year pledges. Very little room is left for the inclusion of new needs or for substantial reallocations. In order to introduce an element of flexibility within this overall framework, Sweden employs a combination of firm 3-year pledges and annual additional pledges for major UN programmes and funds. This should safeguard the institutions' need for predictability and stability while allowing a certain margin for reallocation from one year to the next. The basic 3-year pledge can be increased successively to take GNP growth into account.

#### 4. Strengthening the UN in the economic and social fields

As a major contributor to UN operational activities, Sweden is concerned about -- and indeed has an obligation to -- ensuring the efficiency and impact of these activities.

The Nordic UN Project was launched in 1988 as a contribution to the strengthening of the UN activities in the development field. Basically, the Project was motivated by a concern to safeguard international solidarity and development in an increasingly interdependent world.

The Nordic countries believe that improving the governance and designing a more appropriate funding system are the two most important issues in the forthcoming substantive discussion on reform of the UN operational activities.

The system of governance, leadership and funding needed for the political "meeting place" function of the UN is distinctly different from that needed for the operative or executive function. Overview and coordination of the UN-development programmes and funds are lacking. Member countries have difficulties in exercising an effective guidance over the various activities. The need is therefore felt for a high-level forum for member states to discuss development issues in a coherent way. As an attempt to meet this need the Nordic project introduces as an illustration the idea of an International Development Council (IDC). There is also a need to create more effective and executive governance of the UN's operational activities. The present

governing bodies do not always give the necessary support and guidance on a continuous basis. As an illustration of this, the Nordic project introduces the idea of creating a system of smaller governing bodies that should meet on a regular basis.

The Nordic countries also feel that the present system with voluntary contributions to the UN does not suffice. A new approach must be adopted to tackle these issues. This should result in a revision of the present funding system for the UN's operational activities. As an illustration, the Nordic project introduces the idea that funding for the UN's operational activities for development could be broadened into a new system combining contributions from different sources.

In May 1991 the final report of the Project was presented to the Secretary-General. Subsequently, the report has been taken up in various multilateral and bilateral fora. The general response to the analysis and line of thinking in the report has been very encouraging. The further follow-up will be for a comprehensive and in-depth discussion of the various interlinked reform issues at the next high level meeting of the reformed ECOSOC in July 1992.

## VI. GEOGRAPHICAL DISTRIBUTION

In the last few years, special emphasis has been given to recipient countries in sub-Saharan Africa due to the economic crisis in that region. The African countries' share of country-programme allocations in fiscal year 1991/92 was about 63 per cent. 69 per cent of appropriations for regional cooperation are earmarked for the SADCC countries.

In addition to SADCC, Sweden has over the years provided substantial and increasing support to the victims of apartheid in South Africa and countries suffering from the South African destabilisation. Special funds have been allocated to support the peace and decolonisation process in independent Namibia. In 1990, independent Namibia became a programme country for Swedish bilateral aid.

Progress has now been made towards abolishment of apartheid. This process is supported by Sweden. When completed, new prospects for development and cooperation in Southern Africa will open. In order to analyse new possibilities and problems, Sweden is, together with several other countries, supporting a study undertaken by the African Development Bank on resumed integration in post apartheid Southern Africa. A related study on cooperation between the Nordic countries and Southern Africa has also been initiated.

More than 50 per cent of the increased appropriations for emergency support and disaster relief have been directed to affected countries in Africa. Major recipients are Mozambique, Angola, Ethiopia, Uganda, Sudan and Western Sahara. These funds have been utilized not only to meet immediate emergency needs but have also had the objective of preventing the occurrence of similar situations in the future.

With greater focus on causes and effects of environmental degradation, special appropriations (SEK 350 million for fiscal year 1990/91) have been made to support activities in this field. In view of the environmental crisis facing many African countries, substantial support has been provided to the Sahel area for agro-forestry and soil conservation purposes. Such support is of fundamental importance to promote sustained production, especially by the poorer farming families.

Appropriations for debt-relief and balance of payments support amounted to SEK 640 million and SEK 500 million for the fiscal years 1990/91 and 1991/92. The funds are mainly used to support sub-Saharan African countries which have embarked on economic rehabilitation programmes.

Apart from increased support to African countries, appropriations for Latin and Central-America have increased and the total bilateral disbursements for 1989/90 were in the region of SEK 600 million. Increased allocations to Nicaragua and Costa Rica, substantial humanitarian support, together with expanding research cooperation programmes through SAREC and technical cooperation through BITS have all contributed to expand the Swedish support to this region.

Around 25 per cent of the country programmed assistance through SIDA goes to Asian countries. SIDA's five programme countries are, in order of importance, India, Vietnam, Bangladesh, Laos and Sri Lanka. A long-term strategy study about the Swedish development assistance to Asia is at present being carried out within the Ministry for Foreign Affairs.

About 20% of Sweden's bilateral assistance through SIDA is directed to Asian countries. Increasing allocations of emergency assistance have been provided to Cambodia.

The Swedish Agency for Research Cooperation with Developing Countries, SAREC, cooperates mainly with low income and lower middle-income countries. The main emphasis is on strengthening and building up indigenous research capacity in the recipient countries.

The Swedish Agency for International Technical Cooperation, BITS, has a similar geographical profile in the area of technical cooperation and associated financing.

For many years, Sweden has fulfilled the target of providing at least 15 per cent of ODA to the category of Least Developed Countries. Seven of SIDA's programme countries belong to this category. The total appropriations to these seven countries will amount to SEK 1,510 million in fiscal year 1990/91, or roughly 41 per cent of all country programmed assistance.

The actual increase in bilateral assistance to the least developed countries is higher than appears in the statistics of country programmed aid. This is due to the tendency of making increased allocations for disaster relief to the poorest countries. Moreover, a significant share of the funds allocated to non-governmental organizations is directed towards support to the poorest countries.

The different development assistance instruments have been used in a flexible way, especially with the least developed countries, in order to maintain the efficiency of the development assistance. Balance of payments support, debt relief, import support and support for financing of local costs have been increased. Possibilities are also provided for quick redistribution of funds between projects and programmes. Furthermore, increased attention is paid to improving the management capacity of recipient countries and increased emphasis is placed on agriculture, environment and social sectors.

TABLE 5

Bilateral country-programmed assistance through SIDA; appropriations in fiscal years 1989/90 and 1990/91, SEK, million

	1990/91	1991/92
Angola	200	200
Bangladesh	145	145
Botswana	95	95
Cape Verde	70	75
Ethiopia	145	100
Guinea-Bissau	90	95
India	400	400
Kenya	150	150
Laos	100	110
Lesotho	35	35
Mozambique	445	475
Namibia	100	110
Nicaragua	270	280
Sri Lanka	70	0 1)
Tanzania	550	585
Uganda	-	110
Vietnam	300	325
Zambia	240	260
Zimbabwe	200	220
<b>Total</b>	<b>3,660</b>	<b>3,770</b>

1) Reservations will keep disbursements at approximately the same level. Sri Lanka remains a programme country.

**TABLE 6****Other bilateral assistance through SIDA, million SEK**

	1990/91	1991/92
Regional cooperation	560	490
Democracy, Human Rights and Humanitarian Assistance	500	550
Special (sectoral) programmes	408	350
Disaster relief etc	847	1,060
Non-governmental organizations	675	735
Recruitment and training of field staff	88	39
Environmental projects	225	235
Information	14	16
Certain country programming costs	55	60
<b>Subtotal other bilateral assistance through SIDA</b>	<b>3,372</b>	<b>3,535</b>
<b>Grand Total bilateral assistance through SIDA</b>	<b>6,787</b>	<b>7,305</b>



## VII. AID COORDINATION, COUNTRY PROGRAMMING AND DEVELOPMENT STRATEGIES

### 1. General

Sweden's system for planning and implementing aid programmes is consistent with the DAC "Conclusions on Aid for Improved Development Policies and Programmes and Implications for Aid Coordination" adopted at the 1986 High-Level Meeting.

Bilateral aid through SIDA is concentrated on 19 programme countries and is planned through a system of country programming based on two main factors:

- i) a financial framework annually decided by Government and Parliament, allowing for multi-annual commitments of up to three times the annual amount,
- ii) the priorities of the recipient Government.

This system facilitates aid coordination and allows flexibility for financing local and recurrent costs. It also offers a choice between project and non-project aid (sectoral support, import support, balance of payments support). Sweden's local aid representatives maintain an on-going dialogue -- both formal and informal -- with recipient country government officials. In this dialogue, there has been a clear tendency over the last decade towards greater donor involvement both at the project level and in the policy dialogue.

In the recipient countries, Sweden is involved in coordination with other donors at the local level. The policy is to promote and facilitate coordination in which the recipient assumes a leading role. Such activities are facilitated through the existence of 17 development cooperation offices (DCOs) which form part of the Swedish embassies.

A system for more comprehensive strategic planning of Sweden's support also to other recipient countries than the programme countries of Swedish assistance was introduced in 1991. The Ministry for Foreign Affairs is responsible for this methodological development.

### 2. Nordic cooperation

Within the framework of the Nordic Council regular consultations are held between the Nordic development cooperation administrations. Ministerial meetings are held twice a year. During the last few years, increased emphasis has been placed on policy consultations and cooperation, e.g. through joint studies and policy statements. Examples are the Molde declaration on democracy and development and the statement made in Skagen in 1991 on military expenditure and development. Working parties have been formed to formulate policy and coordinate Nordic action for some issues. The Netherlands has also participated in some of these activities.

There is also a degree of cooperation in the operational activities. Examples of such cooperation are the Intensive Rural

Development Programmes (IRDP) in Zambia and Sri Lanka and Rural Employment Sector Programme (RESP) in Bangladesh, where the various Nordic donors assume responsibility for different geographic or sectoral areas. The success of such donor cooperation is subject to strong coordination by the ministry responsible for implementation. It is often useful to have a lead agency acting as the main participant, e.g. in supporting the ministry with technical and other assistance as required in preparing and carrying out the programmes.

Another approach is the "region-to-region" cooperation between the Nordic countries and the nine countries in the Southern African Development Coordination Conference (SADCC). A declaration for such cooperation was signed in Harare in 1986. Norway acted as Nordic coordinator for the first two years, Sweden took over in January 1988. From 1990 Denmark is coordinator. One purpose of the coordination is to harmonize different Nordic views into a single Nordic position and present it to SADCC. The officers involved in foreign ministries and aid agencies meet their SADCC counterparts twice a year while ministers confer in connection with the SADCC Annual Conferences. The Nordic officials meet on a regular basis, usually 4-5 times a year, in addition to frequent coordination consultations pertaining to the Nordic Initiative at sectoral level. At the SADCC conferences, the Nordic general view is presented in a Nordic ministerial statement and comparable Nordic statements are made in sectoral meetings.

This form of Nordic cooperation with SADCC does not necessarily mean that all five Nordic countries have to participate in the financing of a particular project. In some cases, two or three countries find it beneficial to move jointly, while others can join later if they wish. In project agreement terms, one Nordic country would carry responsibility as the main executor, acting on behalf of the other Nordic parties. In the case of a container project in Beira, Mocambique, Sweden first signed an agreement with Finland, whereupon Finland signed an agreement with Mocambique on behalf of Finland and Sweden.

During 1989 and 1990 a Nordic working-group on Human Rights and Development has been formed to exchange views and information on aid to strengthen democracy and human rights. One result of the group's work was the joint Nordic statement of the ministers for development cooperation concerning democracy and development assistance.

#### **VIII. ADAPTING AID POLICIES TO POLICY REFORM AND STRUCTURAL ADJUSTMENT EFFORTS OF DEVELOPING COUNTRIES**

Economic and political developments in recipient countries, in combination with increased experience and understanding of the impact of aid programmes, have resulted in a continuous reassessment and adjustment of Swedish assistance -- of its form, contents and directions.

Africa's economic crisis during the 1980's has been a particular challenge to Sweden's development cooperation policy. Great efforts will be required to reverse current trends in Africa. In

view of the situation, the Swedish Government initiated an analysis of the orientation of development assistance to sub-Saharan Africa in the 1990's. As an outcome of that review, the Swedish Parliament laid down some specific guidelines for support to sub-Saharan Africa. The policy is to support a development strategy with the following major elements:

- Growth-oriented economic policies designed to create the necessary conditions for productive investment and efficient production, thus promoting growth and job creation;
- Better management of natural resources in order to achieve self-sufficiency in food production and to preserve the resource base for the future;
- Improvement of social conditions as a means of raising the productive capacity of the poor and as an end in itself;
- Rehabilitation of the infrastructure as an essential condition for the effectiveness of growth-oriented economic policies;
- Institution-building and enhancement of skills for the creation of an environment more conducive to development.

On this basis SIDA has assessed its experience of cooperating with African economies. The need to reestablish a relationship between donors and recipients that leads to help to self-help has been emphasized. Conclusions from this internal analysis and staff development are contained in the report. A similar study has been carried out concerning Swedish development assistance to Latinamerica.

Assistance provided by Sweden can only serve as a complement to the respective countries' own efforts. The relatively flexible character of Swedish country programming has made it possible to adjust the long-term development cooperation programme. The main short-term adjustments have been in the form of the reallocation of funds from projects and programmes which are subject to delays (e.g due to import and other supply scarcities) to general quick-disbursing commodity import support. The tied aid component of import support has declined to less than 20 per cent.

A growing number of countries have benefited from balance of payments assistance which can be rapidly disbursed to support economic recovery programmes. Such untied assistance is provided on grant basis. Special debt-relief funds have been established in response to the emerging debt crisis. These funds have played an important part in enabling Sweden to propose new international coordinated measures for debt relief for the poorest developing countries which are implementing economic recovery programmes. In implementation of debt relief measures and balance of payments support for African countries, Sweden cooperates fully with multilateral institutions and other donors in the Special Programme for Africa (SPA).

Emergency assistance allocations have been considerably increased, including both long-term and preventive measures and humanitarian assistance. Environmental issues are crucial for sustainable development. A plan of action has been prepared for work on environmental matters, budget allocations have been increased and greater importance has been attached to these matters in the continuous dialogue with the recipient countries. In addition,

increased emphasis has been placed on assistance through non-governmental organizations and on activities for the integration of women in development.

Allocations for the promotion of democracy and human rights have also been considerably increased during the last few years. In the budget for 1991/92 these allocations were collected under a consolidated heading, Humanitarian assistance, Democracy and Human Rights, amounting to SEK 550 million.

Allocations for emergency assistance have increased from SEK 215 million 1983/84 to SEK 1,060 million in 1991/92, now representing 15 per cent of total bilateral assistance through SIDA. This is an important adjustment to the crisis conditions prevailing in many recipient countries. More than 50 per cent of allocations for emergency assistance have been directed to African countries.

Import support has been as high as 30 per cent throughout the 1980's, with a rapidly decreasing share in the large programme countries in Asia, where a shift has taken place towards poverty-oriented rural development projects. In Africa, import support has been increased in response to the economic crisis. The general tendency in industry and infrastructure, especially in Africa, has been to support smaller rather than larger projects, and to move from new projects to rehabilitation of existing facilities.

Within the framework of increasing appropriations to countries such as Angola, Mozambique and Tanzania, substantial allocations have been made to general import support and balance of payments support. In infrastructure programmes, such as the regional SADCC support, most of the projects involve rehabilitation, training and technical assistance to improve maintenance and operation of existing facilities.

Mozambique has become the largest recipient of Swedish bilateral aid. The cooperation programme has been continuously adapted to changing circumstances and there have been close contacts with Mozambique. The composition of the programme displays a tendency to combine disaster relief operations with preventive emergency support and more long-term development assistance.

Growing allocations have been made to quick-disbursing commodity import support which together with balance of payments support and debt-relief provide an input to the economic recovery programmes. A special public administration support programme has been established to strengthen the rehabilitation of the economy. Increased allocations have been made to the social sector, especially to poor groups suffering from the short-term effects of the economic rehabilitation programme. In the industrial field, continued support has been concentrated on the consolidation and operation of existing plants, including a considerable amount of technical assistance.

## IX. TECHNICAL COOPERATION

### 1. Categories of Personnel

The different categories of personnel working in Swedish development cooperation programmes are:

- a) Specialists and experts employed on a long term basis by SIDA;
- b) Personnel employed on short term assignments by SIDA;
- c) Personnel recruited directly by the developing country;
- d) Consultants;
- e) Associate experts (multi and bilateral);
- f) Personnel engaged for minor research assignments.

Long-term assignments are for more than one year. Staff are associated with a number of bilateral aid projects. At present there are about 200 long term specialists and experts employed on contract by SIDA.

Short-term assignments where recruitment takes place each year currently involve approximately 100 experts.

During 1990 guidelines for direct employment programmes have been approved. The direct employment programme is a type of development assistance whereby the recipient country employs foreign individuals to fill strategically important posts within the public administration for which qualified domestic staff cannot be found. These foreign employees receive benefits according to the regulations of the country in which they serve. Sweden contributes by financing a supplement to the local salary and certain other benefits to promote competitive recruitment from abroad. This category of personnel is at present being recruited by Botswana and Zimbabwe.

The consultants are the largest group of personnel. Their terms of service vary considerably. At present there are about 600 consultants with assignments over one year. The consultants work mainly in construction, industry and infrastructure, but also, for instance, in public administration. The sector divisions of SIDA participate in the selection and training of consultants.

The UN Associate Expert Programme is designed to give young professionals practical experience of development work. Over the years, over 1000 Swedish associate experts have been recruited. SIDA has also, since 1986, started to recruit associate experts for its own bilateral programmes. Since this programme started, more than 60 bilateral associate experts have been recruited.

Students from some 20 university departments are given grants for a "minor field study" (MFS) in developing countries. With a total cost of SEK 10 million, some 200 students are yearly given the opportunity to visit a developing country, mostly a Swedish programme country, for two months of field studies.

Personnel of all categories attend a preparatory course at SIDA's training centre. Important topics in the courses, which vary in

length from three to ten days, are development cooperation policies, country-specific and cross-cultural subjects, and the role of the expatriate expert in the development process. Language training is also provided when needed.

An evaluation of each contract employee's performance is carried out at fixed intervals by SIDA programme officers in the country of assignment.

## 2. Trends and Tendencies in Technical Assistance

In the late 1970's, the personnel assistance component decreased compared with large inputs of equipment and financial support. However, there is since the early 1980's a growing tendency to integrate all resources -- money, equipment and personnel -- within the framework of each project. In consequence, technical assistance has become more important. The character of the assistance has, however, changed. In addition to a reduced number of contract employees, who increasingly function as advisors and planners, SIDA has to a greater extent been using consultants employed by private companies or government agencies for the implementation phase of the different projects.

Generally there is now more flexibility in technical assistance as regards the length of contract periods. The possibility of mixing long-term and short-term assignments is often utilized.

Higher and more specific expectations from recipient countries as to contributions made by expatriate personnel as well as, in some cases, security problems have accentuated the importance of recruiting the "right" person for a given assignment.

Special attention has therefore been devoted to the selection procedures. A recruitment manual has been worked out and the recruiting staff, both consultants and SIDA personnel, have been trained in interview techniques.

One problem that has surfaced during the last five years is the fact that the present corps of Swedish experts is slowly aging and that younger and professionally competent successors are hard to find. This is due to a higher degree of specialization and an increasing demand from recipient countries for more senior candidates. The recruitment difficulties have also been associated with high demand for all kinds of staff on the Swedish labour market until the beginning of 1991, when the recession quite quickly turned the general labour shortage into a relatively high unemployment.

To remedy the shortage of young professionals, the number of UN Associate Experts was increased from 50 to 70 in 1989 and to 100 in 1990. Furthermore, in September 1985 a Swedish bilateral associate expert programme was initiated. The bilateral associate experts work in SIDA-sponsored projects and are chosen for sectors where it is envisaged that personnel will be needed in the future.

The Nordic evaluation of the effectiveness of technical assistance personnel, together with the major overview and analysis of SIDA's working methods and the roles of different actors involved in the Swedish development cooperation have resulted in specific recommendations and plans of actions for technical assistance personnel.

Briefly, the important policy consequences are;

- SIDA will strengthen its efforts to adjust projects and programmes in accordance with the competence available locally. This is to avoid any long-term dependency on expatriate experts. Technical Cooperation should be designed as a temporary support and supplement to the country's own resources. In order to be able to replace expatriate experts with qualified local staff, specific plans for the development and promotion of competence are required as an integral component of each project/programme.

- The design as regards volume, categories and methods of Technical Cooperation in every project must always be carefully and critically analyzed and assessed. SIDA's limited administrative capacity must be taken into consideration when it comes to the selection of categories of technical assistance personnel. Priority must be given to consultants, people from cooperating institutions, to those directly employed and to local consultants/personnel. Efforts must be made to increase the responsibility for the recruitment and administration of expatriate experts.

## X. AID MANAGEMENT AND ADMINISTRATIVE STRUCTURES

### 1. Increased flexibility

In Swedish bilateral aid, high priority is given to the least developed countries. The economic recession, the debt crises and the resultant acute shortage of foreign currency in many recipient countries has necessitated an increased emphasis on quick-disbursing non-project assistance. Partly as a reflection of this, and partly as a way of reducing the aid dependency of the recipient country, the roles and responsibilities of recipient and donor countries have gradually changed.

To an increasing extent, the recipient country should assume the prime responsibility for project implementation. This, in its turn, implies a change in the role of Swedish aid agencies towards greater emphasis on analysis of the economic and political situation in the recipient country and, where appropriate, conditionality. Support for institution building is crucial. In conjunction with this, Swedish aid agencies will be more involved in planning, appraisal and evaluation of development programmes implemented by the host-country government. Swedish project appraisal criteria conform with DAC Principles for Project Appraisal adopted in 1988.

## 2. Operational methods

In parallel with the increased differentiation of aid, the operational methods of Swedish aid agencies have gradually changed. As a result, the Swedish so-called resource base has continuously broadened and there is now quite a large number of consultants firms and public agencies with experience from development cooperation. Increasingly, experience from various sectors and organisations in the Swedish society is made use of in the development cooperation. It is envisaged that consultants, international organisations and various agencies (e.g. specialized government agencies) will continue to assume a growing role in the Swedish aid programme.

## 3. Reforms in the Aid Administration

Through SIDA, Sweden has established long-term development programmes with 19 countries. In addition, some 60 other countries receive assistance with a value of at least SEK 2 million. A significant portion of the aid flows to non-programme countries is channelled through NGOs in the form of disaster relief and humanitarian assistance. The prime public agents for assistance to non-programme countries are BITS, SAREC and SWEDECORP.

In recent years, bilateral development cooperation with non-programme countries has come to include regular cooperation with a growing number of countries. In combination with the increased volume of aid, this has put a focus on the question of the efficiency of different ways of delivering aid. As a response to this, the Swedish government has carried out several projects to review issues related to aid organisation and management. As referred to in Section I, different committees appointed by the government are presently engaged in reviews of bilateral aid to non-programme countries, as well as the role and functioning of UN bodies in international development cooperation.

## 4. Evaluation

The need for evaluation in development cooperation is stressed by Parliament, the Government and by SIDA. A systematic and continuous evaluation process is deemed essential to maintain and enhance the quality of aid and the effectiveness of the delivery mechanism. The evaluations are intended to provide an input into the decision making process, a source of information and a tool for the decision makers at different levels. The main purposes of evaluations are to improve policies and procedures in delivering and receiving aid and to account for the results and effects of the development cooperation programme to the Government, Parliament and general public in Sweden as well as to responsible authorities in the recipient countries.

A reform of the Swedish Government Budget process is under implementation. The purpose is to base it strongly on clearly stated objectives and expert analysis of attained results in order to secure value for money. One feature of the reform is that all programmes will be subject to an in-depth analysis every three years.



In this context the Ministry for Foreign Affairs commissions a special analysis on how to evaluate and promote efficiency in development cooperation. The review focussed among other things on what evaluations should be able to provide in terms of guidelines for policy and project decisions at various levels. A summary of the conclusions in English is attached.

The various agencies for development cooperation are responsible for arranging evaluation of their own activities. The Ministry for Foreign Affairs can also initiate special evaluations of broader policy areas. A description of SIDA's evaluation system will be presented below.

SIDA applies a decentralized evaluation system in which evaluations form an integral part of the programming cycle. Evaluations usually take place near the end of a phase or an agreement period, to provide evidence and information to facilitate the planning of the programme for the following period. Feed-back at the project/programme level is usually effective, since the operational staff responsible for the evaluation are also involved in the planning of new projects or new phases of a project in a particular country.

SIDA's central evaluation unit coordinates the evaluations of the operational departments of SIDA and provides methodological support. The central evaluation unit must approve the terms of reference and the choice of consultants for the more important evaluations. The operational departments are primarily responsible for having projects/programmes evaluated at the appropriate time. They draw up the terms of reference for the evaluation, and select consultants in cooperation with country desk officers and the central evaluation unit at SIDA headquarters and the Development Cooperation Office in the recipient country. The same persons will in due course review, discuss and approve the evaluation report and ensure a proper feed-back procedure. Evaluations are carried out by independent consultants, usually a team of 2-5 persons. Sometimes a SIDA officer from the central evaluation unit is included in the team, but he must not have been associated with the project before.

Major SIDA evaluations are entered into a formalized three year evaluation plan in an annual exercise. The plan is prepared by the central evaluation unit on the basis of proposals by the operational departments and SIDA field offices. In addition, the SIDA management or the central evaluation unit may take the initiative in including evaluations, such as the evaluation of non-project aid, thematic evaluations, the study of comprehensive issues or country level evaluations. The proposed evaluation plan is then discussed in the SIDA Management committee and later approved by the Director General of SIDA. Around 25 evaluations are carried out each year.

During the fiscal year 1988/89, 22 evaluations were completed or near completion. In the tables below, the evaluations have been broken down into various categories, indicating type and sector in the first table, and regions in the second. One evaluation was carried out jointly with donors in Norway and Denmark.

TABLE 7

Evaluations at SIDA completed in 1989/90

Sector	Project/ programme	Type sector	Other	Total
Agricultural	1	1	-	2
Water	2	1	-	3
Health	1	2	-	3
Public adm	2	-	-	2
Education	1	1	-	2
Infrastructure	3	-	-	3
Industry	-	-	-	0
NGOs	-	-	2	2
Humanitarian ass	1	-	-	1
Non project ass	-	-	4	4
	<u>11</u>	<u>5</u>	<u>6</u>	<u>22</u>

Evaluations by region:

Africa	15
Asia	5
Latin America	0
Not applicable	2
	<u>22</u>

One long-term objective of SIDA's evaluation activities is to tackle problems of sustainability and institution building. Gender aspects and, when applicable, environmental considerations are explicitly included in the evaluations.

Another objective is to increase the number of joint evaluations, i.e. evaluations with teams including members from the recipient countries. In order to enhance efficiency, evaluations are normally carried out in stages, where all team members meet in the recipient country or in Sweden to discuss methodology and evaluation objectives well ahead of the actual evaluation. SIDA's Development Cooperation Offices list local consultants and their professional profiles, making it easier to find independent members for evaluations.

Greater attention is now given to feed-back in the recipient countries and in Sweden, with the aim of establishing more effective procedures. Several seminars on evaluation experiences and techniques have been arranged for SIDA programme officers and consultants, either internally or in cooperation with university institutions. Evaluation seminars in the recipient countries are arranged and is considered increasingly important.

To ensure wider distribution of evaluation findings, SIDA is publishing two series of evaluation reports: one containing original evaluation reports in English and the other containing summaries in Swedish. Both series have approximately 8 issues per

year. The former category is aimed at professionals in development assistance and the latter at organisations, institutions, schools and the general public in Sweden. Both publications are distributed free of charge. The final evaluation reports are public and available upon request.

## XI. ASSOCIATED FINANCING AND RELATED ASPECTS

The Swedish facility of associated financing, -- concessionary credits -- is a development financing method which is reflected in the institutional arrangements. The overall responsibility for the administration of the concessionary credit facility, including final decisions, is assigned to the Swedish Agency for Technical and Economic Cooperation (BITS), a government agency. The facility focuses on low and lower middle income countries. Most credits are extended to countries with which Sweden has a programme of long-term development cooperation or technical cooperation through SIDA or BITS. A limited number of credits have been accorded to a few other countries with a development policy in line with the overall objectives for Swedish development assistance, particularly in cases of co-financing with international financial institutions.

The developmental orientation of a project is the main criterion for extension of a concessionary credit. Credits are mainly directed at projects in the energy, communications, transport and industrial sectors. In order to ensure reasonable price levels, procurement is normally subject to international competition. The scheme is as a rule not used for defensive matching purposes. The minimum levels of concessionality defined in the arrangements for concessional credits are applied in all cases.

Credit volumes grew steadily up to 1986 when commitments had been made for 19 projects with a total credit value of US\$ 252 million. During 1987 and 1988 there was a marked reduction in utilization of the system, due to a lower number of applications and requests. In the fiscal years 1988/89 and 1989/90, total commitments increased again. During the period 1986/87 - 1990/91 the average annual credit volume was SEK 1,200 million with a grant element of SEK 460 million. For fiscal year 1991/92, the budgetary appropriation for the grant element amounts to SEK 400 million.

## XII. PROCUREMENT POLICIES AND PRACTICES

Procurement policies and practices in the Swedish aid programme have been subject to a significant change in the last several years. Now, SIDA attaches a considerably greater importance to assist recipient countries to obtain the best possible prices and other conditions for goods financed under development programmes instead of assuming the responsibility for actually carrying out the procurement on the recipients behalf. Procurement expertise is made available, both for longer periods and for procurement under a specific project or for a specific item. In order to strengthen the capacity of developing countries as regards international

procurement, Sweden has supported international training projects via the ITC, as well as bilateral projects, in an increasing number of recipient countries with the aim of building up and develop capacity and competence in this field.

Procurement in bilateral cooperation is as a principle untied. Rules and procedures are included in agreements between Sweden and the recipient countries. These agreements meet the standards of the OECD guidelines "Good Procurement Practices for Official Development Assistance". It is decided in each specific case whether Sweden or the recipient country shall undertake the procurement.

It has been established by the Government and the Parliament that the general interest to maintain a share of supplies from Sweden for aid funded projects and programmes must never lead to a departure from the fundamental principles for Sweden's development cooperation policy and good procurement practices. Increased procurement of Swedish products is not an end in itself but instead looked upon as a positive side-effect of development cooperation.

Three components of the Swedish aid programme have, to a varying extent, been tied to procurement in Sweden: food assistance, concessionary credits and import support. Today, Sweden does not give food assistance directly. Contributions through the World Food Programme are tied to procurement in developing countries and Sweden. Technical assistance is not tied to procurement in Sweden. In a number of cases contracts and subcontracts are awarded to fireign consultants. In the case of import support commodity assistance, the level of tying has been decreasing over the years and is now less than 20 per cent.

Mainly as a result of an increase in the funds allocated under the concessionary credit scheme, the level of tied aid as a proportion of the total Swedish aid programme increased during the first half of the eighties. However, a levelling out of the share set aside for concessionary credits, accompanied by a significant reduction of tied import support has led to a steadily declining degree of tying in the total Swedish aid assistance since 1984/85.

### **XIII. SECTORAL ORIENTATION OF AID**

#### **1. Aid for Agriculture, Rural Development and Food Security**

Over the last decade, Swedish Assistance for rural development has been a priority area. Some 25 per cent of Swedish bilateral assistance is allocated to programmes of rural development. Such programmes not only include agricultural activities, but also various types of physical and social infrastructure for communications, water supply, health care, education and other services. Swedish assistance to rural development in this broad sense of the term is provided to Bangladesh, Ethiopia, Guinea-Bissau, Kenya, Mozambique, Sri Lanka and Zambia.

About 14 per cent of the bilateral assistance is earmarked for

development activities which are normally considered part of agriculture, i.e. farming, forestry and fishing.

A costly experience in many developing countries has been that small scale farming and fishing cannot be neglected if sufficient food is to be secured.

Support to small scale farming is mainly found in Kenya, Mozambique, Ethiopia, Guinea Bissau and Zambia. The forestry sector is supported in Ethiopia, India, Laos, Tanzania and Vietnam. In Guinea-Bissau, Angola and in the Bay of Bengal, Sweden is providing support to artisan fishery projects. Through FAO, Sweden has financed preparations for an aquaculture programme in Southern Africa, designed to test strategies and methods for assisting rural people in the development of fish farming in conjunction with landbased farming.

Seed production is increasingly seen as an activity of strategic importance. In Zambia and Mozambique, the national seed companies have been developed with support from Sweden, including Swedish specialized know-how. Work has now also started which involves support to gene banks for plants in the SADCC region. Future involvement in the field of biotechnology is foreseen. More emphasis on strengthening national agricultural, forestry and fishery research will be undertaken during next decade.

Protection of the environment combined with rational utilization of natural resources is the most recent goal of Swedish development assistance. At present, more than SEK 300 million is being allocated annually for purposes which have a direct effect on environmental protection. Sweden participates in soil conservation projects in several countries, notably Kenya, Lesotho, Ethiopia and the Sahel countries. Apart from these direct projects to restore or protect the environment, Swedish development assistance in general is based on the knowledge that protection of the environment is a prerequisite for any sustainable rural development.

## 2. Aid for the Energy sector

No major changes in the contents and geographical coverage of support to the energy sector is taking place during 1991. Support to energy projects, mainly in the power sector, is still concentrated to India, Laos, Vietnam, Nicaragua, Mozambique, Angola, Zambia and Tanzania.

Funds for studies and methodology development are mainly being channeled to/through UNDP/World Bank (ESMAP) and the Stockholm Environment Institute.

SIDA has during 1989 and 1990 made an analysis of the implications of the objectives for Swedish development cooperation in relation to the energy situation in developing countries. Based on that SIDA has preliminarily chosen four priority areas for its support to energy programmes in the 1990s:

- Improvement of energy efficiency;
- Energy planning and policy development;
- The power sector;
- Household energy.

The choice does not imply a drastic change compared to past project selection, just a minor modification. It will of course take some time before such modification in the priorities actually has given a different project contents as a result.

### 3. Aid for Health and Population

The Swedish health sector support is guided by the Primary Health Care concept. It has gradually developed from support for the construction of buildings and institutions and the training of new personnel, to support for better quality of care, maintenance, management and for the continuous training of existing staff. Support for recurrent costs such as drugs, vaccines and other consumables is also increasing.

SIDA is giving direct bilateral support in these areas to 13 countries, as part of the country programmes for Swedish cooperation.

Apart from the bilateral support to country programmes, SIDA gives special programme support to WHO and other international and regional organizations, for example for operational research and development, training courses and conferences. Since 1986, substantial special programme support is given to WHO and several countries (mostly in Africa) for the control of AIDS.

A growing volume of support in these areas is also channelled through Swedish NGOs in many different developing countries. The amount of disaster relief support directed to health care is also increasing.

A summary of the budget for health and population as part of total Swedish Development Assistance for 1990/91 is shown in the table 8 below:

TABLE 8

Health assistance as part of total Swedish development assistance, fiscal year 1990/91 (million SEK)

TOTAL SWEDISH DEVELOPMENT ASSISTANCE	13.000		
Total health assistance		1.400	(11%)
MULTILATERAL ASSISTANCE	3.570		
Multilateral health assistance (UNICEF, UNFPA, IPFP)		550	(15%)
RESEARCH ASSISTANCE THROUGH SAREC	360		
Research assistance to health (approx.)		90	(25%)
ASSISTANCE THROUGH SIDA	6.790		
Health assistance through SIDA (approx.)		760	(11%)
Bilateral (approx.)	400		
Special programmes	130		
Disaster relief (approx.)	100		
NGO support (approx.)	130		
		<hr/>	
		760	

In UNDPs Human Development Report of 1991, some new ways of measuring allocations to social sectors is introduced. A "Social priority ratio" is calculated for both government spending in developing countries and for donor spending.

Among the donor countries listed, Sweden has the lowest figure for Social sector share of ODA (13.8 per cent). However, this figure is based on reported directly sector allocated assistance and underestimates real expenditure in the social sector. Sweden has a high share of general programme assistance and support for NGO activities in its programmes. Especially in the NGO programmes health and education are important areas. Also, paper for school books can e.g. be funded under import support.

Support to the social sector has a high priority in the Swedish development assistance. UNDPs attempt to relate social sector spending to total donor spending and also to donor countries GNP is strongly supported in principle. It should however be observed that there might be problems to find practical ways of determining sector distribution of programme assistance. In order to permit firmer conclusions to be drawn, SIDA has taken measures to improve its statistical reporting and in particular to report all assistance sector-wise.

#### 4. Aid for Research

Aid for research is provided through the Swedish agency for

Research Cooperation with Developing Countries (SAREC). One main objective is to assist developing countries in building up indigenous research capacity. Another objective is to support research which can help to solve important development problems.

At present around one third of SAREC's total budget of SEK 400 million is allocated to bilateral research cooperation, one third to international research programmes, and one third to regional and special programmes.

SAREC cooperates mainly with low and lower middle income-countries. The focus is on Africa, accounting for more than half of the bilateral support. A prominent feature in SARECs bilateral support is the large number of collaborative arrangements between research departments in developing countries and Swedish research departments. Another important feature is the emphasis on home-based research training. Such training, as well as support to research infrastructure, is often integrated into the aforementioned collaborative arrangements.

The main share of the support to international research is allocated to special programmes at the WHO (human reproduction, tropical diseases and primary health care) and to the Consultative Group on International Agricultural Research (CGIAR).

The regional and special programmes include support to social science research in Africa and Latin America, regional energy research cooperation in southern Africa, forestry and environment, marine environment, womens research, HIV/AIDS and research on democracy and human rights.

SAREC also allocates around ten percent of its budget for support to development research in Sweden. The objective is to stimulate Swedish researchers to do development research. This is done through grants to projects and selected research environments and financing of a number of development oriented higher academic posts at Swedish universities.

Sectorwise, SARECs support is mainly allocated to rural development and environment (40 per cent) and health and nutrition (33 per cent), whereas all other sectors account for the remaining part of the budget.

In 1991/92, SARECs total budget, including administration, some allocations from the SIDA budget on HIV/AIDS and government allocations for Central America, amount to SEK 420 million.

#### **XIV. DEMOCRACY AND HUMAN RIGHTS**

An important goal in Swedish development cooperation is the promotion of democracy and human rights. Swedish assistance in this regard is based on the understanding that respect for human rights are of paramount importance for the peaceful and successful development of society. Human rights are also values per se that are to be protected and promoted.



Sweden aims to actively explore ways to incorporate reference to established human rights norms as a motive for specific bilateral assistance. In this regard the Convention on the Rights of the Child and the Covenant on Economic, Social and Cultural Rights may serve as a basis for bilateral dialogue on development cooperation.

In this context, it is crucial to emphasize that poverty may never be accepted as an excuse for the abuse of human rights. Development cooperation should be seen as a contribution to a state's obligation to ensure the respect for human rights.

Development cooperation will necessarily be based on a common understanding about what key factors are instrumental in the development of society. The pursuance of sound economic policy is of course of prime importance in these considerations. However, issues of democratic legitimacy and respect for human rights will have to form part of any assessment on a country's development policy. Sweden will on the basis of such all-encompassing assessments lend its support to governments in poor countries.

In its Budget Bill for 1992/93 presented to the Parliament, the Swedish Government has suggested that 700 million Swedish crowns be appropriated specifically for assistance in the field of democracy, human rights and humanitarian concerns. A large share of this amount is set aside for humanitarian assistance in Southern Africa and increasingly in support for democracy in South Africa. Assistance in defense for victims of repression and internal strife are provided to non-partisan organisations in various parts of the world.

International or regional non-governmental organizations in the field of human rights form another important category of recipients for Swedish human rights support.

Increasingly, Swedish assistance is provided to support already on-going positive changes. A number of requests for electoral assistance have resulted in concrete support. This is indeed an area in which Sweden has shown its preparedness to respond actively to up-coming needs. Support for democracy have also included the financing and the organization of seminars, visits and the like whereby political actors have had the opportunity to learn about others' experiences and to exchange views on common concerns.

The rule of law is a fundamental prerequisite for a country's development. Legal institutions and a legal framework are necessary for the protection of the individual as well as for the sustained growth of commercial and industrial life. In this area, Sweden aims to enlarge its development programme and to increasingly seek long-term agreements with countries with which Sweden has long-standing ties in the field of development cooperation.

#### XV. AID AND THE ENVIRONMENT

In 1988, the Swedish Parliament added a fifth goal to its

development cooperation policy: Swedish aid shall contribute to "the sustainable use of natural resources and the protection of the environment" in the recipient countries.

SIDA has adopted a plan of action in order to implement the environment objective. The plan of action includes components such as elaborating environmental profiles, integrating environmental issues in project planning and economic analysis of environmental impacts.

The plan of action prescribes a compulsory screening of each individual project for its possible environmental impact. Guidelines and formal screening procedures for environmental assessment of programmes and projects are being formulated.

In order to implement the plan of action, a new post as Senior Policy Adviser on the Environment has been established. The aim is very clearly to deal with the environment aspects in a way as decentralized and integrated as possible.

To stimulate an interest in environmental aspects of development, two separate budget lines for environmentally oriented aid has been created. For the fiscal year 1990/91, 225 million SEK for bilateral support and 125 million SEK for multilateral support have been allocated. Environmentally oriented programmes and projects are also being supported through other budget items.

Increased attention is being paid to the interaction between programmes supported through multilateral funds with programmes supported by bilateral funding.

Additionality and catalytic effects have been important concepts when allocation of funds from the environment budget has been considered. Support to planning processes, to institution building, to increased knowledge in the environment area and to the maintenance of the production base have received high priority. Swedish environment aid is gradually being broadened and now includes areas such as environmental economics, development of national and sectorial strategies, biodiversity, alternative pest management, marine environment, industrial pollution, energy saving, public awareness and education, in addition to the traditional emphasis on soil conservation and village forestry.

SIDA also supports special programmes on linkages between population and the environment, and between women and the environment.

An active work in order to strengthen the Swedish resource base in the area of environment and development assistance is going on in collaboration with various institutions in Sweden and abroad, including seminars for existing and potential consultants and support to special studies as well as education programmes.

## **XVI. WOMEN IN DEVELOPMENT**

The Swedish government has a clearly stated goal to integrate gender aspects into all programmes and activities. Within SIDA, a

Plan of Action -- The Women's Dimension in Development: assistance -- was adopted in May 1985 in preparation for the Nairobi Conference. Tools for gender analysis are being introduced since January 1989.

The following instruments have been developed:

- A training programme on gender awareness and gender planning methodology for use by SIDA personnel both at headquarters and in the field and others involved in Swedish development cooperation, consultants, institutions, NGOs etc.
- Posts as Gender Officers at SIDA's 18 Development Cooperation Offices in Africa, Asia and Latin America. These officers will principally work with the integration of WID aspects into the country programmes.
- Country specific gender plans for integration of gender aspects into all programmes supported by SIDA, as an integral part of normal planning routines. Gender aspects will be discussed within SIDA and with the relevant local authorities in connection with all yearly reviews. A plan with concrete suggestions for action will be prepared.
- Evaluation. Sweden has agreed in 1986 to include "the cross-cutting issue: impact on women" -- as formulated by the DAC Expert Group on Evaluation -- in all evaluations. The process to implement the agreement has started.
- Statistics and research. Following discussions in DAC, SIDA has been working on ways and means of producing gender-differentiated statistics.
- Application of the DAC Guidelines. DAC's Guiding Principles have been endorsed by the Swedish Government and its agencies and representatives, and have been quite widely publicized and disseminated throughout SIDA and its affiliated bodies as well as to Swedish NGOs and other organizations involved in development efforts.

#### XVII. NON-GOVERNMENTAL ORGANIZATIONS

NGOs play an increasingly important role in Swedish development cooperation. About 25 per cent of total SIDA disbursements are devoted to NGOs for:

- a) development projects;
- b) emergency relief, prevention and preparedness projects;
- c) information and awareness-raising activities in Sweden;
- d) special projects for humanitarian assistance in Southern Africa and Latin America.

Most of the support is channelled through Swedish NGOs. These organizations work in close contact and cooperation with local NGOs in the recipient countries. In the case of development projects, the Swedish NGOs are expected to fund 20 per cent of the

project cost themselves, while SIDA support can be obtained for the remaining 80 per cent. A maximum of 3 per cent of the SIDA contribution is allowed to cover administrative costs.

About 90 per cent of the allocations for development projects go to some fifteen larger NGOs. In emergency relief and prevention and in humanitarian assistance, the NGOs are often commissioned by the authorities to undertake projects. In these cases -- and for information activities -- 100 per cent of the project costs can be covered by government contributions. Nonetheless, many NGOs choose to contribute substantially to these types of projects.

The criteria for NGO support allow for some use of indigenous NGOs in the implementation of projects. These NGOs have mainly been involved in projects related to the Swedish bilateral country programme and projects to improve the situation of women, and also in projects for emergency relief, prevention and preparedness. The involvement of indigenous NGOs has made access to the target population easier and the NGOs have gained useful experience.

The Swedish budget allocations for NGO projects have more than doubled during the last five years. The NGO activities themselves have grown at about the same pace. The Swedish NGOs have gradually improved their capacity to absorb more funding as partners in development cooperation.

## XVIII. BROADER INSTRUMENTS OF DEVELOPMENT COOPERATION INCLUDING INVOLVEMENT OF THE PRIVATE SECTOR

### 1. General

The Swedish Government recognizes that development assistance is only one -- often only minor -- factor among the various forces and conditions which influence development. The alarming debt problem of many developing countries in recent years is a striking example.

The deteriorating terms of trade of commodity exporting countries, slow growth in demand and trade restrictions on many commodities and goods of particular importance to developing countries also make growth and economic adjustment an extremely difficult task for many poor countries.

The mechanisms for consultations between the development authorities and other specialized ministries in Sweden on some policies affecting developing countries have been enhanced during the past years. The debt problems have been analyzed in a group with broad representation. This has facilitated the elaboration of a coherent position as a basis of action. For instance, this materialized in the initiative in the Paris Club to grant the poorest debt distressed countries more favourable terms for debt rescheduling.

For many years, regular consultations have taken place between and within Nordic countries on development issues in the IMF and the World Bank. To strengthen this cooperation, a seminar on

conditionality and structural adjustment was held with participants from central banks, ministries of finance and aid authorities in the Nordic countries in early 1987. The initiative was taken by the Department of International Development Cooperation of the Swedish Ministry for Foreign Affairs.

The administration of Sweden's bilateral development cooperation was reviewed in 1990. As a result of the review a new organisation, Swedish International Enterprise Corporation (SWEDECORP), was created. SWEDECORP will encourage transfer of industrial and commercial know-how from Sweden to third world countries and promote exports from developing countries in particular to the Swedish market. In cooperation with Swedfund International AB, SWEDECORP will support effective enterprise development through joint venture investments in developing countries and in Central and Eastern Europe.

## 2. Activities to Strengthen the Role of the Indigenous Private Sector

Swedish development assistance has been given to small scale industries in various African countries, notably Tanzania, with the aim of strengthening the role of the indigenous private sector. In the case of Tanzania the Sister Industry Concept has been used to promote cooperation between small scale entrepreneurs in Tanzania and Sweden. In other cases, e.g. Zimbabwe, import support funds are earmarked for promotion of the private sector.

The Sister Industry Concept means that firms in the industrialized country (Senior Sisters) engage in long term technology and know-how transfer to support firms in a developing country (Junior Sisters). The sister industry programme is being transferred from SIDA to SWEDECORP.

As aid funds are used as the principal financial instrument to promote the scheme, the Senior Sister does not usually put up any capital of its own or take any financial risk. However, the Sister Industry Concept does not exclude the possibility of future joint ventures developing into conventional kinds of commercially based business relationships.

## 3. Foreign Direct Investment

The main promotional instrument for engaging the business sector in development cooperation is Swedfund International AB, which is a limited liability company. Swedfund International AB is administrated in close cooperation with SWEDECORP.

The overall objective of Swedfund International AB is to encourage the establishment and development of industries in developing countries and to transfer industrial know-how to the countries. The fund is participating in joint ventures (equity and otherwise) between parties from developing countries and Swedish companies.

Swedfund assists parties from developing countries in identifying Swedish industries interested in participating in projects on a commercial basis and possessing an adequate technology which is

suitable for transfer to a developing country. The participation of a Swedish partner is one condition for Swedfund's involvement in a project. A further condition is that the project is considered to have a favourable impact on the development of the host country. Priority is given to small and medium-sized projects.

Swedfund International AB has a special role as a contact broker between the parties and as a catalyst in the project identification and preparation process. Swedfund International AB also participates as a minority owner in joint venture companies and shares the necessary investment in the project with the other project partners. Apart from equity capital, Swedfund International AB contributes financially in the form of medium term loans or guarantees.

At the end of fiscal year 1990/91 Swedfund International's portfolio consists of 42 joint venture projects, a majority of which are located in Africa. Out of the existing portfolio 26 are companies in commercial production. The remainder consists of companies which are still in the investment or preoperational phase or are management companies. On average, Swedfund's financial contributions equal about 10 per cent of total project costs. Swedfund's activities are successively entering new areas and the Fund is now active in about 30 different developing countries.

#### 4. Industrial, Technological and Scientific Cooperation

The Swedish Agency for International Technical and Economic Cooperation (BITS), is responsible for technical cooperation with a wider group of developing countries, mainly low and lower middle-income countries, which are not among the main recipients of Swedish bilateral aid. BITS is also in charge of the administration of the Swedish associated financing scheme. The technical cooperation includes support for feasibility studies, training and institutional cooperation. BITS also sponsors international training programmes, to which a large number of developing countries are invited.

Since the financial year 1989/90 the prime responsibility for the implementation of the technical cooperation with Eastern and Central Europe has been entrusted to BITS.

Sweden continues its policy of encouraging economic, industrial technological and scientific cooperation with developing countries. Since the 1970's, bilateral agreements have been concluded with developing countries. The intention is to promote cooperation between these countries and the Swedish business community, as well as various Swedish institutions and private organisations. The agreements are not linked to the development assistance programme. The responsibility for the agreements rests with the Trade Department of the Ministry for Foreign Affairs or the Ministry of Industry.

## 5. Trade with Developing Countries

Between 1980-87, the value of the Swedish exports to developing countries (excl. OPEC) increased by average of 9 per cent annually. The corresponding figure for exports to the OECD countries was 13 per cent. As a result, the developing countries' share of Swedish exports declined from 8.5 to 7.2 per cent. At the same time, the developing countries have maintained their relative share at around 5.5-6 per cent of total imports into Sweden.

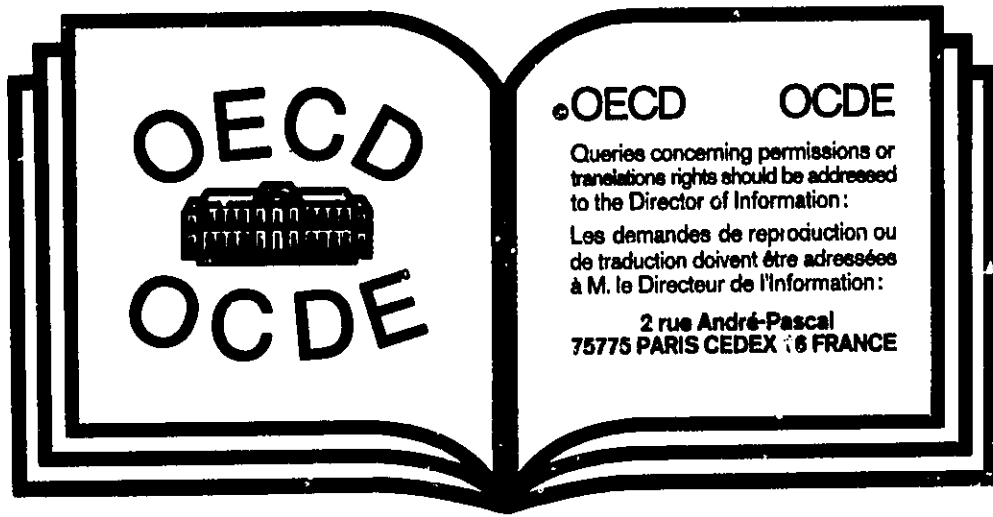
Sweden continues to be among the largest contributors to the international Trade Center UNCTAD GATT (ITC). A Contribution of SEK 22 million has been proposed for the fiscal year 1991/92.

In order to further promote imports from developing countries, the Swedish Import Promotion Office for Products from Developing Countries (IMPOD) has received increased resources. Since July 1991 IMPOD has been incorporated in the new organisation SWEDECORP.

The Swedish GSP arrangement was introduced in 1972. It is not time-limited and consequently does not require prolongation. The system is open, without quotas or ceilings and with zero duties. The product coverage of the system will be reviewed every five years. The most important change in recent years is that, since February 1987, all products originating in the least developed beneficiary countries are accorded duty-free treatment under the scheme. The utilization rate has been high, in 1987 close to 70 per cent.

The utilization rate was considerably higher for agricultural products (82 per cent) than for industrial products (67.1 per cent). Calculating on the basis of 1987 figures, Sweden offered duty free admission -- including products that were imported duty-free on a MFN-basis -- for 75 per cent of total imports from the beneficiaries.

There are hardly any Swedish Non Tariff Measures that affect developing countries specifically. Sweden lifted all quantitative restrictions on imports of textiles and clothing in July 1991, which will contribute to a further opening up of the market and benefit developing countries.

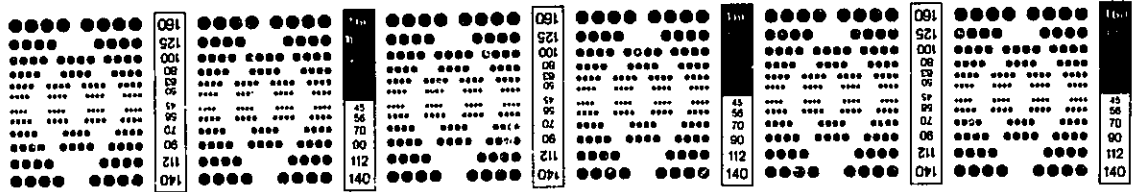


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**ORGANISATION DE COOPERATION  
ET DE DEVELOPPEMENT ECONOMIQUES**

**ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT**

**COMITE D'AIDE AU DEVELOPPEMENT  
DEVELOPMENT ASSISTANCE COMMITTEE**

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**EXAMEN DE L'AIDE - AID REVIEW 1991/92  
ANNEXE STATISTIQUE DE LA SUEDE - STATISTICAL ANNEX OF SWEDEN**

**On trouvera ci-joints les tableaux statistiques illustrant le mémorandum de la Suède.**

**Attached are the statistical tables accompanying the Memorandum of Sweden.**

**43215**

**POUR RAISONS TECHNIQUES, TABLEAUX INDISPONIBLES SUR OLIS  
FOR TECHNICAL REASONS, TABLES UNAVAILABLE ON OLIS**

	DISBURSEMENTS			COMMITMENTS
	EXTENDED	RECEIVED	NET	
TOTAL OFF.& PRIV.	3311.16	650.43	2660.73	-
I. O.D.A.	2012.02	-	2012.02	1973.25
I.A BILATERAL ODA	1383.63	-	1383.63	1348.63
1.BIL.GRANTS	1383.63	-	1383.63	1348.63
A) PROJECT, PROGR. AID	777.20	-	777.20	951.19
B) TC	178.00	-	178.00	93.30
C) FOOD AID	-	-	-	-
D) EMERGENCY ..	124.49	-	124.49	119.04
OF WH:AID REFUGEES	102.34	-	102.34	-
E) DEBT FORGIVENESS	29.39	-	29.89	1.23
OF WH:ODA DEBT FORGI	-	-	-	-
F) SUPP.TO NAT.PR.ORG.	186.46	-	186.46	106.02
G) SUPP.TO INTERN.PR.OR	2.67	-	2.67	0.18
H) PROMOTION DEV. AWARE	5.98	-	5.98	4.11
I) ADMINISTR. COSTS	71.08	-	71.08	63.80
J) OTHER	7.86	-	7.86	9.76
GRANTS INC.ASS.FIN.PAC	77.64	-	77.64	77.64
OF WHICH:INT.SUBS.	77.64	-	77.64	77.64
2.BIL.LOANS	-	-	-	-
2.1BIL.LOANS BY GOVERN	-	-	-	-
2.2BIL.FOOD AID LOANS	-	-	-	-
2.3DEBT REORGANISATION	-	-	-	-
A) PRIVATE SECTOR	-	-	-	-
B) OFFICIAL SECTOR	-	-	-	-
2.4AMORTISATION	-	-	-	-
2.5EQUITIES	-	-	-	-
2.6OTHER	-	-	-	-
MEMO:A) LOANS INC.A.F.P	-	-	-	-
MEMO:B) RESCH.AMOUNTS	-	-	-	-
MEMO:C) DEBT FORGIVENES	-	-	-	-
MEMO:D) INT.RECEIV.BIL.	-	-	-	-
I.B MULTIL.ODA	628.39	-	628.39	624.62
1.GRANTS	429.44	-	429.44	421.44
1.1.TO UN AGENCIES	367.46	-	367.46	351.69
1.2.TO EEC	-	-	-	-
1.3.TO OTHER AGENCIES	61.98	-	61.98	69.75
2.CAPITAL SUBS.	198.95	-	198.95	203.18
OF WH:IDA	121.32	-	121.32	121.32
OF WH:IBRD, IFC, MIGA	2.37	-	2.37	5.17
OF WH:REGIONAL DEV.B.	64.78	-	64.78	66.21
OF WH:OTHER	10.48	-	10.48	10.48
3.CONCES.LENDING	-	-	-	-
MEMO:A) CAP.SUBS.ENC.	-	-	-	-
MEMO:B) FOOD AID UN	35.80	-	35.80	-

	D I S B U R S E M E N T S			C O M M I T M E N T S
	EXTENDED	RECEIVED	NET	
MEMO:C) FOOD AID EEC	-	-	-	-
MEMO:D) INT.RECEIV.MULT	-	-	-	-
MEMO:E) GEF/MONTREAL PR	-	-	-	-
TOTAL MULT.FOOD AID	35.80	-	35.80	-
TOTAL INTREST ODA	-	-	-	-
II. O.O.F.	1.86	-	1.86	1.86
II.A BIL. OOF	1.86	-	1.86	1.86
1.OFF.EXP.CREDITS	-	-	-	-
1.1TO DEV.COUNTRIES	-	-	-	-
1.2LOANS TO NAT.PR.EXP	-	-	-	-
1.3SUBS.TO NAT.PR.EXP.	-	-	-	-
2.OTHER TRANSACTIONS	1.86	-	1.86	1.86
2.1EQUITY PARTICIP.	1.86	-	1.86	1.86
2.2LOANS TO NAT.PR.INV	-	-	-	-
2.3SUBSIDIES TO NAT.PR	-	-	-	-
2.4(NON ODA)REFINANCIN	-	-	-	-
A)OF OFF.SECTOR CLAI	-	-	-	-
B)OF PRIV.SECTOR CLA	-	-	-	-
2.5OTHER BIL.SECURITIE	-	-	-	-
2.6AMORTISATION REC.	-	-	-	-
MEMO:DEBT REDUCTION	-	-	-	-
II.B MULTI.OOF	-	-	-	-
1.PURCHASE OF SEC.	-	-	-	-
2.OTHER TRANSACTIONS	-	-	-	-
OF WHICH:IBRD	-	-	-	-
MEMO:INTEREST PAYMENTS	-	-	-	-
A)BILATERAL	-	-	-	-
B)MULTILATERAL	-	-	-	-
III. P R I V A T E	1297.28	650.43	646.85	-
III.A BILATERAL	1297.28	650.43	646.85	-
1.DIRECT INVEST.	253.28	13.52	239.76	-
1.1BANKS	-	-	-	-
1.2NON-BANKS	253.28	13.52	239.76	-
1.3NEW CAP.OUTFLOW	-	-	-	-
1.4REINVESTED EARNINGS	-	-	-	-
2.PRIVATE EXP.CR.	1044.00	636.91	407.09	-
2.1GUARANTEED AMOUNTS	935.42	570.67	364.75	-
A)BANKS	864.43	527.36	337.07	-
B)NON-BANKS	70.99	43.31	27.68	-

	DISBURSEMENTS			COMMITMENTS
	EXTENDED	RECEIVED	NET	
2.2NON-GUARANTEED PORT	108.58	66.24	42.34	-
A)BANKS	96.05	58.60	37.45	-
B)NON-BANKS	12.53	7.64	4.89	-
2.3OTHER	-	-	-	-
3.OTHER BILATERAL	-	-	-	-
3.1BANKS	-	-	-	-
3.2NON-BANKS	-	-	-	-
III.B MULTILATERAL	-	-	-	-
1.NON-BANKS	-	-	-	-
1.1PURCHASE OF SECUR.	-	-	-	-
1.2OTHER TRANSACTIONS	-	-	-	-
2.BANKS (RESIDENT)	-	-	-	-
2.1PURCHASE OF SECUR.	-	-	-	-
2.2OTHER TRANSACTIONS	-	-	-	-
MEMO:TOTAL BANKS	960.47	585.96	374.51	-
IV. GRANTS P.V.O'S	-	-	-	-
1.GROSS OUTFLOW PVO'S	-	-	-	-
2.SUPPORT REC.FROM OFF	-	-	-	-
MEMO:ODA THROUGH PVO'S	-	-	-	-
GNP	-	-	222374.00	-
ODA % GNP	-	-	0.90	-
TOTAL FLOWS % GNP	-	-	1.20	-

	GRANTS	OF WHICH:			OF WHICH:		TOTAL NET	TECHNICAL COOPERAT.	INTEREST RECEIVED
		INTEREST SUBSIDIES	CAPITAL SUBSCRIPTIONS	LONG-TERM EXTENDED	LOANS & OTHER CAPITAL RECEIVED	DEBT FOR-GIVENESS			
<b>EUROPE</b>									
TURKEY	0.68	-	-	-	-	-	0.68	-	-
EUROPE UNALLOCATED	0.87	-	-	-	-	-	0.87	0.72	-
TOTAL	1.55	-	-	-	-	-	1.55	0.72	-
<b>NORTH OF SAHARA</b>									
ALGERIA	19.24	15.95	-	-	-	-	19.24	0.37	-
EGYPT	0.64	-	-	-	-	-	0.64	0.64	-
MOROCCO	2.30	2.30	-	-	-	-	2.30	-	-
TUNISIA	18.95	15.11	-	-	-	1.23	18.95	2.49	-
TOTAL	41.13	33.36	-	-	-	1.23	41.13	3.50	-
<b>SOUTH OF SAHARA</b>									
ANGOLA	38.25	-	-	-	-	-	38.25	0.32	-
BOTSWANA	25.07	-	-	-	-	-	25.07	0.64	-
BURKINA FASO	0.11	-	-	-	-	-	0.11	0.10	-
CAPE VERDE	8.91	-	-	-	-	-	8.91	0.55	-
CHAD	0.11	-	-	-	-	-	0.11	-	-
CONGO	0.08	-	-	-	-	-	0.08	-	-
ETHIOPIA	48.93	-	-	-	-	-	48.93	3.02	-
GABON	0.02	-	-	-	-	-	0.02	-	-
GAMBIA	0.49	-	-	-	-	-	0.49	-	-
GHANA	1.98	-	-	-	-	1.69	1.98	0.14	-
GUINEA	0.33	-	-	-	-	-	0.33	-	-
GUINEA-BISSAU	13.24	-	-	-	-	-	13.24	0.54	-
KENYA	31.19	-	-	-	-	5.07	31.19	3.08	-
LESOTHO	8.73	-	-	-	-	-	8.73	0.29	-
LIBERIA	0.06	-	-	-	-	-	0.06	-	-
MALAWI	0.25	-	-	-	-	-	0.25	-	-
MAURITANIA	0.27	-	-	-	-	-	0.27	-	-
MAURITIUS	5.84	5.54	-	-	-	-	5.84	0.29	-
MOZAMBIQUE	136.08	-	-	-	-	-	136.08	1.45	-
NAMIBIA	1.05	-	-	-	-	-	1.05	0.24	-
RWANDA	0.13	-	-	-	-	-	0.13	-	-
SAO TOME & PRINCIPE	0.84	-	-	-	-	-	0.84	-	-
SENEGAL	0.03	-	-	-	-	-	0.03	0.03	-
SEYCHELLES	0.03	-	-	-	-	-	0.03	-	-
SIERRA LEONE	0.21	-	-	-	-	-	0.21	-	-
SOMALIA	2.49	-	-	-	-	-	2.49	1.31	-
SUDAN	7.05	-	-	-	-	-	7.05	0.39	-
TANZANIA	149.57	-	-	-	-	11.83	149.57	3.30	-
TOGO	0.03	-	-	-	-	-	0.03	-	-
UGANDA	14.54	-	-	-	-	3.38	14.54	1.53	-
ZAMBIA	37.17	-	-	-	-	-	37.17	0.98	-
ZIMBABWE	36.35	-	-	-	-	-	36.35	2.17	-
SOUTH OF SAHARA UNALL.	51.30	-	-	-	-	-	51.30	-	-
TOTAL	620.73	5.54	-	-	-	21.97	620.73	20.37	-
AFRICA UNSPECIFIED	45.22	-	-	-	-	-	45.22	19.98	-
<b>N. &amp; C. AMERICA</b>									
COSTA RICA	7.63	-	-	-	-	-	7.63	4.90	-
CUBA	2.62	-	-	-	-	-	2.62	2.62	-
DOMINICAN REPUBLIC	0.77	-	-	-	-	-	0.77	0.63	-

	GRANTS	OF WHICH: INTEREST SUBSIDIES	CAPITAL SUBSCRIP- TIONS	LOANS & OTHER LONG-TERM EXTENDED	CAPITAL RECEIVED	OF WHICH: DEBT FOR- GIVENESS	TOTAL NET	TECHNICAL COOPERAT.	INTEREST RECEIVED
EL SALVADOR	1.13	-	-	-	-	-	1.13	-	-
GUATEMALA	0.19	-	-	-	-	-	0.19	0.04	-
HAITI	0.13	-	-	-	-	-	0.13	0.05	-
HONDURAS	0.02	-	-	-	-	-	0.02	-	-
JAMAICA	1.44	-	-	-	-	-	1.44	1.44	-
MEXICO	0.08	-	-	-	-	-	0.08	0.07	-
NICARAGUA	31.56	-	-	-	-	-	31.56	3.72	-
TOTAL	45.57	-	-	-	-	-	45.57	13.47	-
SOUTH AMERICA									
ARGENTINA	1.94	-	-	-	-	-	1.94	1.72	-
BOLIVIA	2.45	-	-	-	-	0.84	2.45	1.25	-
BRAZIL	0.29	-	-	-	-	-	0.29	-	-
CHILE	8.85	-	-	-	-	-	8.85	0.66	-
COLOMBIA	0.03	-	-	-	-	-	0.03	-	-
ECUADOR	0.75	-	-	-	-	-	0.75	0.69	-
PARAGUAY	0.29	-	-	-	-	-	0.29	0.16	-
PERU	1.00	-	-	-	-	-	1.00	0.19	-
URUGUAY	2.03	-	-	-	-	-	2.03	1.31	-
TOTAL	17.63	-	-	-	-	0.84	17.63	5.98	-
AMERICA UNSPECIFIED	44.84	-	-	-	-	-	44.84	6.66	-
MIDDLE EAST									
IRAN	3.38	-	-	-	-	-	3.38	-	-
IRAQ	0.68	-	-	-	-	-	0.68	-	-
ISRAEL	4.58	-	-	-	-	-	4.58	0.08	-
JORDAN	5.39	-	-	-	-	-	5.39	0.15	-
LEBANON	1.39	-	-	-	-	-	1.39	-	-
MIDDLE EAST UNALL.	16.39	-	-	-	-	-	16.39	-	-
TOTAL	31.81	-	-	-	-	-	31.81	0.23	-
SOUTH ASIA									
AFGHANISTAN	16.05	-	-	-	-	-	16.05	-	-
BANGLADESH	26.22	-	-	-	-	0.84	26.22	0.86	-
BHUTAN	0.03	-	-	-	-	-	0.03	0.03	-
INDIA	59.02	-	-	-	-	-	59.02	2.21	-
MALDIVES	0.04	-	-	-	-	-	0.04	0.04	-
PAKISTAN	2.15	-	-	-	-	-	2.15	0.73	-
SRI LANKA	10.57	-	-	-	-	-	10.57	0.98	-
TOTAL	114.08	-	-	-	-	0.84	114.08	4.85	-
FAR EAST ASIA									
CHINA	31.93	29.50	-	-	-	-	31.93	2.43	-
INDONESIA	0.05	-	-	-	-	-	0.05	0.04	-
CAMBODIA	2.87	-	-	-	-	-	2.87	0.02	-
LAOS	17.08	-	-	-	-	-	17.08	0.71	-
MALAYSIA	5.04	-	-	-	-	-	5.04	1.69	-
PHILIPPINES	0.97	-	-	-	-	-	0.97	0.70	-
THAILAND	7.00	5.91	-	-	-	-	7.00	0.24	-
VIET NAM	53.65	-	-	-	-	-	53.65	2.09	-
FAR EAST ASIA UNALL.	2.70	-	-	-	-	-	2.70	-	-
TOTAL	121.29	35.41	-	-	-	-	121.29	7.92	-

	GRANTS	OF WHICH: INTEREST SUBSIDIES	CAPITAL SUBSCRIPTIONS	LOANS & OTHER LONG-TERM EXTENDED	CAPITAL RECEIVED	OF WHICH: DEBT FOR-GIVENESS	TOTAL NET	TECHNICAL COOPERAT.	INTEREST RECEIVED
ASIA UNSPECIFIED	10.92	-	-	-	-	-	10.92	2.88	-
OCEANIA									
PAPUA NEW GUINEA	0.01	-	-	-	-	-	0.01	0.01	-
OCEANIA UNALLOCATED	3.47	-	-	-	-	-	3.47	0.26	-
TOTAL	3.48	-	-	-	-	-	3.48	0.27	-
LDCS UNSPECIFIED	285.31	-	-	-	-	-	285.31	91.17	-
GRAND TOTAL	1383.56	74.31	-	-	-	24.88	1383.56	178.00	-
EUROPE	1.55	-	-	-	-	-	1.55	0.72	-
AFRICA	707.08	38.90	-	-	-	23.20	707.08	43.85	-
AMERICA	108.04	-	-	-	-	0.84	108.04	26.11	-
ASIA	278.10	35.41	-	-	-	0.84	278.10	15.88	-
OCEANIA	3.48	-	-	-	-	-	3.48	0.27	-
LDCS UNSPECIFIED	285.31	-	-	-	-	-	285.31	91.17	-
GRAND TOTAL	1383.56	74.31	-	-	-	24.88	1383.56	178.00	-
NON UN MULTILATERAL									
IBRD	-	-	1.86	-	-	-	1.86	-	-
IFC	-	-	0.51	-	-	-	0.51	-	-
IDA	-	-	121.32	-	-	-	121.32	-	-
IMF	25.35	-	-	-	-	-	25.35	-	-
IDB	-	-	3.67	-	-	-	3.67	-	-
AFDB	-	-	2.71	-	-	-	2.71	-	-
AFDF	-	-	42.95	-	-	-	42.95	-	-
ASDB, SPECIAL FUNDS	-	-	15.44	-	-	-	15.44	-	-
IFAD	14.62	-	-	-	-	-	14.62	-	-
OTHER MULTILATERAL	22.02	-	10.48	-	-	-	32.50	-	-
TOTAL	61.99	-	198.94	-	-	-	260.93	-	-
UN MULTILATERAL									
UNDP	116.59	-	-	-	-	-	116.59	-	-
UNICEF	62.43	-	-	-	-	-	62.43	-	-
UNRWA	21.97	-	-	-	-	-	21.97	-	-
WFP	46.44	-	-	-	-	-	46.44	-	-
UNHCR	37.17	-	-	-	-	-	37.17	-	-
UNFPA	21.12	-	-	-	-	-	21.12	-	-
OTHER UN	61.74	-	-	-	-	-	61.74	-	-
TOTAL	367.46	-	-	-	-	-	367.46	-	-

SWEDEN

TABLE 2A. ODA DISBURSEMENTS 1990

05/12/92

	GRANTS	OF WHICH: INTEREST SUBSIDIES	CAPITAL SUBSCRIP- TIONS	LOANS & OTHER LONG-TERM EXTENDED	CAPITAL RECEIVED	OF WHICH: DEBT FOR- GIVENESS	TOTAL NET	TECHNICAL COOPERAT.	INTEREST RECEIVED
GRAND TOTAL	429.45	-	198.94	-	-	-	628.39	-	-



	GRANTS	OFFICIAL AMOUNT EXTENDED	EXPORT CR. AMOUNT RECEIVED	OTHER AMOUNT EXTENDED	LONG-TERM AMOUNT RECEIVED	TOTAL NET	INTEREST RECEIVED
<b>SOUTH OF SAHARA</b>							
RWANDA	-	-	-	-0.02	-	-0.02	-
SUDAN	-	-	-	-0.19	-	-0.19	-
TANZANIA	-	-	-	0.08	-	0.08	-
ZIMBABWE	-	-	-	1.14	-	1.14	-
TOTAL	-	-	-	1.01	-	1.01	-
<b>N. &amp; C. AMERICA</b>							
COSTA RICA	-	-	-	0.28	-	0.28	-
TOTAL	-	-	-	0.28	-	0.28	-
<b>SOUTH AMERICA</b>							
BRAZIL	-	-	-	0.29	-	0.29	-
TOTAL	-	-	-	0.29	-	0.29	-
<b>SOUTH ASIA</b>							
BANGLADESH	-	-	-	0.13	-	0.13	-
SRI LANKA	-	-	-	0.01	-	0.01	-
TOTAL	-	-	-	0.14	-	0.14	-
<b>FAR EAST ASIA</b>							
CHINA	-	-	-	0.16	-	0.16	-
TOTAL	-	-	-	0.16	-	0.16	-
<b>GRAND TOTAL</b>							
	-	-	-	1.88	-	1.88	-
<b>AFRICA</b>							
	-	-	-	1.01	-	1.01	-
<b>AMERICA</b>							
	-	-	-	0.57	-	0.57	-
<b>ASIA</b>							
	-	-	-	0.30	-	0.30	-
<b>GRAND TOTAL</b>							
	-	-	-	1.88	-	1.88	-

	GRANTS	OF WHICH: INTEREST SUBSIDIES	CAPITAL SUBSCRIP- TIONS	LOANS AND OTH.LONG- TERM CAP.	TOTAL	TECHNICAL COOPERAT.
<b>NORTH OF SAHARA</b>						
ALGERIA	16.96	15.95	-	-	16.96	1.01
EGYPT	1.25	-	-	-	1.25	1.25
MOROCCO	2.30	2.30	-	-	2.30	-
TUNISIA	17.12	15.11	-	-	17.12	0.78
TOTAL	37.63	33.36	-	-	37.63	3.04
<b>SOUTH OF SAHARA</b>						
ANGOLA	31.26	-	-	-	31.26	-
BOTSWANA	16.51	0.30	-	-	16.51	-
CAPE VERDE	11.46	-	-	-	11.46	-
ETHIOPIA	24.50	-	-	-	24.50	-
GHANA	0.54	-	-	-	0.54	0.54
GUINEA-BISSAU	14.36	-	-	-	14.36	-
KENYA	24.50	-	-	-	24.50	-
LESOTHO	5.91	-	-	-	5.91	-
MAURITIUS	5.91	5.54	-	-	5.91	0.37
MOZAMBIQUE	70.97	-	-	-	70.97	-
NAMIBIA	8.45	-	-	-	8.45	-
SOMALIA	0.67	-	-	-	0.67	0.34
SUDAN	0.50	-	-	-	0.50	0.47
TANZANIA	92.70	-	-	-	92.70	-
ZAMBIA	40.55	-	-	-	40.55	-
ZIMBABWE	32.53	-	-	-	32.53	-
SOUTH OF SAHARA UNALL.	97.16	-	-	-	97.16	-
TOTAL	478.48	5.84	-	-	478.48	1.72
<b>N. &amp; C. AMERICA</b>						
COSTA RICA	2.69	-	-	-	2.69	2.69
CUBA	2.99	-	-	-	2.99	2.99
DOMINICAN REPUBLIC	0.63	-	-	-	0.63	0.63
JAMAICA	1.76	-	-	-	1.76	1.76
MEXICO	0.07	-	-	-	0.07	0.07
NICARAGUA	42.24	-	-	-	42.24	-
N. & C. AMERICA UNALL.	12.25	-	-	-	12.25	-
TOTAL	62.63	-	-	-	62.63	8.14
<b>SOUTH AMERICA</b>						
ARGENTINA	0.15	-	-	-	0.15	0.15
BOLIVIA	5.31	-	-	-	5.31	5.31
CHILE	0.03	-	-	-	0.03	0.03
ECUADOR	1.22	-	-	-	1.22	1.22
PERU	0.03	-	-	-	0.03	0.03
URUGUAY	0.54	-	-	-	0.54	0.54
TOTAL	7.28	-	-	-	7.28	7.28
AMERICA UNSPECIFIED	32.10	-	-	-	32.10	-
<b>MIDDLE EAST</b>						
JORDAN	0.15	-	-	-	0.15	0.15
TOTAL	0.15	-	-	-	0.15	0.15

	GRANTS	OF WHICH: INTEREST SUBSIDIES	CAPITAL SUBSCRIP- TIONS	LOANS AND OTH. LONG- TERM CAP.	TOTAL	TECHNICAL COOPERAT.
<b>SOUTH ASIA</b>						
BANGLADESH	23.66	-	-	-	23.66	-
BHUTAN	0.24	-	-	-	0.24	0.24
INDIA	65.90	-	-	-	65.90	-
PAKISTAN	1.08	-	-	-	1.08	1.08
SRI LANKA	11.94	-	-	-	11.94	-
TOTAL	102.82	-	-	-	102.82	1.32
<b>FAR EAST ASIA</b>						
CHINA	34.11	29.50	-	-	34.11	4.61
LAOS	15.63	-	-	-	15.63	-
MALAYSIA	7.11	3.33	-	-	7.11	3.78
PHILIPPINES	4.43	-	-	-	4.43	4.43
THAILAND	6.57	5.91	-	-	6.57	0.66
VIET NAM	50.69	-	-	-	50.69	-
TOTAL	118.54	38.74	-	-	118.54	13.48
ASIA UNSPECIFIED	3.38	-	-	-	3.38	-
LDCS UNSPECIFIED	505.62	-	-	-	505.62	58.17
GRAND TOTAL	1348.63	77.94	-	-	1348.63	93.30
AFRICA	516.11	35.20	-	-	516.11	4.76
AMERICA	102.01	-	-	-	102.01	15.42
ASIA	224.89	38.74	-	-	224.89	14.95
LDCS UNSPECIFIED	505.62	-	-	-	505.62	58.17
GRAND TOTAL	1348.63	77.94	-	-	1348.63	93.30
<b>NON UN MULTILATERAL</b>						
IBRD	-	-	5.17	-	5.17	-
IDA	-	-	121.32	-	121.32	-
IMF	25.35	-	-	-	25.35	-
IDB	-	-	3.67	-	3.67	-
AFDB	-	-	2.71	-	2.71	-
AFDF	-	-	44.39	-	44.39	-
ASDB, SPECIAL FUNDS	-	-	15.44	-	15.44	-
IFAD	14.62	-	-	-	14.62	-
OTHER MULTILATERAL	29.79	-	10.48	-	40.27	-
TOTAL	69.76	-	203.18	-	272.94	-
<b>UN MULTILATERAL</b>						
UNDP	116.59	-	-	-	116.59	-
UNICEF	62.43	-	-	-	62.43	-
UNRWA	21.97	-	-	-	21.97	-

SWEDEN

TABLE 3A. ODA COMMITMENTS 1990

05/12/92

	GRANTS	OF WHICH: INTEREST SUBSIDIES	CAPITAL SUBSCRIP- TIONS	LOANS AND OTH. LONG- TERM CAP.	TOTAL	TECHNICAL COOPERAT.
WFP	30.67	-	-	-	30.67	-
UNHCR	37.17	-	-	-	37.17	-
UNFPA	21.12	-	-	-	21.12	-
OTHER UN	61.74	-	-	-	61.74	-
TOTAL	351.69	-	-	-	351.69	-
GRAND TOTAL	421.45	-	203.10	-	624.63	-

	GRANTS	OFFICIAL EXP.CR.	LOANS AND OTH.LONG- TERM CAP.	TOTAL
<b>SOUTH OF SAHARA</b>				
RWANDA	-	-	-0.02	-0.02
SUDAN	-	-	-0.19	-0.19
TANZANIA	-	-	0.08	0.08
ZIMBABWE	-	-	1.14	1.14
TOTAL	-	-	1.01	1.01
<b>N. &amp; C. AMERICA</b>				
COSTA RICA	-	-	0.28	0.28
TOTAL	-	-	0.28	0.28
<b>SOUTH AMERICA</b>				
BRAZIL	-	-	0.29	0.29
TOTAL	-	-	0.29	0.29
<b>SOUTH ASIA</b>				
BANGLADESH	-	-	0.13	0.13
SRI LANKA	-	-	0.01	0.01
TOTAL	-	-	0.14	0.14
<b>FAR EAST ASIA</b>				
CHINA	-	-	0.16	0.16
TOTAL	-	-	0.16	0.16
<b>GRAND TOTAL</b>				
	-	-	1.88	1.88
<b>AFRICA</b>				
	-	-	1.01	1.01
<b>AMERICA</b>				
	-	-	0.57	0.57
<b>ASIA</b>				
	-	-	0.30	0.30
<b>GRAND TOTAL</b>				
	-	-	1.88	1.88

	OTHER SECURITIES DIRECT AND CLAIM OF WHICH:			PRIVATE EXPORT CREDITS		
	INVESTMENT	TOTAL	NON BANK	DISBURSE- MENTS	AMORTIS. RECEIVED	NET AMOUNTS

## EUROPE

GIBRALTAR	6.59	-	-	-	-	-
GREECE	1.35	-	-	0.60	-7.80	-7.20
TURKEY	0.17	-	-	3.02	-2.23	0.79
YUGOSLAVIA	-	-	-	9.72	-8.80	0.92
EUROPE UNALLOCATED	73.33	-	-	-	-1.85	-1.85
TOTAL	81.44	-	-	13.34	-20.68	-7.34

## NORTH OF SAHARA

ALGERIA	-	-	-	34.58	-68.15	-33.57
EGYPT	-	-	-	1.63	-17.86	-16.23
MOROCCO	0.34	-	-	11.80	-4.97	6.83
TUNISIA	1.52	-	-	16.60	-8.71	7.89
TOTAL	1.86	-	-	64.61	-99.69	-35.08

## SOUTH OF SAHARA

ANGOLA	-	-	-	-0.64	-14.95	-15.59
BOTSWANA	0.17	-	-	-	-1.03	-1.03
CAMEROON	-	-	-	-	-0.09	-0.09
CAPE VERDE	-	-	-	-	-0.08	-0.08
ETHIOPIA	-	-	-	-0.62	-7.26	-7.88
GAMBIA	-	-	-	-	-0.05	-0.05
GHANA	-	-	-	-0.47	-0.61	-1.08
KENYA	0.17	-	-	5.97	-8.42	-2.45
LESOTHO	-	-	-	-0.11	-0.97	-1.08
LIBERIA	1.18	-	-	-	-0.51	-0.51
MADAGASCAR	-	-	-	-	-1.02	-1.02
MALAWI	-	-	-	-	-0.48	-0.48
MAURITIUS	-	-	-	16.92	-	16.92
MOZAMBIQUE	0.17	-	-	-	-1.16	-1.16
SEYCHELLES	-	-	-	0.22	-0.09	0.13
TANZANIA	-	-	-	-0.80	-	-0.80
ZAIRE	-	-	-	1.90	-4.40	-2.50
ZAMBIA	-	-	-	0.51	-1.02	-0.51
ZIMBABWE	0.17	-	-	0.73	-2.73	-2.00
TOTAL	1.86	-	-	23.61	-44.87	-21.26

## N. &amp; C. AMERICA

BAHAMAS	-	-	-	1.18	-1.09	0.09
BARBADOS	-9.46	-	-	-	-	-
BERMUDA	89.55	-	-	-	-	-
CUBA	-	-	-	0.74	-0.49	0.25
MEXICO	-	-	-	72.44	-43.46	28.98
NETHERLANDS ANTILLES	-	-	-	-	-1.28	-1.28
NICARAGUA	-	-	-	-	-0.84	-0.84
PANAMA	1.01	-	-	-0.16	-4.94	-5.10
TOTAL	81.10	-	-	74.20	-52.10	22.10

## SOUTH AMERICA

ARGENTINA	12.67	-	-	-0.23	-6.71	-6.94
BRAZIL	4.56	-	-	0.21	-47.66	-47.45
CHILE	22.98	-	-	2.18	-0.88	1.30
COLOMBIA	-	-	-	20.69	-26.95	-6.26

	OTHER SECURITIES DIRECT AND CLAIM OF WHICH:			PRIVATE EXPORT CREDITS		
	INVESTMENT	TOTAL	NON BANK	DISBURSE- MENTS	AMORTIS. RECEIVED	NET AMOUNTS
ECUADOR	-	-	-	1.07	-2.84	-1.77
PERU	-	-	-	-0.67	-6.87	-7.54
URUGUAY	-	-	-	-	-1.91	-1.91
VENEZUELA	9.80	-	-	-0.09	-2.20	-2.29
TOTAL	50.01	-	-	23.16	-96.02	-72.86
<b>MIDDLE EAST</b>						
IRAN	-	-	-	2.55	-2.48	0.07
IRAQ	-	-	-	8.86	-38.12	-29.26
ISRAEL	-	-	-	0.40	-18.70	-18.30
JORDAN	-0.17	-	-	-0.39	-1.51	-1.90
KUWAIT	-	-	-	5.04	-48.22	-43.18
SAUDI ARABIA	-3.89	-	-	31.98	-49.58	-17.60
UNITED ARAB EMIRATES	0.17	-	-	-	-	-
YEMEN	-	-	-	-	-0.30	-0.30
TOTAL	-3.89	-	-	48.44	-158.91	-110.47
<b>SOUTH ASIA</b>						
INDIA	0.84	-	-	657.33	-62.42	594.91
PAKISTAN	-	-	-	7.75	-1.25	6.50
SRI LANKA	-	-	-	0.02	-5.87	-5.85
TOTAL	0.84	-	-	665.10	-69.54	595.56
<b>FAR EAST ASIA</b>						
BRUNEI	-	-	-	-	-1.32	-1.32
CHINA	0.17	-	-	78.48	-36.10	42.38
HONG KONG	1.01	-	-	-	-0.63	-0.63
INDONESIA	-	-	-	2.60	-25.50	-22.90
KOREA	3.89	-	-	0.77	-11.47	-10.70
KOREA, DEM.	4.06	-	-	-	-	-
MALAYSIA	0.17	-	-	-0.66	-16.64	-17.30
PHILIPPINES	-	-	-	-	-0.07	-0.07
SINGAPORE	10.48	-	-	-	-0.19	-0.19
TAIWAN	1.52	-	-	42.43	-2.34	40.09
THAILAND	5.24	-	-	7.98	-0.83	7.15
TOTAL	26.54	-	-	131.60	-95.09	36.51
GRAND TOTAL	239.76	-	-	1044.06	-636.90	407.16
EUROPE	81.44	-	-	13.34	-20.68	-7.34
AFRICA	3.72	-	-	88.22	-144.56	-56.34
AMERICA	131.11	-	-	97.36	-148.12	-50.76
ASIA	23.49	-	-	845.14	-323.54	521.60
GRAND TOTAL	239.76	-	-	1044.06	-636.90	407.16

	ODA INVEST. PROJECTS	ODA SECTOR AID ADJUST. TOTAL	ODA TECHNICAL COOPERATION ASSIST. TOTAL	ODA TECHNICAL COOPERATION TRAINING	ODA TECHNICAL COOPERATION RESEARCH	ODA OTHER & UNSPEC.	ODA TOTAL	ODA OF WHICH GRANTS	OTHER OFFICIAL FLOWS	MEMO:WID SPECIFIC PROJECTS	MEMO:WID INTER. PROJECTS	
I. SOCIAL INFR. & SERV	36.72	229.84	-	59.53	46.53	19.00	-	320.19	320.19	0.16	1.22	-
1. EDUC. SERV. & INVEST IN DEVELOP. COUNTRIES	-	58.97	-	10.44	9.62	0.62	-	74.41	74.41	-	-	-
IN DONOR COUNTRIES	-	-	-	0.62	-	0.62	-	0.62	0.62	-	-	-
2. HEALTH	-	79.14	-	25.52	25.52	-	-	104.66	104.66	0.16	-	-
3. WATER SUP. & SANITAT	36.72	-	-	0.55	0.55	-	-	37.27	37.27	-	-	-
4. POPULATION PROGRAMS	-	0.55	-	0.79	0.79	-	-	1.34	1.34	-	-	-
5. PUBLIC ADMINISTRATION	-	63.28	-	3.49	3.49	-	-	66.77	66.77	-	-	-
6. DEV. & PLANN. SERVICE	-	13.75	-	0.18	0.18	-	-	13.93	13.93	-	-	-
7. OTHER SOC. INFR. & SE	-	11.25	-	10.55	6.38	4.10	-	21.81	21.81	-	1.22	-
II. ECON. INFR. & SERVICE	146.05	20.84	-	16.19	13.41	2.78	-	183.08	183.08	-0.08	-	-
1. TRANSPORT	30.61	19.05	-	2.38	2.38	-	-	52.04	52.04	-0.08	-	-
2. COMMUNICATIONS	70.65	-	-	2.49	2.49	-	-	73.14	73.14	-	-	-
3. RIVER DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
4. ENERGY	41.58	-	-	8.48	8.48	-	-	50.06	50.06	-	-	-
5. OTHER ECON. INFRASTR	3.21	1.80	-	2.84	0.06	2.78	-	7.85	7.85	-	-	-
III. PRODUCTION SECTOR	142.90	145.14	-	42.28	28.82	13.46	2.53	332.86	330.33	1.79	-	-
1. AGRICULTURE	4.76	118.22	-	29.73	18.13	11.80	-	152.71	152.71	0.03	-	-
2. INDUSTRY MINING CON	138.14	-	-	8.89	8.89	-	-	147.04	147.04	1.76	-	-
A) MANUFACTURING	121.44	-	-	5.53	5.53	-	-	126.96	126.96	1.31	-	-
B) EXTRACTIVE INDUSTRY	5.68	-	-	3.32	3.32	-	-	9.00	9.00	0.45	-	-
C) CONSTRUCTION	11.02	-	-	0.05	0.05	-	-	11.07	11.07	-	-	-
3. TRADE BANKING TOURI	-	26.92	-	1.24	1.24	-	2.53	30.69	28.16	-	-	-
A) TRADE & EXPORT PROM	-	4.93	-	0.57	0.57	-	2.53	8.03	5.50	-	-	-
B) BANKING	-	21.92	-	0.45	0.45	-	-	22.37	22.37	-	-	-
C) TOURISM	-	0.08	-	0.22	0.22	-	-	0.30	0.30	-	-	-
4. OTHER	-	-	-	2.41	0.56	1.86	-	2.41	2.41	-	-	-
IV. MULTISECTOR	-	-	-	17.17	-	17.17	1.66	18.84	18.84	-	-	-
V. SUBTOTAL I-IV ABOVE	325.68	389.92	-	135.17	88.76	46.42	4.20	854.97	852.44	1.86	1.22	-
A) SECTOR PROG. ASSI WITH WORLD BANK	-	-	-	-	-	-	-	-	-	-	-	-
VI. GENERAL PROG. ASSI WITH WORLD BANK/IM	-	-	-	-	-	-	53.21	53.21	53.21	-	-	-
VII. DEBT RELIEF	-	-	-	-	-	-	24.89	24.89	24.89	-	-	-
VIII. FOOD AID OF WH: PROGRAMS MEMO: TOTAL PROG	-	-	-	-	-	-	-	-	-	-	-	-
IX. EMERGEN. ASSISTANCE	-	-	-	-	-	-	129.47	129.47	129.47	-	-	-
X. ADMINIS. COSTS OF DO	-	-	-	0.05	0.05	-	70.16	70.20	68.92	-	-	-



SWEDEN

TABLE 5. COMMITMENTS BY SECTOR 1990

05/12/92

	ODA INVEST. PROJECTS	ODA SECTOR AID TOTAL	ADJUST. ASSIST.	ODA TECHNICAL COOPERATION TOTAL	TRAINING	RESEARCH	ODA OTHER & UNSPEC.	ODA TOTAL	ODA OF WHICH GRANTS	OTHER OFFICIAL FLOWS	MEMO:WID SPECIFIC PROJECTS	MEMO:WID INTER. PROJECTS
XI. SUPPORT TO PRIV. VO	-	-	-	-	-	-	0.60	0.60	0.60	-	-	-
XII. UNALLOCATED/UNSPEC	-	-	-	47.06	47.06	-	174.24	221.29	255.54	-	-	-
TOTAL	325.67	389.92	-	182.28	135.87	46.41	450.76	1348.63	1379.07	1.87	1.22	-

TYING STATUS OF BIL.OD	GRANTS & GRANT-LIKE CONTRIB.	---L O TOTAL	A N S--- OF WHICH: PROJ.ASSIST	TOTAL
1.DIRECT.FIN.IMPORTS	265.32	0.97	0.97	266.29
A) UNTIED	127.56	-	-	127.56
B) PARTIALLY UNTIED	-	-	-	-
1)DONOR & SUBST.	-	-	-	-
2) SUBST.	-	-	-	-
C) TIED	137.76	0.97	0.97	138.73
1)DONOR ONLY	106.30	0.97	0.97	107.27
2)DONOR & SPEC.	-	-	-	-
3) SPECIFIED	-	-	-	-
4) SPEC.DEV.& DEVEL	-	-	-	-
5) OTHER	31.46	-	-	31.46
2.AID IN KIND	-	-	-	-
3.NOT DIRECT.FIN.IMPO	840.54	-	-	840.54
A) BUDGET & BALANCE	41.04	-	-	41.04
B) LOCAL COST	-	-	-	-
C) DEBT RELIEF	24.89	-	-	24.89
D) OTHER	774.61	-	-	774.61
4.TECH.CO-OPERATION	178.00	-	-	178.00
OF WH:A) UNTIED	40.48	-	-	40.48
OF WH:B) PART.UNTIED	-	-	-	-
OF WH:C) TIED	137.52	-	-	137.52
TOT.BILATERAL.COMMIT.	1283.86	0.97	0.97	1284.83
OF WH:A) UNTIED	1008.58	-	-	1008.58
OF WH:B) PART.UNTIED	-	-	-	-
OF WH:C) TIED	275.28	0.97	0.97	276.25
MEMO:	-	-	-	-
A) UNTIED AID	-	-	-	-
B) PART.UNTIED AID	-	-	-	-
C) TIED AID	-	-	-	-

SWEDEN

TABLE SA. FOOD AID (VOLUME) 1990

05/12/92

	C E R E A L S				* DAIRY PRODUCTS *			* SUGAR	PULSES	MEAT & MEAT PRODUCT	FISH & FISH PRODUCT	VEGETABLE OILS	OTHER
	GRAIN	RICE	GRAIN	BLENDED FOODS	TOTAL	* MILK * *POWDER	BUTTER OIL						
UN MULTILATERAL													
WFP	4400	1600	3400	-	9400	-	-	-	-	-	-	1200	-
TOTAL	4400	1600	3400	-	9400	-	-	-	-	-	-	1200	-
GRAND TOTAL	4400	1600	3400	-	9400	-	-	-	-	-	-	1200	-

SWEDEN

TABLE 98. FOOD AID (VALUE) 1990

05/12/92

	FOOD PRODUCTS	* CASH	* * *	* TOTAL	*-----OF WHICH-----*				
	-----OF WHICH	* CONTRI-	*TRANSPORT*	OTHER	*FOOD AID *	MARKET			
	TOTAL	GRAINS	* BUTIONS	* COSTS	* * *	* PROJECT	RELIEF	SALES	OTHER

UN MULTILATERAL

WFP	27.03	5.58	-	3.89	4.88	35.80	-	-	-	-
TOTAL	27.03	5.58	-	3.89	4.88	35.80	-	-	-	-
GRAND TOTA	27.03	5.58	-	3.89	4.88	35.80	-	-	-	-

	DISBURS. MILLION \$ DOLLARS	-----NUMBER WOMEN	OF MEN	PERSONS----- TOTAL	NUMBER OF PERSON MONTHS
DAC9/TC					
I. STUDENTS+TRAINEES	11.61	-	-	1042	-
A) STUDENTS:TOTAL	1.05	-	-	-	-
IN DEVELOPED CTRS	1.05	-	-	-	-
IN DEVELOPING CTRS	-	-	-	-	-
MEMO: COSTS IN A)	-	-	-	-	-
B) TRAINEES:TOTAL	10.56	-	-	1042	-
II. TC PERSONNEL:TOTAL	19.96	188	462	650	-
-EXPERTS	19.96	179	364	543	-
-TEACHERS	-	9	98	107	-
-VOLUNTEERS	-	-	-	-	-
III.EQUIPMENT	-	-	-	-	-
IV. OTHER TC	146.43	-	-	-	-
BILATERAL TOTAL	178.00	188	462	1692	-
MEMO ITEMS: TC LOANS	-	-	-	-	-

SWEDEN

TABLE 10. TC DISTRIBUTION 1990

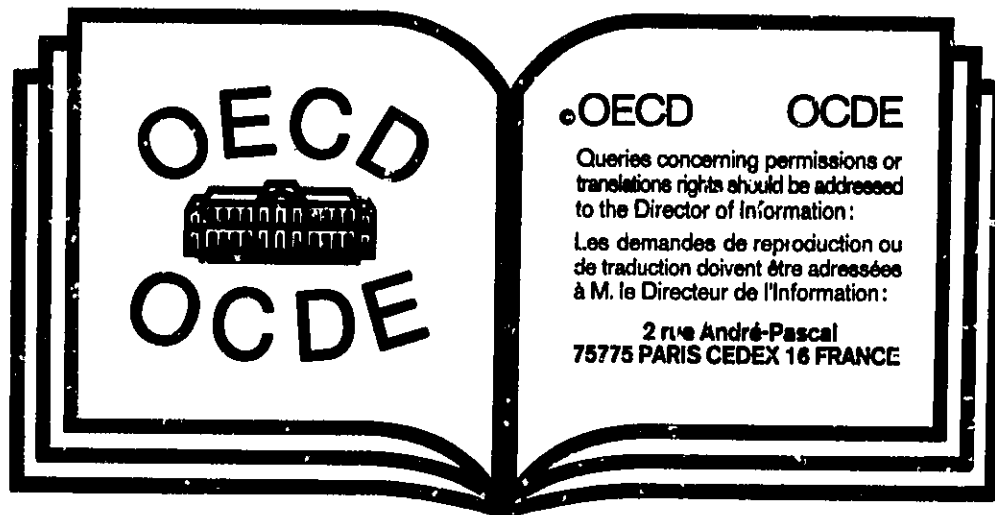
05/12/92

	STUDENTS		TRAINEES		FTC PERSONS TOTAL	-----OF WHICH:-----		
	OF WHICH:		OF WHICH:			EXPERTS PERSONS P/MONTHS	TEACHERS PERSONS	
	PERSONS	WOMEN	PERSONS	WOMEN				
<b>EUROPE</b>								
TURKEY	3	1	-	-	-	-	-	-
TOTAL	3	1	-	-	-	-	-	-
<b>NORTH OF SAHARA</b>								
ALGERIA	4	1	5	7	-	-	-	-
EGYPT	3	1	29	-	-	-	-	-
MOROCCO	-	-	8	-	-	-	-	-
TUNISIA	-	-	19	-	-	-	-	-
TOTAL	7	2	61	-	-	-	-	-
<b>SOUTH OF SAHARA</b>								
ANGOLA	-	-	4	-	-	86	-	35
BENIN	-	-	1	-	-	-	-	-
BOTSWANA	-	-	10	-	-	37	-	2
BURKINA FASO	-	-	5	-	-	-	-	-
BURUNDI	-	-	1	-	-	-	-	-
CAMEROON	-	-	1	-	-	-	-	-
CAPE VERDE	-	-	-	-	-	3	-	2
ETHIOPIA	5	-	19	-	-	43	-	7
GHANA	3	-	22	-	-	-	-	-
GUINEA	-	-	1	-	-	-	-	-
GUINEA-BISSAU	-	-	2	-	-	31	-	5
COTE D'IVOIRE	-	-	5	-	-	-	-	-
KENYA	4	2	28	-	-	52	-	1
LESOTHO	-	-	10	-	-	13	-	-
LIBERIA	-	-	1	-	-	-	-	-
MADAGASCAR	-	-	1	-	-	-	-	-
MALAWI	1	1	3	-	-	-	-	-
MAURITIUS	-	-	5	-	-	-	-	-
MOZAMBIQUE	-	-	20	-	-	50	-	9
NAMIBIA	-	-	6	-	-	7	-	2
NIGERIA	6	1	12	-	-	-	-	-
RWANDA	-	-	2	-	-	-	-	-
SENEGAL	-	-	1	-	-	-	-	-
SEYCHELLES	-	-	2	-	-	-	-	-
SIERRA LEONE	-	-	2	-	-	-	-	-
SOMALIA	-	-	2	-	-	-	-	-
SUDAN	4	1	8	-	-	-	-	-
SWAZILAND	-	-	4	-	-	-	-	-
TANZANIA	3	-	57	-	-	75	-	34
UGANDA	-	-	48	-	-	1	-	-
ZAMBIA	1	-	27	-	-	68	-	8
ZIMBABWE	-	-	33	-	-	10	-	-
SOUTH OF SAHARA UNALL.	-	-	18	-	-	-	-	-
TOTAL	27	5	361	-	-	476	-	105
<b>N. &amp; C. AMERICA</b>								
COSTA RICA	-	-	10	-	-	-	-	-
CUBA	5	4	39	-	-	-	-	-
DOMINICAN REPUBLIC	-	-	8	-	-	-	-	-
EL SALVADOR	-	-	2	-	-	-	-	-
GUATEMALA	-	-	7	-	-	1	-	-
JAMAICA	-	-	17	-	-	-	-	-

	S T U D E N T S		T R A I N E E S		F T C PERSONS TOTAL	-----OF WHICH:-----			
	OF WHICH:		OF WHICH:			E X P E R T S PERSONS	P/MONTHS	T E A C H E R S PERSONS	
	PERSONS	WOMEN	PERSONS	WOMEN					
MEXICO	5	1	28	-	-	-	-	-	
NETHERLANDS ANTILLES	-	-	3	-	-	-	-	-	
NICARAGUA	-	-	4	-	-	10	-	-	
TRINIDAD & TOBAGO	1	1	-	-	-	-	-	-	
GRENADA	-	-	1	-	-	-	-	-	
TOTAL	11	6	119	-	-	11	-	-	
SOUTH AMERICA									
ARGENTINA	5	4	17	-	-	-	-	-	
BOLIVIA	1	-	3	-	-	-	-	-	
BRAZIL	1	1	12	-	-	-	-	-	
CHILE	-	-	14	-	-	1	-	-	
COLOMBIA	3	1	15	-	-	-	-	-	
ECUADOR	-	-	9	-	-	-	-	-	
GUYANA	-	-	2	-	-	-	-	-	
PERU	5	1	21	-	-	-	-	-	
URUGUAY	2	1	22	-	-	-	-	-	
VENEZUELA	1	-	6	-	-	-	-	-	
TOTAL	18	8	121	-	-	1	-	-	
MIDDLE EAST									
BAHRAIN	-	-	1	-	-	-	-	-	
IRAQ	1	1	1	-	-	-	-	-	
JORDAN	-	-	22	-	-	-	-	-	
KUWAIT	-	-	1	-	-	-	-	-	
QATAR	-	-	1	-	-	-	-	-	
SAUDI ARABIA	-	-	1	-	-	-	-	-	
SYRIA	1	-	-	-	-	-	-	-	
YEMEN	-	-	3	-	-	-	-	-	
TOTAL	2	1	32	-	-	-	-	-	
SOUTH ASIA									
BANGLADESH	5	2	18	-	-	9	-	-	
BHUTAN	-	-	2	-	-	-	-	-	
INDIA	9	1	48	-	-	10	-	-	
NEPAL	1	-	2	-	-	-	-	-	
PAKISTAN	3	-	16	-	-	-	-	-	
SRI LANKA	-	-	34	-	-	11	-	1	
TOTAL	18	3	120	-	-	30	-	1	
FAR EAST ASIA									
BRUNEI	-	-	3	-	-	-	-	-	
CHINA	15	4	18	-	-	-	-	-	
INDONESIA	-	-	33	-	-	-	-	-	
CAMBODIA	-	-	2	-	-	-	-	-	
KOREA	5	1	-	-	-	-	-	-	
LAOS	-	-	10	-	-	11	-	1	
MALAYSIA	-	-	55	-	-	-	-	-	
PHILIPPINES	11	6	35	-	-	-	-	-	
THAILAND	1	1	36	-	-	-	-	-	
VIET NAM	3	1	14	-	-	14	-	-	
TOTAL	35	13	206	-	-	25	-	1	

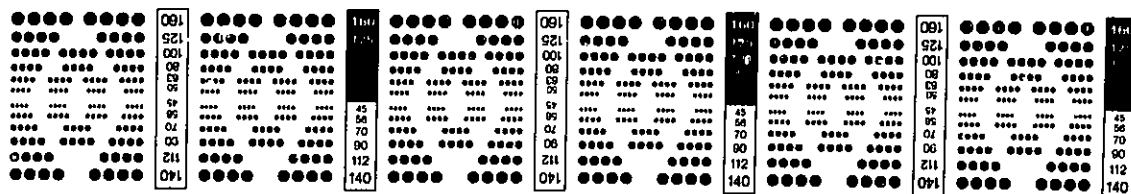
	STUDENTS		TRAINEES		FTC PERSONS TOTAL	-----OF WHICH:-----		
	PERSONS	WOMEN	PERSONS	WOMEN		EXPERTS PERSONS	P/MONTHS	TEACHERS PERSONS
OCEANIA								
PAPUA NEW GUINEA	-	-	3	-	-	-	-	-
TOTAL	-	-	3	-	-	-	-	-
LDCS UNSPECIFIED	-	-	19	-	-	-	-	-
GRAND TOTAL	121	39	1042	-	-	543	-	107
EUROPE	3	1	-	-	-	-	-	-
AFRICA	34	7	422	-	-	476	-	105
AMERICA	29	14	240	-	-	12	-	-
ASIA	55	17	358	-	-	55	-	2
OCEANIA	-	-	3	-	-	-	-	-
LDCS UNSPECIFIED	-	-	19	-	-	-	-	-
GRAND TOTAL	121	39	1042	-	-	543	-	107





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AID REVIEW 1991/92

REPORT BY THE SECRETARIAT AND QUESTIONS FOR THE REVIEW OF SWEDEN

The attached report has been prepared by the Secretariat for the review of Sweden scheduled for 12 June 1992. A list of questions, which appears at the beginning of the report, has been drawn up in consultation with the Delegations of BELGIUM and GERMANY, which have been designated as examiners.

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FOR TECHNICAL REASONS, GRAPHS/TABLES UNAVAILABLE ON OLIS

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## GENERAL ASSESSMENT

The new government which came into office in October 1991 continues basic Swedish aid orientations with respect to aid volume and underlying aid objectives. Nevertheless, the programme is being adapted to new circumstances by some changes in emphasis, such as firmer insistence on policy performance and more attention to democratic development and market orientation, by adjusting priorities for geographic allocation of aid and by reforms of the administrative system.

Sweden's aid volume remains relatively high, but is presently stagnating and is falling as a share of GNP. ODA disbursements in 1989, 1990 and 1991 amounted to \$1.8, \$2 and \$2 billion respectively, corresponding to ODA/GNP ratios of 0.96, 0.90 and 0.89 per cent. With respect to this ratio, Sweden ranked third in 1989 and fourth in 1990 among DAC countries (DAC average : 0.35 per cent in 1990). Budget appropriations for the aid programme are kept close to 1 per cent of GNP, despite economic difficulties faced by Sweden in recent years. Persistent underspending of these appropriations has led, however, to the accumulation of undisbursed budget funds, resulting in an ODA/GNP ratio of below 1 per cent. Public support for Swedish aid for developing countries remains strong, although declining somewhat recently, partly because of popular interest in assistance for neighbouring eastern European countries.

The Swedish programme remains characterised by the exclusive provision of aid grants. The proportion of multilateral aid in total Swedish ODA -- 31 per cent -- is above the DAC average (23 per cent excluding contributions to EEC) and exceeds this average significantly in terms of GNP (0.28 per cent against 0.08 per cent). Over 90 per cent of Swedish bilateral aid is concentrated on low-income countries, with emphasis on Sub-Saharan Africa and Asia. The number of recipient countries remains high: more than 70 developing countries receive Swedish assistance, of which 19 are "programme countries". Questions will be raised in the review whether the management capacity of executing agencies may be overstretched by the wide geographical spread of the programme. While low-income recipients still receive a relatively high share of bilateral ODA, there is a tendency of increasing aid amounts for other recipients, mainly through mixed credits for non-programme countries. The programme emphasises balance-of-payments and import support for countries with economic recovery programmes, including rehabilitation of industrial and infrastructure equipment. Support is also provided to ensure environmental sustainability of projects, and WID activities are pursued in most programme countries. Assistance for the population sector has in recent years been weak, but the intention is to increase it, also in view of the International Conference on Population and Development in 1994, organised by the UN. As a result of the distress situation in a number of major recipient countries a relatively large share of Swedish aid is used for emergency assistance. Sweden pursues its objective of relying increasingly for programme and project implementation on the authorities and executing agencies of developing countries.

Sweden participates actively in international aid co-ordination efforts and follows mainstream donor attitudes in respect of conditions for aid: attention to effective economic policies and strengthened emphasis on respect

for human rights and the development of democratic movements. There are examples of Swedish aid being withheld in cases of unsatisfactory policy performance or where recipient authorities did not provide agreed inputs for major projects. Sweden is conducting a more active policy dialogue with its main partner countries both individually and jointly with other Nordic countries and DAC Members generally.

Moves are underway to reform the system of planning and implementing Swedish aid and new evaluation arrangements are being established. The system of country programming is in evolution, and Parliament seeks to be more involved in decisions on geographic allocation of aid. The authorities also intend to revise the role of the Foreign Ministry for co-ordinating the increasing number of executing agencies, as well as the relationship between headquarters (Stockholm) and Swedish field offices. In the field, Swedish embassies are likely to co-ordinate more actively the activities of all Swedish agencies. Efforts to achieve coherence of overall Swedish policies with regard to developing countries, in particular concerning trade, are not clearly visible. Steps in this direction have, however, recently been taken: the establishment of the Swedish International Enterprise Corporation (SWEDECORP) aims at combining investment promotion [Swedish Fund for Industrial Co-operation (SWEDFUND)] with assistance for industrial development [formerly part of the Swedish International Development Authorities (SIDA)] and for promotion of developing countries' trade [Import Promotion Office for Products from Developing countries (IMPOD)].

| The recording of non-ODA debt forgiveness is under review by the DAC. |  
| In the meantime, it has been agreed that national data should be |  
| recorded as reported by individual Member countries, i.e., including |  
| forgiveness of non-ODA debt, but total DAC data should be recorded |  
| excluding such forgiveness (with footnotes where required). |  
| Accordingly, subject to technical constraints, calculations involving |  
| reference to total DAC ODA are based on the total DAC ODA figure as |  
| described above. |

## QUESTIONS FOR DISCUSSION

## I. BASIC ORIENTATIONS IN SWEDISH AID

Could the Swedish Delegation in its opening statement comment on major new orientations in Swedish aid as outlined in the General Assessment above and Section I of the Report?

[Reference: paragraphs 1-4]

## II. VOLUME

The national aid volume target, adopted in 1968, implies that budget appropriations for development assistance should equal 1 per cent of GNP. This target was first reached in fiscal year 1975/76, but more recently aid appropriations remained below that level. Concerning the relation of ODA disbursements to gross national product, Sweden was the first DAC Member country to attain in 1975 a ratio of 0.7 per cent and has surpassed that level by a wide margin every year since then. Public and parliamentary support remains favourable to this strong aid effort, thanks also to information and development education activities by the authorities, to a large extent involving non-governmental organisations.

- a) How do the Swedish authorities see ODA volume prospects in the medium term?
- b) Would concentration of aid on a more limited number of recipient countries contribute to accelerated and improved implementation? What is the composition of the high share of bilateral ODA reported as unallocated by recipient country?
- c) What measures, if any, are considered by the Swedish authorities to reduce, or eliminate, the pipeline of undisbursed budget funds, particularly in the bilateral programme? Is the bilateral pipeline also a reflection of problems with administrative capacity?
- d) What are the results of recent public information campaigns and what other measures are planned to maintain public support -- inside and outside Parliament -- for the Swedish aid effort?

[Reference: paragraphs 5-8]

## III. AID EFFORTS ON THE CRUCIAL ISSUES OF POPULATION AND DEMOCRATIC DEVELOPMENT

- a) Since the mid-1960s Sweden was a leading donor in the area of population activities, both concerning the scope of aid efforts and the expertise provided. Mainly as a result of the negative consequences of sterilisation programmes supported by Sweden in India and Bangladesh in the late 1970s and the first half of the 1980s, bilateral activities were scaled down considerably. In recent years

Sweden has again shown interest in the issue of population, however, and intends to intensify aid efforts in this area.

- What measures are envisaged for creating the in-house expertise necessary for an increased bilateral aid effort in the population area?
- What new activities will be initiated and what is the expected aid volume for these activities?
- Which countries will be major recipients?

[Reference: paragraphs 23-25]

b) Democratic development: Sweden has in the past been actively supporting democratic movements and the defense of human rights, in particular in Latin American countries. The aid administration has reaffirmed its determination to continue these activities given the increasing number of countries, in particular in Africa, which are trying to introduce democratic systems.

- Could the Delegation explain which concrete actions in the field of democratic development are presently undertaken, or planned, for Swedish programme countries, such as Sri Lanka, Tanzania and Viet Nam?
- To what extent is the provision of Swedish aid conditional on progress in democratisation, for example in China and Pakistan?

[Reference: paragraphs 2, 15]

#### IV. MANAGEMENT AND ADMINISTRATION

##### a) New style in aid management

At the Swedish Aid Review in March 1990 the DAC took particular interest in the Swedish style of aid management. This was related to the fact that, in 1988, changes in the relationship between Sweden and main recipients had been introduced. The authorities of a recipient country would, within broad agreement on programme orientation and objectives, be in charge of project implementation and Swedish aid staff would concentrate more on economic and sectoral analysis, appraisal, monitoring and evaluation. To facilitate for the recipients to assume this responsibility, technical assistance was to be focussed on institutional development. The Committee welcomed this change in donor-recipient relations as a medium-term objective, noting that a more general approach among donors would be required to achieve its success. It noted also that it was important to have reasonable assurance that Swedish aid recipients have the necessary management capacity to assume their new tasks.



- What are the criteria used by Sweden and the recipient country for introducing the new style of aid management?
- Which recipients of Swedish aid have adopted the new approach in the aid relationship?
- Has a consensus been achieved among donors for given developing countries concerning this approach?
- What is Sweden's experience with the new style of aid management: has the workload of Swedish aid staff been reduced? Have management consultants been used to help familiarise recipient governments with their new responsibilities?

[Reference: paragraph 4]

b) Country programming and sector approaches

Planning and implementing of bilateral aid measures differs between the 19 programme countries and other recipients of Swedish aid. For the former, multi-annual country programmes ("country frames") are established on the basis of budget appropriations for each recipient (proposed by the government and voted by Parliament) and on the priorities of recipient governments, as agreed at biennial negotiations with Swedish aid representatives. SIDA is responsible for implementing these country programmes. For non-programme recipients, aid is funded from appropriations for various sectors of assistance, such as for emergency situations, imports, trade promotion, etc. This aid is administered mainly by the Agency for International Technical and Economic Co-operation (BITS). Programme countries also receive substantial amounts of aid from sector funds. In view of the fact that such sector funding is increasing, Parliament has expressed the wish to be better informed about geographical allocation of these funds and to participate in relevant decisions. In 1991 guidelines for more comprehensive planning of Swedish assistance for non-programme countries were introduced.

- What is the expected impact on country planning of possible involvement of Parliament in decision-making on geographical allocation?
- How are sector-funding, programme assistance and other non-project aid integrated into country programmes?

[Reference: paragraphs 30-31]

## I. NEW POLICY ORIENTATIONS

1. After the last review of the Swedish aid programme, in March 1990, no major initiatives in the area of development co-operation have been taken by the Swedish authorities, but earlier initiatives have been pursued and gradual shifts of emphasis have occurred within the aid programme, some of which following the advent of a new government in the fall of 1991.

2. Swedish support is increasing for the promotion of democracy, the protection of human rights and the implementation of economic reform programmes. In the budget bill for fiscal year 1992/93 an amount corresponding to \$115 million, about 8 per cent of bilateral appropriations, is reserved for assistance in the field of democracy, human rights and humanitarian concerns. While assistance will remain concentrated on the poorest countries, Sweden intends to expand development co-operation with other developing countries because of their importance for the world economy, but on the condition that this co-operation helps to meet the traditional five objectives of Swedish assistance [see page 1 of Memorandum of Sweden, DCD/DAC/AR(91)1/18].

3. Concerning the management of the aid programme, including the donor-recipient relationship, several reforms are presently being introduced or under review. To promote industrial development in developing countries in co-operation with the Swedish private sector, a new agency was founded in 1991: SWEDECORP, merging IMPOD with SWEDFUND and parts of the Industrial Division of SIDA. In addition, the government is presently taking measures to improve the performance of the bilateral aid programme which is becoming increasingly complex. The measures aim at better use of the experience gained by Swedish agencies and companies who have co-operated with developing countries in their special fields. Official aid agencies should in future merely act as broker between these specialised Swedish institutions and recipient countries. It is also intended to strengthen the co-ordinating role of the Ministry of Foreign Affairs in its relations with the numerous official aid agencies. Measures for improving the efficiency of the agencies by assessing their results against performance criteria and by a system of independent evaluation are being introduced.

4. Some progress has been reported concerning the implementation of the intended shift of responsibility to recipient countries' authorities for executing aid projects and programmes. While this shift would free resources in the Swedish aid administration to concentrate on planning, appraisal and evaluation activities, Sweden recognises that in most recipient countries institution-building must be supported first in order to create the required administrative capacity.

## II. VOLUME

### A. ODA Disbursements, Budget and "Pipeline"

5. The volume of Swedish development assistance remains at a relatively high level and up to 1990 grew roughly in line with gross national product. In

1989, net ODA disbursements, corresponding to \$1.8 billion, rose by 14 per cent in real terms, resulting in an ODA/GNP ratio of 0.96 per cent (third rank among DAC countries) after 0.86 per cent in 1988. This exceptional growth was mainly due to disbursements of hitherto unspent funds for a very large project in India. For 1990, ODA disbursements amounted to \$2 billion in absolute terms, representing a decline over 1989 of 6 per cent at constant prices and exchange rates. The ODA/GNP ratio was 0.90 per cent (fourth rank in the DAC) (see Table 1, Graph 1). In 1991, the ODA volume corresponded to \$2 billion also, representing a decline, however, in 1990 prices and exchange rates of 3 per cent. The ODA/GNP ratio for 1991 was 0.89 per cent.

6. For the future, prospects for ODA growth are uncertain in view of the ongoing re-orientation of Swedish economic policy, implying drastic budget cuts for the central government. Already in the 1991/92 budget (fiscal year starting 1 July 1991), measures were planned to reduce the budget deficit over the next three years by more than Skr 30 billion (2 per cent of GDP). Only half of the planned consolidation could be implemented because of slippages on both the revenue and the expenditure side. As a consequence, the central government's budget deficit will have grown to almost 4 per cent of GDP at the end of the fiscal year (30 June 1992). The draft 1992/93 budget reveals that the deficit of central government finances is still increasing and may be of a structural nature. The new government is therefore preparing another austerity plan for three years which is likely to entail a reduction of subsidies and social security transfers. While the prospect of Sweden's EC membership increases the need for reducing present high taxation levels, sizeable cuts in public spending will be required to keep the budget in balance and it is not to be excluded that aid appropriations will also be affected. It should be noted, however, that in the past aid appropriations have been protected from general budget cuts and that bilateral ODA commitments rose 20 per cent in 1991. As for the implication of EC membership for the aid volume, the Swedish authorities estimate that their contribution to EC funds will amount to about \$150 million annually, corresponding roughly to 6 per cent of present ODA levels, and will be funded from appropriations for multilateral contributions. Support for central and eastern Europe will, from fiscal year 1992/93 onwards, be funded under a special programme outside the budget for development co-operation, except for some small amounts for emergency assistance.

7. The volume of ODA disbursements continues to suffer from serious underspending, an issue which was discussed at the last three Aid Reviews for Sweden. Substantial undisbursed aid funds are carried over to the next fiscal year, both on the bilateral and the multilateral side, which may lead to using aid appropriations for other than development assistance purposes. For instance, in 1989 Parliament decided to finance a part of the new support programme for eastern Europe and the then Soviet Union exceptionally from the pipeline of unspent aid funds. The total amount of aid available, consisting of new appropriations and unspent funds from previous years, was never disbursed, although in recent years the disbursement ratio increased somewhat, reaching 61 per cent in fiscal years 1989/90 and 1990/91 (see Table 3).

Table 1

## MAIN ODA VOLUME INDICATORS

## i) Disbursements and commitments

	Two-year averages over ten-year period			1988	1989	1990
	1979/80	1984/85	1989/90			
<u>ODA net disbursements</u>						
Current prices and exchange rates (\$ mill.)	975	791	1 906	1 534	1 799	2 012
-- Bilateral	683	553	1 330	1 034	1 275	1 384
-- Multilateral	292	238	576	500	524	628
1989 prices and exchange rates (\$ mill.)	1 326	1 388	1 746	1 573	1 799	1 692
-- Bilateral	925	971	1 219	1 061	1 275	1 163
-- Multilateral	401	417	526	513	524	528
Nat. curr. (SKr mill.)	4 152	6 678	11 754	9 397	11 600	11 909
-- Bilateral	2 907	4 670	8 206	6 334	8 222	8 189
-- Multilateral	1 245	2 009	3 548	3 063	3 378	3 719
GNP ratios (%)	0.85	0.83	0.93	0.86	0.96	0.90
-- Bilateral	0.59	0.58	0.65	0.58	0.68	0.62
-- Multilateral	0.25	0.25	0.28	0.28	0.28	0.28
<u>ODA commitments</u>						
Current prices and exchange rates (\$ mill.)	991	809	1 889	1 557	1 805	1 973
-- Bilateral	697	571	1 312	1 079	1 275	1 349
-- Multilateral	294	237	577	479	530	625
GNP ratios (%)	0.86	0.85	0.92	0.87	0.96	0.89
-- Bilateral	0.60	0.60	0.64	0.60	0.68	0.61
-- Multilateral	0.25	0.25	0.28	0.27	0.28	0.28

## ii) Average annual growth rates of ODA disbursements in real terms

Percentages	1979/80- 1984/85		1984/85- 1989/90		For reference: Total DAC (a)	
	1979/80- 1984/85	1984/85- 1989/90	1979/80- 1984/85	1984/85- 1989/90	1979/80- 1984/85	1984/85- 1989/90
Total ODA	0.9	4.7	3.9	1.7	(b)	
-- Bilateral	1.0	4.7	4.5	2.3	(b)	
-- Multilateral	0.8	4.8	2.4	0.3		
P.M. GNP growth in real terms	1.3	2.4	2.6			

## iii) Share in total DAC

Percentages	Two-year averages over ten-year period			1988	1989	1990
	1979/80	1984/85	1989/90			
Total ODA	3.9	2.7	3.7	3.2	3.9	3.6 (b)
-- Bilateral	4.0	2.7	3.6	3.1	3.7	3.4 (b)
-- Multilateral	3.7	2.9	3.1	3.3	4.2	4.1
Gross national product	1.7	1.1	1.4	1.3	1.3	1.4

a. Excluding Portugal and Spain.

b. See box on page 5.

Graph 1

## ODA NET DISBURSEMENTS 1980 - 1990

At constant 1989 prices and as share of GNP

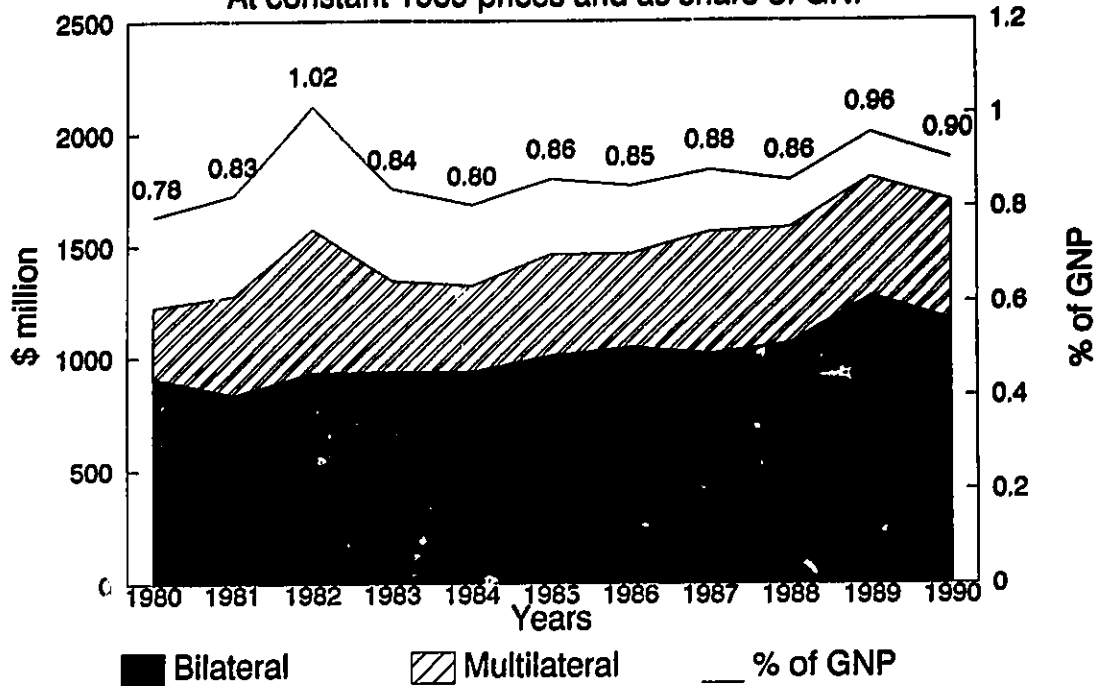


Table 2

### ODA NET DISBURSEMENTS

Evolution in 1991

	\$ million	Real growth over prev. year, %
Total bilateral	1 356.2	-6.9
Grants	1 356.2	-6.9
Loans	0.0	-
Total multilateral	686.6	3.8
United Nations agencies	600.8	55.4
World Bank group	18.6	-85.7
Regional development banks	0.0	-
Other multilateral	67.1	-12.0
Total ODA	2 042.8	-3.5
GNP	230 328	-1.6
P.M.		
ODA as share of GNP, %		0.89

**Table 3**  
**AID APPROPRIATIONS, DISBURSEMENTS AND PIPELINE OF UNSPENT FUNDS (a)**

SKr million

Fiscal year	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92
<b>Multilateral</b>								
Pipeline from prev. year	2 544	2 992	3 379	3 743	3 982	4 245	4 878	4 701
Appropriations	2 088	2 280	2 550	2 815	2 760	3 334	3 566	3 319
Total available	4 632	5 272	5 929	6 558	6 942	7 579	8 444	8 020
Disbursements	1 640	1 872	2 186	2 576	2 697	2 701	3 743	
Disb as % of total available	35	36	37	39	39	36	44	
<b>Bilateral</b>								
Pipeline from prev. year	2 444	2 684	2 281	3 253	3 546	3 402	2 702	2 833
Appropriations	4 599	5 399	5 965	6 612	6 937	7 837	8 904	9 273
Total available	7 043	8 083	8 246	9 865	10 483	11 239	11 606	12 106
Disbursements	4 207	5 262	4 816	6 271	7 015	8 796	8 773	
Disb as % of total available	60	65	58	64	67	78	76	
<b>Total</b>								
Pipeline from prev. year	4 988	5 676	5 660	6 996	7 528	7 647	7 580	7 534
Appropriations	6 687	7 679	8 515	9 427	9 897	11 171	12 470	12 592
Total available	11 675	13 355	14 175	16 423	17 425	18 818	20 050	20 126
Disbursements	5 847	7 134	7 002	8 847	9 712	11 497	12 522	
Disb as % of total available	50	53	49	54	56	61	62	

a Excluding administrative costs.

8. Unspent ODA funds are mainly found in the multilateral area of Sweden's programme, but a substantial pipeline exists also for bilateral assistance: of total available bilateral funds, 34 per cent came from the pipeline in fiscal year 1988/89, 30 per cent in fiscal year 1989/90, 23 per cent in fiscal year 1990/91 and 22 per cent in fiscal year 1991/92. The persistence of large unspent appropriations begs the question for the reasons underlying this phenomenon.

#### B. Total Flows

9. During 1989 and 1990, total Swedish financial flows to developing countries declined (in 1989 prices and exchange rates, see Table 4): from \$2.4 billion in 1988 to \$2.3 billion in 1989 and \$2.2 billion in 1990 (in per

cent of GNP, these amounts represented 1.31 per cent, 1.25 per cent and 1.20 per cent respectively). In 1989, a sharp drop of foreign direct investment and private export credit was responsible for the decline, partly compensated for by disbursements of ODA and private grants. In 1990, total flows declined because of decreasing ODA and private grants, while direct investment and export credits recovered remarkably. Preliminary data for 1991 show total flows of \$2.4 billion.

Table 4

**TOTAL FLOWS**  
Net disbursements in \$ million at 1989 prices  
and exchange rates

	1979/80	1984/85	1988	1989	1990
<u>ODA</u>	1 326	1 388	1 573	1 799	1 692
<u>OOF</u>	2	343	0	0	2
-- Official export credits	0	341	0	0	0
-- Equities and other bilateral assets	0	0	0	0	2
-- Multilateral	2	1	0	0	0
<u>Private non-concessional flows</u>	683	493	704	412	544
-- Direct investment	149	329	149	98	202
-- Bilateral portfolio investment	23	0	0	0	0
-- Multilateral portfolio investment	0	0	0	2	0
-- Private export credits	511	164	555	312	342
<u>Private grants</u>	73	123	123	132	0
<u>Total non-ODA flows</u>	757	958	827	544	546
As share of GNP (%)	0.48	0.58	0.45	0.29	0.29
<u>Total flows</u>	2 083	2 347	2 400	2 343	2 237
As share of GNP (%)	1.33	1.41	1.31	1.25	1.20

## III. AID ALLOCATION

A. Composition

10. Sweden's support for international development institutions and organisations remains relatively strong and the share of multilateral contributions in the total aid programme, around or over 30 per cent, is somewhat above the DAC average (see Table 5). More than half of these contributions go to UN agencies (DAC average: one-quarter), and just under one-third to development finance institutions (mainly IDA and regional development funds; DAC average: just under one-half).

11. Of bilateral assistance, which is provided entirely in grant form, 70 per cent are provided to finance projects and programmes in individual developing countries (DAC average: around 60 per cent), while a relatively small portion of the bilateral programme (19 per cent in 1989-90) is devoted to technical co-operation (DAC average: 31 per cent). Swedish support for emergencies and for non-governmental organisations, 13 per cent and 11 per cent respectively of bilateral ODA in 1989-90, is considerably above the DAC average.

B. Geographic Distribution

12. Poverty alleviation, a major objective of Swedish development co-operation, is reflected in the comparatively large share -- 93 per cent in 1989-90 -- of bilateral allocable ODA channelled to poor (low-income) developing countries (see Table 6 and Graph 2; DAC average: 64 per cent). While ten years earlier, this ratio was marginally higher for Sweden, the DAC average was lower (59 per cent). The volume of Swedish assistance for upper middle-income countries grew from 1 to 4 per cent in the same period (in 1990: 7 per cent), while the DAC average share of aid for this group declined from 24 to 21 per cent during the ten-year period. This evolution can to a large extent be explained by the inclusion in the Swedish aid programme of wealthier recipients under the mixed credit programme ("concessionary loans").

13. In the group of low-income countries, the least developed countries account for the bulk of Swedish aid, corresponding to half of bilateral allocable ODA in 1989-90, almost twice the average DAC ratio of 27 per cent. As a share of GNP, Swedish bilateral and imputed multilateral ODA for least developed countries equalled 0.30 per cent in 1989-90, against the DAC average ratio of 0.08 per cent.

14. With regard to the distribution of aid by geographic region, a salient feature is the heavy emphasis placed on Sub-Saharan Africa, where 12 out of the 19 Swedish programme countries are located (see Table 6, detailed table). In the period 1979-90 recipients in Sub-Saharan Africa increased their share of Swedish bilateral ODA from 50 to 62 per cent, an evolution partly due to the new policy of the Swedish authorities, first expressed in the Aid Bill for fiscal year 1989/90, to increase aid efforts for Sub-Saharan Africa in the wake of the negative economic and social developments there. This increase has taken place at the expense of aid flows to Asia, which in the same period have



Table 5  
ODA NET DISBURSEMENTS BY MAIN CATEGORIES

	At constant 1989 \$ million				% of total net ODA				P.M. Total DAC: % of total net ODA (a)			
	1984/85	1983	1989	1990	1984/85	1988	1989	1990	1984/85	1988	1989	1990 (b)
<u>Bilateral</u>	971	1 061	1 275	1 163	70.0	67.4	70.9	68.8	71.5	68.9	73.3	71.5
Grants	974	1 065	1 279	1 163	70.2	67.7	71.1	68.8	57.3	54.1	58.4	60.5
-- Development projects and programmes	507	525	578	654	36.5	33.3	32.1	38.6	23.2	19.7	21.4	19.5
-- Technical co-operation	202	212	316	150	14.5	13.5	17.6	8.8	20.5	20.9	22.0	23.2
-- Food aid	10	30	2	0	0.7	1.9	0.1	0.0	4.0	3.8	3.6	2.9
-- Emergency aid (other than food aid)	120	113	215	105	8.6	7.2	11.9	6.2	1.5	1.5	1.7	1.9
-- Debt forgiveness	0	20	0	25	0.0	1.3	0.0	1.5	0.7	0.6	1.3	5.1
-- Support through NGOs	45	90	103	159	3.2	5.7	3.7	9.4	0.9	1.5	2.1	2.0
-- Administrative costs	59	53	61	60	4.2	3.4	3.4	3.5	3.3	3.3	3.9	3.6
-- Other grants	32	23	4	12	2.3	1.4	0.2	0.7	3.1	2.7	2.4	2.2
Loans	-3	-5	-3	0	-0.2	-0.3	-0.2	0.0	14.2	14.9	14.8	11.0
Memo item.												
-- Associated financing	35	48	162	65	2.5	3.0	9.0	3.9	...	...	...	...
<u>Multilateral</u>	417	513	524	528	30.0	32.6	29.1	31.2	28.5	31.1	26.7	28.5
-- UN agencies	252	288	289	309	18.2	18.3	16.0	18.3	8.0	7.2	7.3	7.4
of which: WFP	52	60	51	39	3.7	3.8	2.8	2.3	1.8	1.5	1.6	1.3
UNDP	92	97	99	98	6.6	6.2	5.5	5.8	2.1	1.9	1.9	2.0
UNICEF	38	44	45	52	2.7	2.8	2.5	3.1	0.6	0.7	0.7	0.8
-- World Bank group	92	138	126	104	6.6	8.8	7.0	6.1	9.5	12.5	8.0	9.1
of which: IDA	92	134	124	102	6.6	8.5	6.9	6.0	8.5	11.0	7.0	7.8
-- Regional development banks	49	60	57	54	3.5	3.8	3.2	3.2	4.5	4.4	4.1	4.2
-- Other multilateral	25	26	53	61	1.8	1.7	2.9	3.6	1.5	1.6	1.7	2.3
<u>Total ODA net disbursements</u>	1 388	1 573	1 799	1 692	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
of which: Food aid	62	30	2	30	4.5	1.9	0.1	1.8	10.1	7.9	6.9	5.8

a. Excluding Portugal and Spain.

b. See box on page 5.

Table 6  
**ALLOCABLE ODA NET DISBURSEMENTS BY MAJOR GROUPINGS, REGIONS AND MAIN RECIPIENTS**

## i) Summary table

	ODA disbursement, at constant prices & exchange rates 1989 \$ million				Annual changes in real terms Per cent		Share of bilateral ODA Per cent				P.M. Total DAC (a): share of bilateral ODA Per cent			
	1979/1980	1984/1985	1989	1990	1979/80 -1984/85	1984/85 -1989/90	1979/1980	1984/1985	1989	1990	1979/1980	1984/1985	1989	1990
Sub-Saharan Africa	381	383	425	478	0.1	3.4	50.5	54.4	48.5	61.7	29.8	30.4	34.6	34.5
-- Low-income countries	379	379	422	472	0.0	3.3	50.2	53.8	48.1	61.0	23.6	26.0	29.1	27.7
-- Other	2	4	4	6	11.9	4.9	0.3	0.5	0.4	0.8	6.2	4.3	5.5	6.8
North Africa & Middle East	13	9	14	47	-6.4	26.6	1.8	1.3	1.6	6.1	19.4	23.3	13.8	18.8
-- Low-income countries	1	3	1	1	25.1	-24.4	0.1	0.5	0.1	0.1	7.8	10.0	5.7	9.9
-- Other	12	6	13	47	-12.6	37.0	1.6	0.9	1.5	6.1	11.5	13.3	8.1	8.8
Asia	328	280	354	195	-3.2	-0.4	43.5	39.7	40.4	25.2	28.2	25.2	31.0	26.3
-- Low-income countries	328	279	352	185	-3.2	-0.8	43.5	39.7	40.1	23.9	24.8	21.5	27.6	22.5
-- Other	0	0	2	10	-23.5	132.3	0.0	0.0	0.2	1.3	3.4	3.7	3.4	3.8
America	24	33	85	53	6.1	16.2	3.2	4.6	9.7	6.9	12.6	15.2	15.2	14.9
-- Low-income countries	11	25	71	29	17.0	14.5	1.5	3.6	8.0	3.7	1.8	1.6	2.3	2.3
-- Other	13	7	14	24	-10.2	21.2	1.7	1.1	1.6	3.1	10.8	13.6	12.9	12.6
Oceania	0	0	0	0	NA	NA	0.0	0.0	0.0	0.0	5.9	4.9	4.4	3.4
Europe	8	0	-1	1	NA	-6.2	1.0	-0.1	-0.1	0.1	4.1	1.2	1.0	2.1
<b>TOTAL BILATERAL ALLOCABLE</b>	755	704	877	774	-1.4	3.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Memo items:														
-- Least developed countries	382	323	383	434	-3.3	4.8	50.6	45.8	43.6	56.0	28.2	27.0	27.4	26.2
-- Other low-income countries	337	364	463	252	1.6	-0.4	44.7	51.7	52.8	32.6	30.5	32.4	37.7	36.6
-- Lower middle-inc. countries	31	10	15	32	-19.7	18.0	4.1	1.5	1.7	4.2	17.8	16.9	15.7	16.4
-- Upper middle-inc. countries	4	7	17	56	8.9	39.7	0.6	1.0	1.9	7.2	23.5	23.7	19.2	20.7
-- Unall. (not incl. in total)	170	267	398	387	9.4	8.0	22.5	37.9	45.4	50.0	15.5	18.0	22.2	19.8

a. Excluding Portugal and Spain.

Table 6 (cont'd)

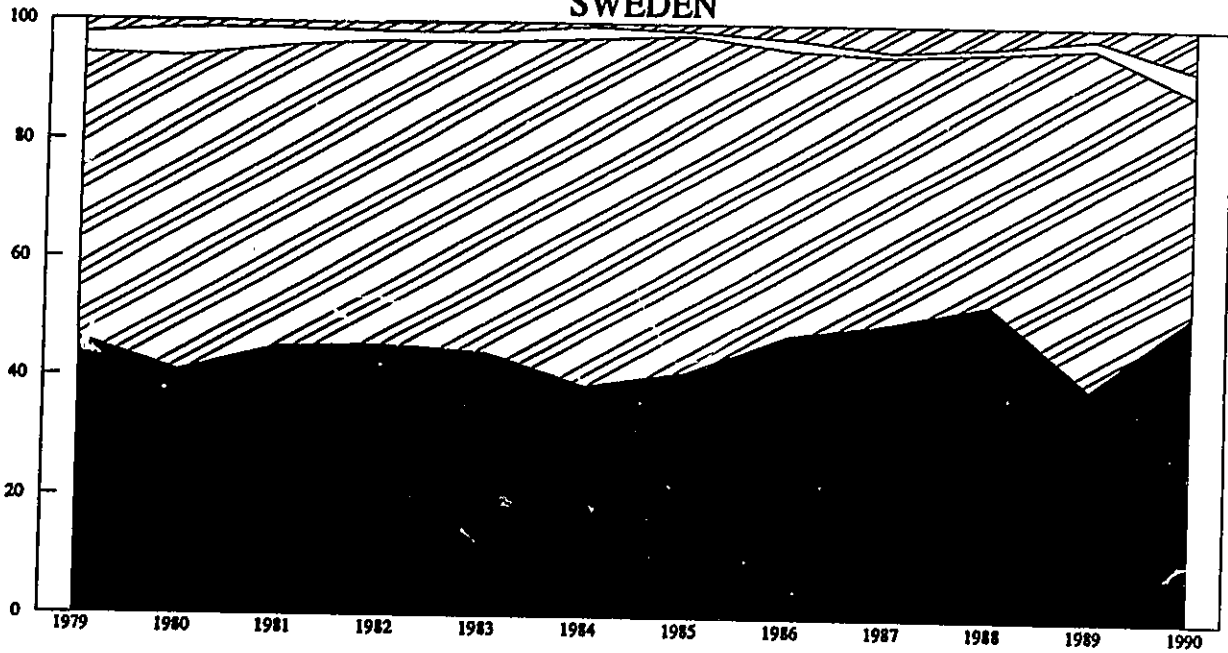
## ii) Detailed table (a)

	1989 \$ million				Sweden's ODA as a share of total DAC ODA (%) (b)			
	1979/80	1984/85	1989	1990	1979/80	1984/85	1989	1990
Sub-Saharan Africa	380.8	382.7	425.2	478.0	6.3	4.1	4.4	4.9
-- Low-income countries	378.6	379.0	421.6	472.1	7.9	4.7	5.2	6.0
of which:								
Angola	24.3	29.2	36.5	32.1	54.6	27.9	41.6	26.8
Botswana	19.1	16.1	17.4	21.0	17.8	14.8	14.5	20.7
Cape Verde	9.6	11.1	8.3	7.5	21.4	15.8	17.1	16.4
Ethiopia	34.2	37.3	32.3	41.1	31.6	7.0	8.5	9.7
Guinea-Bissau	17.9	13.9	10.7	11.1	38.3	28.9	20.1	21.3
Kenya	35.7	29.7	29.5	26.2	9.4	5.4	4.7	4.2
Lesotho	4.9	8.2	8.5	7.3	6.7	8.0	12.3	10.3
Mozambique	51.9	56.7	99.5	114.2	33.2	15.9	18.2	19.7
Tanzania	117.1	91.5	90.4	125.5	17.5	13.3	13.2	17.9
Uganda	2.5	0.1	16.3	12.2	6.5	0.2	10.3	6.0
Zambia	37.1	38.0	36.1	31.2	12.3	10.9	11.5	9.1
Zimbabwe	7.3	37.7	21.8	30.5	9.2	9.4	9.6	12.3
North-Africa & Middle East	13.2	9.5	14.1	47.5	0.3	0.1	0.4	0.9
-- Lower middle-income countr.	9.2	1.0	5.3	17.8	1.7	0.1	0.8	2.5
of which: Tunisia	9.2	1.0	-0.8	15.9	4.4	0.4	-0.5	8.9
-- Upper middle-income countr.	3.0	5.2	7.7	29.1	0.2	0.2	0.5	1.6
Asia	328.5	279.5	354.1	195.3	5.8	3.6	4.1	2.6
-- Low-income countries	328.1	279.4	352.2	185.2	6.5	4.2	4.6	2.9
of which:								
Afghanistan	0.7	2.2	16.7	13.5	1.8	42.3	20.3	16.0
Bangladesh	46.0	24.2	23.3	22.0	4.1	2.1	2.4	2.4
China	0.1	10.6	42.5	26.8	0.3	1.1	2.8	2.3
India	97.1	80.4	203.1	49.5	10.2	8.0	17.9	8.1
Laos	16.9	10.6	11.2	14.3	57.8	41.0	26.1	33.4
Pakistan	14.7	1.9	11.0	1.8	2.9	0.3	1.6	0.3
Sri Lanka	40.2	57.6	6.3	8.9	11.1	10.0	1.6	2.6
Viet Nam	104.4	88.5	34.1	45.0	40.8	74.5	52.8	49.8
America	24.2	32.6	85.0	53.0	0.9	0.7	2.0	1.3
-- Low-income countries	11.5	25.2	70.6	28.7	3.2	5.1	10.8	4.4
of which: Nicaragua	10.7	23.1	65.2	26.5	8.3	18.9	35.6	11.5
- Lower middle-income countr.	11.5	6.1	6.8	6.9	1.6	0.3	0.4	0.5
Europe	7.9	-0.4	-1.1	0.6	1.0	-0.1	-0.4	0.1
<b>TOTAL BILATERAL ALLOCABLE</b>	<b>754.5</b>	<b>704.0</b>	<b>877.3</b>	<b>774.3</b>	<b>3.7</b>	<b>2.3</b>	<b>3.1</b>	<b>2.7</b>
<b>Memo items:</b>								
-- Least-developed countries	382.2	322.7	382.7	434.0	6.7	3.9	5.0	5.9
-- Other low-income countries	337.1	364.1	462.8	252.5	5.5	3.6	4.4	2.4
-- Lower middle-income countr.	30.8	10.3	15.0	32.2	0.9	0.2	0.3	0.7
-- Upper middle-income countr.	4.5	6.8	16.8	55.7	0.1	0.1	0.3	1.0
-- Unallocated (not incl. in tot.)	170.1	267.1	398.2	387.0	5.5	4.8	6.4	6.9

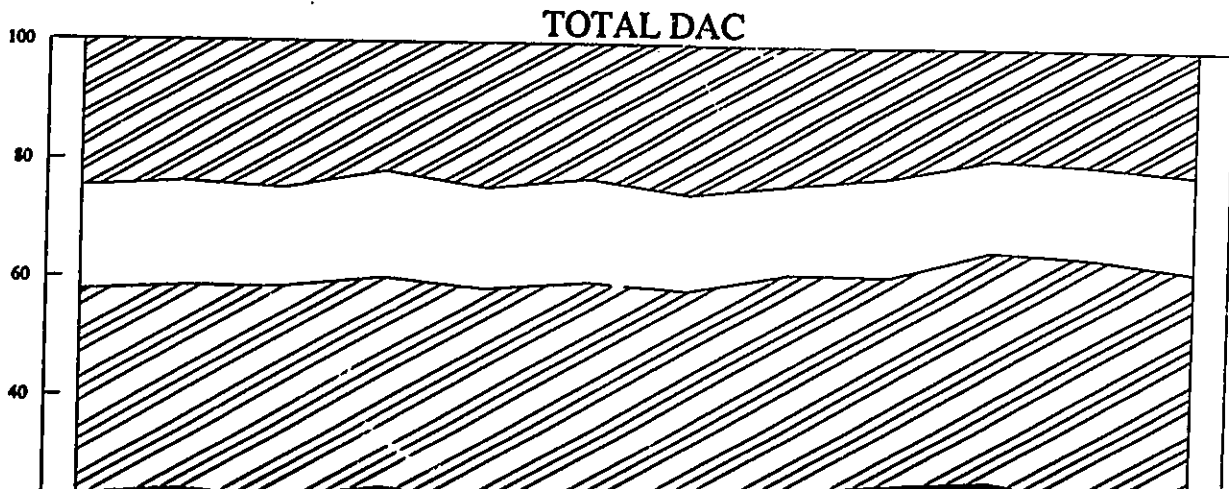
- a. Except for Afghanistan, China, Pakistan and Tunisia, the countries listed are Swedish programme countries.  
b. Excluding Portugal and Spain.

Graph 2

**BILAT. ALLOCABLE ODA DISTRIBUTED BY INCOME GROUPINGS**  
Net disbursements  
Per cent of total  
**SWEDEN**



For reference



fallen from 44 to 25 per cent, while aid to developing countries in America increased from 3 to 7 per cent, largely because of projects in support of democratisation and the peace process in Latin America.

15. A review of the organisation and working methods of the bilateral aid programme, accomplished in 1990, concluded that assistance should be concentrated on a limited number of programme countries. Parliament endorsed this proposal when approving the Aid Bill for fiscal year 1991/92. Given the relatively limited size of the Swedish bilateral aid programme in absolute terms, the total number of recipients is still surprisingly large: in the two-year period 1989-90 the total number of developing countries receiving Swedish bilateral ODA was 66, according to DAC statistical reporting. However, the bulk of Swedish aid is given to a limited number of developing countries, sometimes permitting Sweden to play a dominating role as an aid donor. In Mozambique and Tanzania, which receive the highest share of allocable Swedish aid, the Swedish aid volume amounts to around 20 per cent of assistance received from DAC Members. The corresponding proportions for Viet Nam and Laos are as high as 50 and 33 per cent respectively (see Table 6, detailed table). By this token it is evident that Sweden could have considerable leverage in some of its major recipients, particularly if applying some sort of conditionality in instances of policy-related assistance.

16. The number of so-called programme countries, with which deepened co-operation in the form of country programming procedures exists, has increased somewhat and now amounts to 19, the two most recent newcomers being Namibia and Uganda. Swedish programme countries presently are Angola, Bangladesh, Botswana, Cape Verde, Ethiopia, Guinea-Bissau, India, Kenya, Laos, Lesotho, Mozambique, Namibia, Nicaragua, Sri Lanka, Tanzania, Uganda, Viet Nam, Zambia and Zimbabwe. Budget appropriations ("country frames") for assistance to these countries for fiscal years 1990/91 and 1991/92 are shown in Table 7. It should be kept in mind however, that total receipts of Swedish aid are considerably higher than provided under the country frames (see also paragraphs 18 and 31). Bolivia, receiving more than \$10 million annually of Swedish aid, seems to be the next candidate to become a programme country. Tanzania is normally the recipient ranking first with regard to Swedish bilateral ODA, the only recent exception occurring in 1989, when India ranked first because of exceptionally large disbursements for a single project, a hydroelectric power plant. The share of Tanzania has in the past decade been stable at 14-15 per cent of bilateral disbursements. While aid to Viet Nam at the beginning of the decade ranked second, Mozambique and Nicaragua have, in addition to India, in recent years moved up as more important recipients.

17. A large and increasing share of Swedish bilateral ODA has been reported as unallocated in the DAC statistics: after 28 per cent for 1984-85 the unallocated amount increased to 33 per cent in 1990 (DAC average: 15 per cent and 17 per cent respectively, see Table 8). The Swedish authorities have indicated that a substantial share of unallocated ODA consists of regional aid, which is not identified in Table 6. In 1990, 38 per cent of bilateral allocable ODA were reported by Sweden as regional aid activities, mainly in Sub-Saharan Africa (11 per cent), the whole of Africa (10 per cent), and the whole of developing America (10 per cent). However, by far the largest share of unallocated flows was reported as "developing countries -- unspecified" (62 per cent in 1990).

Table 7

BILATERAL ASSISTANCE FOR PROGRAMME COUNTRIES (1)  
Skr million

Programme Country/Fiscal Year	1990/91	1991/92
Angola (LMIC)	200	200
Bangladesh (LIC) (2)	145	145
Botswana (LIC) (2)	95	95
Cape Verde (LIC) (2)	70	75
Ethiopia (LIC) (2)	145	100
Guinea-Bissau (LIC) (2)	90	95
India (LIC)	400	400
Kenya (LIC)	150	150
Laos (LIC) (2)	100	110
Lesotho (LIC) (2)	35	35
Mozambique (LIC) (2)	445	475
Namibia (LMIC)	100	110
Nicaragua (LMIC)	270	280
Sri Lanka (LIC)	70	0 (3)
Tanzania (LIC) (2)	550	585
Uganda (LIC) (2)	-	110
Viet Nam (LIC)	300	325
Zambia (LIC) (2)	240	260
Zimbabwe (LIC)	200	220
<b>Total</b> (19 programme countries)	<b>3 660</b>	<b>3 770</b>

1. Budget appropriations for "country frames" administered by SIDA.
2. Least developed country (LDC).
3. Disbursements for Sri Lanka will continue at approximate the same level as in previous years, out of reserves from earlier appropriations.

Source: Memorandum of Sweden [DCD/DAC/AR(91)1/18].

Table 8

BILATERAL ODA NET DISBURSEMENTS, UNALLOCATED BY RECIPIENT  
 Constant 1989 prices and exchange rates  
 \$ million; in brackets: per cent of total unallocated

	1984/85	1989	1990
Europe	-0.9 (x)	-1.0 (x)	0.8 (x)
South of Sahara	41.9 (16)	39.3 (10)	43.1 (11)
Africa	15.8 (6)	59.5 (15)	38.0 (10)
North & Central America	-	2.1 (1)	-
South America	15.6 (6)	15.3 (4)	-
America	12.9 (5)	27.6 (7)	37.7 (10)
Middle East	-	-	13.8 (4)
South Asia	-	1.6 (x)	-
Far East Asia	-	-	2.3 (1)
Asia	0.8 (x)	4.8 (1)	9.2 (2)
Oceania	-	-	2.9 (1)
Developing countries unspecified	181.1 (68)	249.0 (63)	239.9 (62)
Total unallocated	267.1 (100)	398.2 (100)	387.7 (100)
P.M.			
Total bilateral ODA	971.1	1275.4	1163.4
Unallocated as % of			
total bilateral ODA: <u>Sweden</u>	28	31	33
<u>Total DAC</u>	15	18	17

Note: x equals less than one per cent.

### C. Distribution by Purpose

18. An overview of the allocation of Swedish bilateral ODA to major purposes is provided by Table 9. Sweden is strongly supporting structural adjustment efforts of programme countries, e.g. by providing programme assistance in the form of import financing and support for correcting imbalances on foreign account. Other areas of emphasis in bilateral ODA are the sectors of health care (excluding population programmes which are negligible), public administration, rural development including agriculture, energy and manufacturing industry. Democratic development and respect of human rights as well as emergency assistance are other purposes for which Sweden provides relatively strong support. More generally, the Swedish programme is particularly flexible in its reaction to changing circumstances and new needs arising in recipient countries, mainly thanks to the fact that recipients have a large influence on the choice of purpose for the use of aid funds after the

Table 9  
DISTRIBUTION OF BILATERAL ODA COMMITMENTS BY MAJOR PURPOSES

	1979/80		1984/85		1989/90		For reference: Nord. countr. 1989/90		Total DAC (a) 1988/89	
	\$ million	% of total	\$ million	% of total	\$ million	% of total	\$ million	% of total	\$ million	% of total
Social infrastructure & services	122	24.8	101	17.3	260	19.8	22.0	24.3	22.0	24.3
Educational services & investments	52	10.7	42	7.2	60	4.6	4.0	10.0	4.0	10.0
Health	41	8.3	34	5.8	86	6.6	6.4	4.0	6.4	4.0
Water supply & sanitation	21	4.4	8	1.3	34	2.6	0.1	3.0	0.1	3.0
Population programmes	0	0.0	5	0.9	1	0.1	0.1	0.7	0.1	0.7
Public administration	5	0.9	8	1.3	42	3.2	1.6	0.7	1.6	0.7
Development & planning services	0	0.0	0	0.0	10	0.8	0.6	0.9	0.6	0.9
Other social infrastructure & services	3	0.5	5	0.8	27	2.1	3.1	3.3	3.1	3.3
Economic infrastructure & services	40	8.2	100	17.0	235	17.9	16.2	21.3	16.2	21.3
Transport	4	0.9	5	0.9	48	3.6	5.4	8.3	5.4	8.3
Communications	5	0.9	3	0.6	56	4.2	3.0	3.6	3.0	3.6
River development	0	0.0	0	0.0	0	0.0	0.2	0.4	0.2	0.4
Energy	8	1.6	91	15.5	123	9.4	7.1	6.9	7.1	6.9
Other economic infrastructure	0	0.0	0	0.0	9	0.7	0.4	2.0	0.4	2.0
Production sectors	210	42.7	122	20.9	271	20.6	24.9	18.9	24.9	18.9
Agriculture	80	16.3	69	11.8	134	10.2	12.9	10.9	12.9	10.9
Industry, mining & construction	123	25.0	49	8.5	117	8.9	10.5	6.2	10.5	6.2
-- Manufacturing	0	0.0	9	1.5	102	7.8	7.2	3.9	7.2	3.9
-- Extractive industries	0	0.0	18	3.0	9	0.7	0.8	0.8	0.8	0.8
-- Construction	0	0.0	23	3.9	6	0.5	2.5	0.6	2.5	0.6
Trade, banking & tourism	7	1.4	3	0.6	17	1.3	1.3	1.8	1.3	1.8
-- Trade & export promotion	0	0.0	1	0.1	6	0.4	0.6	0.2	0.6	0.2
-- Banking	0	0.0	2	0.3	11	0.9	0.7	0.4	0.7	0.4
-- Tourism	0	0.0	1	0.2	0	0.0	0.0	0.1	0.0	0.1
Multisector	22	4.5	32	5.4	20	1.5	4.6	2.6	4.6	2.6
Total sector allocable	395	80.3	355	60.6	785	59.8	67.6	67.1	67.6	67.1
Programme assistance	9	1.9	1	0.1	99	7.6	4.2	13.3	4.2	13.3
Debt reorganisation	0	0.0	0	0.0	12	0.9	1.0	2.4	1.0	2.4
Food aid	4	0.9	6	0.9	1	0.1	0.1	4.8	0.1	4.8
Emergency assistance	26	5.3	71	12.1	168	12.8	10.6	1.8	10.6	1.8
Administrative costs of donors	0	0.0	34	5.7	55	4.2	4.5	3.9	4.5	3.9
Support to private voluntary organisations	0	0.0	35	5.9	46	3.5	5.0	2.3	5.0	2.3
Unallocated	58	11.7	85	14.6	145	11.1	6.9	4.4	6.9	4.4
TOTAL	492	100.0	585	100.0	1312	100.0	100.0	100.0	100.0	100.0

a. Secretariat estimates. Excluding Portugal and Spain.



financial frame (for a programme country) has been committed. Flexibility is also possible because a considerable portion of assistance is not financed from the country frame, but from special programmes, e.g. for emergency assistance, support to NGOs, but also for balance-of-payments support.

19. A more in-depth comparative analysis of the purpose distribution of Swedish bilateral assistance is hampered, however, by the particularity of Sweden's statistical reporting. First, while other DAC Members report the purpose breakdown of their aid on the basis of commitments, Sweden provides data on the basis of disbursements, because under the Swedish system of aid allocation no precise purpose is fixed for the amount of aid when it is committed; the recipient country is allowed to choose and propose projects from various sectors and areas at a later stage. Second, while almost all DAC countries report unallocated amounts, in the Swedish case these are almost twice as large as for the DAC average as a share of all bilateral ODA. This may be due to the difficulty of breaking down programme assistance by sector benefiting from it. SIDA, in recognising the inherent problems is presently trying to improve its statistical reporting, e.g. by reporting a greater portion of ODA by sector.

#### Environment

20. In April 1988, a fifth objective for Swedish development co-operation programme was introduced, namely the "sustainable use of natural resources and protection of the environment" and a Plan of Action for the implementation of the objective was designed by SIDA. The Plan requests the preparation of environmental profiles for programme countries, the integration of environmental considerations into project planning and the introduction of economic analysis with regard to environmental impacts of development activities. The stated ultimate goal is to make environmental considerations an integrated element in all relevant aid activities and to decentralise these functions to the maximum extent possible. For the implementation of the Plan of Action a post of Senior Policy Advisor on the Environment has been created at SIDA headquarters. At present, five environment experts are working at headquarters and one in the field.

21. In order to avoid negative environmental consequences of aid activities, guidelines for effective environmental impact assessment were introduced in 1991. They prescribe a three-step approach. The first step covers the initial screening during project preparation at SIDA's country desk without using specific environment expertise. It can be assumed that the Developing Co-operation Office in the recipient country that is proposing projects for Swedish aid financing has already filtered out projects with potential negative impact on the environment before forwarding the proposal to SIDA. If the result of the initial screening is satisfactory, no further environmental impact assessment takes place. Should the initial screening point to clear dangers for the environment, the country desk is authorised to turn down the proposal. If further investigation is necessary to clarify the environmental impact, the proposal is further analysed, in step two, by the country desk but environmental expertise should be consulted. Should the possible environmental impact still be unclear after this second screening, an in-depth study is undertaken in step three. This study is to be carried out by external environmental experts on the basis of terms of reference prepared jointly by a

SIDA expert and the country desk. Limited experience has so far been gained from this screening procedure and no information is available whether SIDA has rejected project proposals after one of the screening stages. With a view to increasing environmental expertise of the staff concerned, training sessions have been arranged at SIDA headquarters in which hitherto some 70 staff members have participated. Even so, it seems that staff at the SIDA country desks, who play such a decisive role in environmental screening of projects, may not always be fully qualified to decide on the environmental quality of a project without taking counsel from in-house or external experts. So far no procedures have been established ensuring the ex post evaluation of the environmental impact of Swedish-supported activities, but such a system is now being put in place.

22. In 1991, SIDA reviewed the linkage between environment and poverty as well as the role of development assistance in this. Main conclusions from the review are the following:

- i) authorities of recipient countries must be more involved in the analysis of environmental problems, and their capacity to do so must be enhanced (institution-building);
- ii) groups of the population affected by aid projects should be involved also in assessing the effects of these projects on their personal environment in a wider sense (participatory development, e.g. strengthening the position of women in the areas of employment and family planning; reducing the necessity for the labour force to migrate; ensure the right of land ownership and the access to credit);
- iii) in structural adjustment programmes, such as sponsored by the World Bank and the IMF, the environment dimension must be more fully integrated.

It remains to be seen, how these recommendations will be implemented rapidly and effectively.

### Population

23. Swedish aid in the population area is extended mainly as an integral part of public health activities but also in the form of information programmes and through the distribution of contraceptives. In fiscal year 1990/91, the equivalent of about \$5 million was extended in the form of bilateral assistance (including support through international NGOs), and multilateral assistance amounted to about \$35 million. For several years Swedish contributions to multilateral agencies, notably the United Nations Fund for Population Activities (UNFPA), have been substantial, and in the period 1980-90 such contributions have not fallen below 4.3 per cent of the agency's total receipts from DAC Member countries; they have described an upward trend and in 1990 the share equalled 9.4 per cent

24. Data on Swedish bilateral assistance for population measures in DAC statistics under-represent the country's aid effort in this area since substantial contributions are made in support of integrated development

activities where population may represent only a minor share. Nevertheless, it is clear that in recent years the share of bilateral ODA extended in favour of such activities has declined substantially. The main reason for this appears to be a serious backlash in Swedish public opinion with regard to assistance in the population area after the publication of negative results from sterilisation programmes supported by Sweden in India and Bangladesh in the late 1970s and early 1980s. Since that period a rather cautious attitude has been prevailing on this issue in Sweden and, as a consequence, the necessary expertise for relevant aid efforts by SIDA has to a large extent been lost.

25. In 1990, however, in view of the renewed emphasis on population matters as a major component for sustainable development, SIDA adopted a set of guidelines for assistance in this area. The initiative might be seen in the context of efforts in the development co-operation process to focus on better resource utilisation, environment and the situation of women, as SIDA has declared that an overriding objective for the adoption of these guidelines has been an improved balance between the population and available resources in Third World countries. The guidelines state *inter alia* that SIDA should further stress population issues in the policy dialogue with recipient countries and that specific action should be supported in sectors and general areas such as public administration, education, health, agriculture, environment and activities pursued through the intermediary of NGOs.

#### IV. MANAGEMENT OF THE AID PROGRAMME

##### A. Structure of the Administration

26. The Minister for Foreign Affairs and, within the Ministry, the Minister for Development Co-operation have the political responsibility for Swedish co-operation with developing countries. Aid policy formulation, planning and co-operation with multilateral organisations are the main tasks of the Ministry's Department for International Development Co-operation, placed under an Under-Secretary in the Ministry for Foreign Affairs. Parliament plays an important role in Swedish development co-operation. In addition to its prerogative of approving the annual aid budget, it decides on the distribution of aid funds among main categories and on the so-called country frames for programme countries.

27. The execution of the bilateral programme has been entrusted to a number of government agencies, placed administratively under the Ministry for Foreign Affairs but, in accordance with Swedish administrative tradition, enjoying considerable independence vis-à-vis the Ministry. The most important among these agencies and their functions are:

- SIDA, established in 1965, its budget corresponding to three-quarters of the bilateral programme. The development assistance administered by SIDA comprises co-operation with 19 programme countries, other types of aid such as disaster relief, aid through NGOs, assistance to refugees and liberation movements, humanitarian aid and the recruitment of technical co-operation personnel.

- BITS (Agency for International Technical and Economic Co-operation) established in 1975 and attaining the status of an independent body in 1979, is responsible for aid activities in support of economic and social development in Third-World countries, notably outside the group of programme countries, and for the strengthening of Sweden's links with these countries through the participation of Swedish institutions and enterprises. Its budget corresponds to some 8 per cent of the bilateral programme. The activities comprise technical co-operation, international training courses and the Swedish mixed credit scheme ("concessionary credits").
- SAREC (Swedish Agency for Research Co-operation with Developing Countries), established in 1975 and acquiring the status of an independent agency in 1979, has been entrusted with the responsibility for support to research in developing countries in Africa, Asia and Latin America and research co-operation with such countries as well as financial contributions to international research programmes and to development-oriented research activities in Sweden. Its appropriations equal some 4 per cent of the bilateral programme;
- SWEDECORP (Swedish International Enterprise Development Corporation), set up in 1991 on the basis of the existing bodies SWEDFUND, for promoting industrial joint ventures in developing countries, and IMPOD, created for the promotion of imports of developing country products, as well as of parts of the Division for Industrial Development within SIDA. SWEDECORP contributes towards the development of the private sector in developing countries through the transfer of know-how to enterprises and industrial organisations as well as the promotion of investment and trade.

28. Staff resources of the Swedish aid administration are shown in Table 10. Budget funds for bilateral ODA, notably aid through SIDA, have grown steadily over time, while staff resources have remained stable or, in the case of SIDA, even decreased (see Graph 3). Between fiscal years 1987/88 and 1991/92, SIDA headquarter staff declined by 8 per cent and personnel in the field at the Development Co-operation Offices (DCO) decreased by 2 per cent. During the same period budget funds for aid administered by SIDA grew by 7 per cent (in national currency and at constant prices). As for the total bilateral ODA programme, the number of staff remained virtually constant while budget funds increased by 11 per cent.

29. The shortage of staff resources in certain parts of the aid administration has led the Swedish authorities to have increasing recourse to consultancy firms and individual consultants. In fact, SIDA has become one of Sweden's most important purchasers of consultancy services. In fiscal year 1989/90 SIDA purchased services of about 600 consultants, worth some \$115 million. In addition to administrative resource constraints, the main reason for the heavy reliance on these services is the increasing need for qualified expertise in specialised areas. The two main purposes of the consultants' activities are, according to the Swedish authorities, to formulate the basis for the donor's aid strategy position on the one hand and to help recipients in aid project implementation on the other.

Table 10  
STAFF RESOURCES IN SWEDISH AID ADMINISTRATION

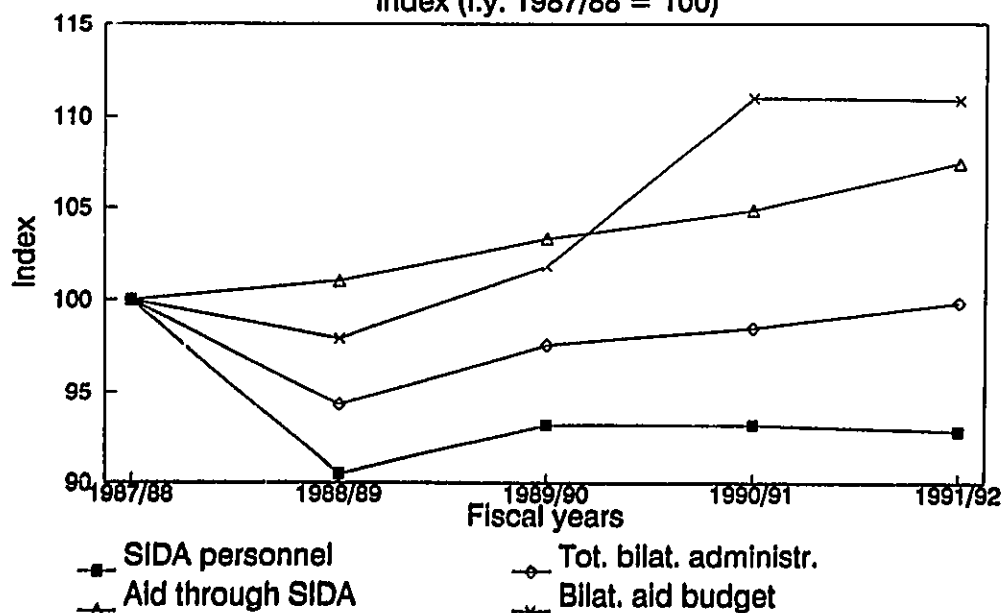
	Number of Persons				
	Fiscal Years				
	1987/88	1988/89	1989/90	1990/91	1991/92
SIDA	599	542	558	558	556
<u>Of which:</u>					
Headquarters	(479)	(420)	(434)	(441)	(439)
DC Field Office	(120)	(122)	(124)	(117)	(117)
Ministry of Foreign Affairs	60	60	60	60	65
Other (1)	172	185	194	201	214
<b>Total</b>	<b>831</b>	<b>787</b>	<b>812</b>	<b>819</b>	<b>835</b>
<u>For reference:</u>					
Aid appropriations per SIDA staff member (Skr m.)	9	10	10	12	13

1. Mainly BITS, SWEDECORP, SAREC, training and research institutes.

Graph 3

### STAFF RESOURCES AND BILATERAL ODA <sup>(1)</sup>

Index (f.y. 1987/88 = 100)



(1) Aid appropriations in constant 1987/88 values.

## B. Country Programming and Evaluation

### Country programmes

30. The country programming procedure, which was successively introduced by Sweden for its main recipient countries starting in the early 1970s, uses as a point of departure multi-year commitments and a given financial frame for each programme country. Within such a frame the recipient authorities are given a high degree of freedom to select projects and programmes to be financed in accordance with their own development priorities. Decisions about recipient countries for which country programmes should be established and the size of the country frames are taken by Parliament.

31. In the 1970s virtually all Swedish aid resources for programme countries were channelled through country frames and by that token subject to country programming. During the 1980s additional aid resources were increasingly provided in the form of regional aid efforts, support to the democratisation process in developing countries, humanitarian assistance and as aid channelled through NGOs. Thus, so-called special programmes in the aid budget provide funds outside the country frames for activities which Sweden considers important but to which recipient countries may not always give adequate priority. Considerable amounts of balance-of-payments support are also financed outside the country frames. The share of Swedish bilateral ODA covered by the country programming procedure has decreased from 73 to 53 per cent between fiscal years 1983/84 and 1990/91. Moreover, a growing share of the bilateral aid flows are channelled to recipients outside the group of 19 programme countries, notably as disaster relief and humanitarian aid, as well as in support of activities in the environmental field and of NGOs. In view of the diminishing share of country frames in total bilateral ODA, Parliament has initiated a review concerning possible new procedures aimed at increasing its influence in the geographic allocation of aid.

### Evaluation

32. In order to strengthen its overall capacity with regard to the evaluation of development co-operation Sweden decided in April 1992 to establish an evaluation unit within the Ministry for Foreign Affairs, called the Secretariat for Studies in Development Co-operation. However, in order to ensure a high degree of impartiality in the evaluation, the new unit is placed administratively outside the existing aid administration, the Department for International Development Co-operation of the Ministry. The unit will have mainly a co-ordinating role, but it is also entrusted with the implementation of studies and evaluations under its own responsibility. Its activities are concentrated on strategic issues, notably the development of methodologies, aggregated assessments of the results of aid and reviews of the purposefulness of aid. Notwithstanding this new approach to aid evaluation, responsibility for evaluation of individual projects and programmes remains with the executing agencies, in particular BITS, SAREC, SWEDECORP and SIDA.

33. At SIDA some 25 evaluation studies are undertaken per year, mostly of individual projects and programmes; this number should be seen against the background of a total of some 300 ongoing projects. A considerable number of thematic studies are also carried out, however, and their number is expected to

increase. The management reform, implying a shift of responsibility for aid implementation to the recipient authorities and increased focusing on long-term strategic planning on the donor side, is also shifting the emphasis on evaluations of a non-project nature, surveys of available evaluation reports, etc. Furthermore increased stress will be placed on impact studies, where the long-term effects of terminated aid activities will be analysed. According to the Swedish authorities, the evaluation activities have been construed so as to analyse the goal fulfilment and cost-benefit relation of the aid effort and, if possible, its impact on the target group. Thus a process of feedback is being initiated for the monitoring and improving of ongoing aid activities. Ex post evaluations serve as a basis for the preparation of new projects and programmes, systematic studies on the effectiveness of such feedback are planned. In order to ensure some degree of impartiality in the evaluation work pursued at SIDA, the responsibility for this activity has been entrusted to a unit within the Planning Secretariat, detached from the administrative unit responsible for project and programme implementation and evaluation work is, to a large extent, contracted out to external consultants.

34. To achieve wider distribution of evaluation results, a series of evaluation reports is published in a more popular presentation. These publications have so far covered sectors such as village forestry, soil protection, irrigation, drinking water supply, public health including family planning, education, agriculture, public administration, infrastructure, humanitarian assistance, aid through NGOs, etc., in some major recipients of Swedish assistance.

### C. Policy Coherence and Donor Co-ordination

35. Sweden recognises the importance of consistent donor policies for an effective development assistance and the Ministry for Foreign Affairs generally as well as the Swedish aid administration in particular are contributing to improve the situation both at national and international level. Given the relatively large and growing number of agencies and other institutions who execute the Swedish bilateral aid programme and are fairly independent in their conduct of business [see also Section X.1 and 2 of the Memorandum of Sweden, DCD/DAC(AR(91)1/18], the need is obvious for rational sharing of work among these institutions and may be also for their adopting similar methods of operation. In consequence, the Development Co-operation Department of the Ministry for Foreign Affairs is presently preparing proposals, to be discussed and adopted by the government and eventually by Parliament, which would enable the Foreign Ministry to exercise a more effective co-ordinating role.

36. Concerning co-ordination, among different ministries, of Swedish policies affecting developing countries, the traditional Swedish approach to strive for consensus is applied, i.e., decisions which fall in the area of competence of several ministries can only be taken if all concerned have agreed and the Cabinet has approved of them. However, this general approach may not suffice if an in-depth discussion of complex and special issues is required, cases for which some other DAC Members have established Inter-Ministerial or Cabinet Committees. As a first step in this direction, the Swedish Government has recently created an Inter-Ministerial Co-ordinating Group for Relations with Countries in Eastern Europe, which is chaired by the Eastern European Co-ordinating Secretariat in the Ministry for Foreign Affairs. Concerning relations with developing countries, the Development Co-operation Department of

the ministry consults with other ministries on ad hoc basis: on questions of debt and balance-of-payments support, the Ministries of Finance and of Trade and the Central Bank are consulted; UNCED, the Environment and Development Conference, is prepared jointly with the Ministry for the Environment; in preparation for Sweden's EC membership, the Department participates in two Inter-Ministerial Committees: one on Aid, Trade and Finance, the other on Trade with Developing Countries.

37. Consistency of donor policies also requires co-ordination at international level, in particular among several donors for any given recipient country. Sweden is playing an active role in this regard, through its Development Co-operation Offices in 17 programme countries, through close co-operation with other Nordic donors, and through co-financing activities supported by international organisations [for details see Section VII in the Memorandum of Sweden, DCD/DAC/AR(91)1/18]. In countries where Sweden is providing a major portion of foreign assistance, this dominant position as a "lead donor" is often used to achieve good donor co-ordination.

#### D. Tying of Aid

38. As shown in Table 11, the portion of Swedish bilateral ODA which can only be used for procurement from Sweden increased during the second half of the 1980s from 15 to almost 30 per cent, but is still substantially below the DAC average. In 1990, the ratio dropped to 22 per cent. It should be noted that these tying ratios take into account tied amounts of technical co-operation, which are relatively high in case of Sweden.

39. The Swedish system of mixed credits ("concessionary credits") provides bank loans for projects in the energy, communication, transport and manufacturing sectors at interest rates that are subsidised by ODA, the grant element of the credits thereby increasing from 0 to somewhat over 35 per cent. These credits, which are tied to procurement of goods from Sweden, are extended by BITS not only to Swedish programme countries, but also to other developing countries, often in the context of co-financing with international development finance institutions. In the second half of the 1980s, the average annual volume of concessionary credits was about \$200 million, with a subsidy element of about \$80 million annually. The aid appropriation for subsidies in the current fiscal year corresponds to roughly \$70 million.

40. The agreement in December 1991 among OECD countries on new, stricter rules for certain categories of "trade related concessional or tied aid credits", which was confirmed by the DAC in April 1992, is assumed to have repercussions for most bilateral aid programmes. The implications for the Swedish programme seem to be less important, however, than for some other DAC countries. Since the new rules do not apply to grants, except in mixed credits, the Swedish programme which is only extending ODA grants is not affected in principle. Concerning concessionary credits, the rules are applicable, except where the borrower is a least developed country. The two main rules are: i) such credits must not be extended to "richer countries" (currently those with a GNP/capita of more than \$2 465); ii) for other countries such credits must not be extended to finance projects "that normally should be commercially viable if financed on market ... terms". Criteria for testing commercial viability are provided by the new rules.



Table 11

TYING STATUS OF BILATERAL AID  
In per cent of bilateral ODA (1)

Tying Status/Year	1986	1987	1988	1989	1990	P.M. Total DAC 1988-89
Untied	76	75	73	71	79	45
Partially untied	9	-	2	-	-	9
Tied (of which for TC)	15 (10)	25 (14)	25 (12)	29 (26)	22 (11)	40 (16)
Total bilateral ODA	100	100	100	100	100	100
(Total bilateral, \$ million)	(1 046)	(1 328)	(1 485)	(1 214)	(1 285)	(35 048)

1. Gross disbursements for 1986 to 1988, commitments for 1989 and 1990.

41. Sweden has given small amounts of aid to "richer" developing countries in recent years, notably to Argentina, Brazil, Israel, Lebanon, Mexico. The Secretariat has no information to what extent these funds have been used to subsidise concessionary credits. If they had been used for this purpose, this would not be possible any more from 1992 onwards. For other countries such as Algeria, Botswana, China, India, Kenya, Malaysia, Pakistan, Thailand, Tunisia and Zimbabwe, which in the past have received concessionary credits, in future only projects which are normally not "commercially viable" would be eligible (commercial viability being defined by the new rules as the capacity to generate a cash flow sufficient to cover operating costs and debt service and/or to raise foreign exchange funds at market terms). In countries which presently have, or will soon have, access to commercial lending, like for instance Thailand and Malaysia, projects in the area of manufacturing industry will no longer be eligible for concessionary credits.

Annex

NOTE ON THE SECRETARIAT FIELD MISSION TO TANZANIA

Introduction

1. A team of two Secretariat staff members visited field offices of a number of DAC Member countries in Tanzania from 12 to 19 January 1992, mainly in preparation for the forthcoming DAC Aid Reviews for the Netherlands, Denmark and Germany. The field mission was sponsored by Denmark and undertaken within the programme for Secretariat Missions to Aid Operations in the Field [background see in DCD/HF(91)91]. Tanzania's present economic and political situation, including the country's stage of development and its high aid dependence, has been described in two earlier notes on this mission [DCD/DAC/AR(91)2/15/ADD1 for the Dutch programme and DCD/DAC/AR(91)2/05/ADD1 for the programme of Denmark; see also Annex to Report and Questions for the Review of Germany, DCD/DAC/AR(91)2/01].

2. Concerning the Swedish aid programme, the mission team consulted the Swedish Embassy and SIDA's Development Co-operation Office in Dar-es-Salaam. Sweden's aid programme for Tanzania, which started in 1963, is the largest among DAC Members with reported net ODA disbursements of \$90 million in 1989 and \$150 million in 1990 (16 per cent of DAC bilateral ODA in 1989-90). Tanzania, in turn, receives the largest share of Swedish bilateral aid, about 14 per cent. According to present planning, the financial frame of aid for Tanzania will diminish somewhat in future years.

Main lines of Swedish Assistance

3. Around 70 per cent of Swedish bilateral aid for Tanzania is funded out of the "country frame" allocated to Tanzania in the budget (corresponding to about \$110 million in fiscal year 1991/92), the rest coming from special programmes administered by SIDA and other Swedish agencies (about \$50 million, two-thirds of it being spent for balance-of-payments support and regional projects, e.g. under the Special Programme of Assistance for Africa).

4. Assistance funded from Tanzania's country allocation is concentrated on support of the country's structural adjustment programme, with import financing representing over one-third of the allocation for Tanzania. In the social field, education receives a major share (14 per cent) and SIDA, together with the World Bank, plays a leading role among other aid agencies in the education sector (general and vocational training). Water management, forestry and environment also are well funded (12 per cent), while for health care only relatively small amounts (3 per cent) are made available, nothing of which for measures in the population field.

5. Support for the promotion of democracy and human rights, one of the objectives of Swedish development assistance, will receive new emphasis in view of recent decisions taken in Tanzania paving the way towards a multiparty system. Special aid efforts, financed outside of the annual country frame, towards advancing democracy in Tanzania could include support to NGOs working

in the field of human rights, support to the press and other media, legislative support and support to the election process including monitoring of elections. Sweden could also participate in financing a joint World Bank/donor programme in the legal sector.

#### Management of the Programme

6. The Development Co-operation Office (DCO) in Dar-es-Salaam consists of three programme sections, two units for general ("cross-cutting") issues, namely macroeconomic and gender issues, and issues related to African liberation movements, and an administrative section. Eight Swedish expatriates and two Tanzanians are employed at the DCO. While the Office is integrated into the Embassy and the Ambassador takes an active interest in its activities, the DCO is an outgrowth of SIDA and receives instructions directly from SIDA headquarters in Stockholm.

7. Given the relatively large and growing Swedish programme the SIDA team at the DCO is hard-pressed with preparing and implementing projects. In cases where several donors support the same project, the DCO therefore resorts, if possible, to co-financing procedures under the co-ordination of one of the donors. The initiative by the Swedish aid administration to rely increasingly on the recipient authorities for project implementation could reduce the workload for the DCO but would require a considerable strengthening of the management capacity of the Tanzanian authorities.

#### Conditionality

8. Recently, SIDA has adopted a tougher stance than in the past in its aid relationship with Tanzania. Concerning the support for the country's economic recovery, Sweden sees to it that the conditions and modalities of the recovery programmes as suggested by the World Bank are fulfilled before Swedish funds are released. Also, Sweden insists that aid funds transit the central government budget, even at the risk of slowing down ODA disbursement. SIDA's objective in this regard is to strengthen responsibility, accountability and management capacity of Tanzania's administration. Until now, only few donors take the same approach. Swedish support for the TAZARA railway company was withheld until substantial improvements in management and efficiency of the company were introduced. Other donors providing assistance for TAZARA followed the Swedish example.

#### Co-ordination

9. The DCO participates in the so-called DAC meetings organised jointly by the World Bank and UNDP, without Tanzanian representatives. While the DCO appreciates these meetings as a source of valuable information, it regrets that efforts at co-ordination are not yet resulting in an adaptation of aid programmes of the many donors which tend to overlap and thereby increase management difficulties of the Tanzanian authorities. In the view of Swedish -- and other -- aid officials in Dar-es-Salaam, the efficiency of the overall aid effort would be improved if individual programmes were more complementary to each other, in particular in a recipient country like Tanzania where numerous donors run similar programmes in various areas. "National interests"

seem to block progress in this direction, however, apart from the fact that some DAC Members represented in Dar-es-Salaam deny the World Bank and/or UNDP the mandate to "co-ordinate" their aid.

10. Sweden, as other donor countries, deplores the present passive role of Tanzania regarding the co-ordination of foreign aid. Two government institutions are responsible for administering this aid, the Finance Ministry for aid for current expenditures, the Planning Commission for investment financing (the so-called "development budget"). Both institutions lack the administrative and managerial capacity to lead donor co-ordination efficiently in most sectors.