

ICEIDA

# ANNUAL REPORT



2002



ICELANDIC INTERNATIONAL DEVELOPMENT AGENCY

**ICEIDA**

Annual Report 2002

Icelandic bilateral development assistance from January 1 to December 31 2002.

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**Printed in Iceland by:** Gutenberg

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# A YEAR OF RESTRUCTURING

**Foreword by  
Sighvatur Björgvinsson,  
Director General of ICEIDA**



The ICEIDA annual report appears in an entirely new form this year. The report is printed in a larger format than before and is more richly illustrated with charts and graphs, making it not only more reader-friendly but also more informative and attractive. Greater emphasis has been placed on a more concise presentation, and in addition the annual accounts are now published after completion of auditing, which makes all numerical data concerning the allocation of funds by project and by country more reliable than before. The Annual Report is also intended to provide the highlights of events and developments in the countries where the Agency is engaged, e.g. political events which are relevant to the work of the Agency and important milestones; in addition, the Report provides a brief account of individual ICEIDA projects in the respective countries and their progress. The Annual Report will also regularly feature descriptions of the activities of ICEIDA's head office in Iceland, and a separate introduction to the Report will address development co-operation issues from an international or multinational perspective, as in the present case where the introductory section focuses on the Millennium Development Goals and the Poverty Reduction Strategy.

This change in the Annual Report reflects a comprehensive review of the Agency's range of publications. The ICEIDA website has been redesigned and given a new appearance. In addition to general information on the Agency in English and Icelandic, the website will feature all material already published and intended for publication by the Agency, including the ICEIDA Miniseries, which consists of informative booklets on the countries where the Agency has operations. Three such booklets have already been published, on Malawi, Namibia and Mozambique, and the fourth, on Uganda, is currently in production pursuant to an agreement between ICEIDA and the Department of Anthropology at the University of Iceland, which has undertaken to prepare the material for the booklet. In addition, material will be produced concerning the tasks and activities of ICEIDA, both in English and Icelandic, intended for exclusive publication on the website. In addition to providing general information on the work, Board of Directors, management, staff and general policy of ICEIDA and serving as an overall source of published information, the website is intended as a platform for news on the work of the Agency and on matters of interest in partner countries, where news releases and stories can be published shortly after the events in order to provide the public and the news media with useful and pertinent information before it becomes outdated.

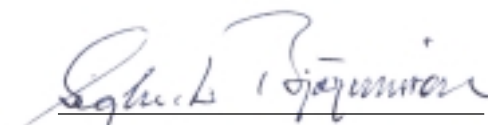
The website in its new form will replace two earlier printed publications formerly issued by the Agency, the English language "Newsletter," which last appeared in October 2001, and the Icelandic "Fréttabréf um þróunarmál," which last appeared in April 2001. For obvious reasons, the publication of printed newsletters of this kind always requires a great deal of preparation, so that articles appearing in them are frequently written weeks or even months before being made public, at which time they have long ceased to be news. Both these publications have therefore gradually changed from trying to be news-media to being progress reports for individual projects and collections of articles; these functions will now be taken over partly by the Annual Report and partly by the website, a section of which will have the corollary purpose of serving as a medium for news from the field. The English newsletter will now be discontinued, but the Icelandic periodical "Þróunarmál" ("Development Affairs") will continue to be published, although with the new purpose of addressing

specific issues through articles, accounts and interviews; one such issue already appeared in June of this year under the heading of "Life and Work in Africa".

This reorganisation of publication matters is one aspect of an extensive and ongoing restructuring of the activities of ICEIDA begun in 2001, when the Board of Directors of the Agency approved a new organisation chart designed to decentralise the agency by appointing country directors to supervise the work of the Agency in their respective countries and by assigning to regional offices and employees in the field a greater role in the preparation of projects and project planning and more extensive responsibility for their implementation. This was followed by an extensive reform of all accounting and budgeting procedures and then by the preparation of a manual for expatriate employees establishing consistent rules relating to their rights and obligations, their terms of employment and proper procedure in various circumstances. Further changes in working procedures and organisation will no doubt follow, particularly in the wake of a comprehensive review of Icelandic development work scheduled for 2003.

The year 2002, no less than 2001, has therefore turned out to be a year of review and reorganisation of the work of ICEIDA. The year 2002 also saw, for the first time, the full implementation of a government decision to secure budget allocations to ICEIDA's bilateral development aid by pegging them to the exchange rate of the US dollar as current at the time of approval of the State Budget. All agreements entered into by ICEIDA on projects in partner countries are made in US dollars. The substantial fluctuations in the rate of the Icelandic króna in 2001, when the price of the króna declined steeply against the US dollar, were extremely difficult for the Agency, and for a time there was a risk that the Agency might be unable to honour its undertakings. When the potential impact of such fluctuations became clear, the decision was made to take measures to secure the permanent solvency of ICEIDA by basing state appropriations to the Agency on the US dollar at the time of approval of state budget allocations to development aid, i.e. the end of each calendar year. In this way it was ensured that the Agency would be able to meet its obligations for 2001 in spite of the fluctuations of the Icelandic króna; this decision has greatly improved the security of the operation of the Agency. In 2002, the Icelandic króna gained substantially in strength against the US dollar, with the result that even though the budget allocation to the Agency in 2002 fell short of the 2001 allocation, reckoned in Icelandic krónur, the Agency's financial position in US dollars was virtually the same and, if anything, the ability of the Agency to finance its development projects actually improved.

Next year –2003– is the final year of a five-year plan adopted by the Icelandic government to increase state allocations to development aid. Under the plan, allocations to ICEIDA have approximately doubled in terms of value and the aid provided by the Agency has increased correspondingly. Also in 2003, a review will be conducted of Icelandic development aid, its scope, implementation and organisation, and no doubt the review will be followed by the approval of a new strategy for the coming years on the part of the Icelandic government. Next year promises to be an important year in the history of ICEIDA and for Icelandic development aid in general, which, in spite of the increase over the past five years, falls far short of the proportion of development aid contributed by other countries enjoying comparable living standards and comparable economies.



*Sighvatur Björgvinsson*



Photograph: Eyjafur V. Valtysson

# International Development Co-operation Emphases

## Poverty Reduction

### The Millennium Development Goals

During the United Nation's Millennium meeting in September 2000 in New York the world leaders agreed to a set of measurable goals and targets for combating poverty, hunger diseases, illiteracy, environmental degradation and discrimination against women. They agreed that attacking poverty in poor countries should be one of the greatest challenges facing the global development community as the world moves into the 21st century.

In recognition of the enormous challenge of global poverty, the international development community has, since 1990, adopted specific targets for poverty reduction. Now these targets are known as the Millennium Development Goals (MDGs) to be achieved by 2015. The goals are listed below.

- Goal 1: Eradicate extreme poverty and hunger**
- Goal 2: Achieve universal primary education**
- Goal 3: Promote gender equality and empower women**
- Goal 4: Reduce child mortality**
- Goal 5: Improve maternal health**
- Goal 6: Combat HIV/AIDS, malaria, and other diseases**
- Goal 7: Ensure environmental sustainability**
- Goal 8: Develop a global partnership for development**

Even if there has been measurable progress in reducing poverty during the last ten years, 1,2 billion people still live on less than one dollar a day, 113 million children do not attend school, two thirds of the world's illiterates are women, 11 million young children die every year and in the developing countries the risk of dying during childbirth is one in 48.<sup>1</sup>

The first target of the MDG is halving the number of the world's people who live on less than one dollar a day and halving the proportion of people living in hunger in comparison with the situation in 1990. Since 1990 positive progress has mainly occurred in East Asia, especially in China, while the countries in Sub Saharan Africa, Latin America, the Middle East, North Africa and South Asia are still far away from reaching the goals. The picture facing the 640 million people living in the least developed countries is still bleak and even if there has been progress it is too slow.

It is about twenty years since the United Nations (UN) decided that the industrialized nations should use at least 0.7 % of GNI (Gross National Income)

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<sup>1</sup>Sources: UNDP Fact Sheet. February 2003

for Development assistance to developing countries. Only a few countries have reached that goal: Norway, Denmark, Sweden and the Netherlands. At the UN conference on financing for development in Monterrey in Mexico in March 2002 the European Union (EU) representatives pledged that the EU would reserve at least 0.39 % of their GNI towards reaching the development goal in 2006.

The UN summit on sustainable development held in Johannesburg, South Africa in August 2002 also emphasised the importance of providing a framework for partnership between rich and poor countries to address issues of global poverty.

The poorest nations will only reach the MDGs if they get substantial support from the outside. So the challenges for the global community are great: mobilize financial support, and political goodwill, re-engage governments, and reach out to partners in civil society and the private sector.<sup>2</sup>



Photograph: Reynir Þórarinnsson

*The first target of the Millennium Development Goals is halving the number of the world's people who live on less than one dollar a day and halving the proportion of people living in hunger in comparison with the situation in 1990.*

<sup>2</sup>Sources: UNDP Fact Sheet. February 2003.



## The Poverty Reduction Strategy

The past forty years have seen great changes in the scope and strategy of the international aid sector from technical assistance to budget and sector support, from institutional building to private sector development etc.

The most important strategy today is country ownership and participation. This means national ownership by governments and communities on the Poverty Reduction Strategies (PRS). The PRS are prepared by the developing countries Governments in collaboration with the World Bank (WB) and the International Monetary Fund (IMF) as well as civil society and development partners. These documents describe the country's macro-economic, structural and social policies and programmes intended to promote growth and reduce poverty, as well as associate external financing needs and major sources.<sup>3</sup>

The PRS recognise the multi-dimensional nature of poverty. The World Bank points out two important engines of economic growth that will benefit the poor



Photograph: Elin R. Sigurðardóttir

countries, the private sector and the poor people themselves. As a result the Bank's strategic priorities are based on two pillars: - building the climate for investment, jobs and sustainable growth, - and investing in poor people and empowering them to participate in the development. Therefore the Bank supports the building of effective infrastructure and financial sector reforms as well as focusing on educational and health programmes.<sup>4</sup>

In this strategy the idea of the ownership of the development process is important. The relationship between the recipient country and the donor shall be characterized by partnership.

Among lessons learned is that poverty reduction is a long-term process, and it shall contribute to a broad understanding across societies of what poverty is. Voice must be given to groups such as women, minorities, and geographically dispersed populations so that they can participate and influence the process. Donor agencies shall use national expertise and national institutions in technical co-operation, wherever possible. They shall facilitate better co-ordination within governments and ensure that the PRS is well integrated with other planning and programmes. Training and education in poverty issues, both within and outside formal educational establishments shall be supported.<sup>5</sup>

<sup>3</sup>Sources; *Economic Development in Africa, From Adjustment to Poverty Reduction: What is New?*, United Nations New York and Geneva, 2002

<sup>4</sup>Source: *The World Bank Annual Report 2002 - Poverty Reduction*.

<sup>5</sup>Source: *Report from Conference on Poverty Reduction Strategy, 2001 in Norway on the web*.

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## Bilateral Development Assistance, ICEIDA

Poverty reduction is the overall objective of Icelandic bilateral development assistance; see the ICEIDA Principles and Priorities in the box. ICEIDA also emphasises training and capacity building.

ICEIDA's co-operation has mainly been in the form of development projects. Project assistance aims at achieving specific development objectives within a given budget and time and normally includes financial, technical and material support. The assistance should always support the partner countries capacity building.

Even if the ICEIDA assistance is project oriented, all activities shall be in line with the partner countries priorities and policy with regard to poverty reduction.

ICEIDA's priority is to assist those countries declared by the UN to be the least developed. Due to limited funds it has been ICEIDA's policy to focus its efforts in a few areas and in projects or programmes instead of supporting whole sectors or providing budget support.

During the last few years ICEIDA's monitoring systems have been strengthened by utilising qualitative as well as quantitative measures and evaluations, in order to give valuable feedback on the impact of the development projects and directions for future co-operation.

### ICEIDA'S principles and priorities

- To help people achieve self-sufficiency through capacity building and improving general knowledge and practical know-how, based on needs in each country.
  - To make a contribution towards sustainable development, economic growth, equality, independence, democracy and human rights.
  - To assist with the improvement of the living conditions of the poorest, of whom women and children are the vast majority, through increasing development co-operation in the health and education sectors
  - The co-operation shall take both the needs of the recipient countries and ICEIDA's aims into consideration.
  - The co-operation shall be based on equality and shall not violate the cultural values of the co-operating partner.
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# Highlights from the Home Office

An external review of Icelandic development co-operation as a whole was carried out last year. The aim is to obtain a comprehensive overview and a basis for policy and strategy making in development matters for the Government of Iceland.

## **New Icelandic Partners in Development Co-operation**

The Icelandic Federation of Labour (IFL) and ICEIDA signed an agreement on co-operation in late November last year. The IFL's main goal is providing support to projects in the field of adult literacy, security and worker safety for poor people in ICEIDA's co-operations countries. The ILF will arrange approximately about 0.7% of their annual income tax to development assistance.

The Ministry of Health provided a container with supplies to the ICEIDA supported Community Hospital in Monkey Bay Malawi.

The collaboration between ICEIDA, the Icelandic Red Cross and the Mozambican Red Cross in implementing the Community Based Health Care Project in Hindane continued. An external evaluation was carried out last year and in line with the recommendation, ICEIDA will terminate its involvement in the Project after the contract has come to an end in 2004/2005. The Project has had a great positive influence in the Community and supported institutional development of the Mozambican Red Cross. ICEIDA will continue its support of the Project through the Icelandic Red Cross.

The Icelandic Church Aid and ICEIDA continued their co-operation project improving health through work on sanitation and water supplies in Tete in Mozambique. The Lutheran World Federation in Mozambique is responsible for the implementation and the Project will terminate in 2003.

Last year, ICEIDA and the University of Iceland prepared a general agreement on co-operation. The goal of the co-operation shall be to strengthen the participation of the University in research in the field of development issues and work towards increasing knowledge and academic studies in this field. The first result of these discussions was the publishing of a booklet about Uganda, but the Department of Anthropology at the University of Iceland was responsible for the writing and editing.

## **Trade Development Programme**

The second year of operations for the Icelandic Business Development Programme<sup>6</sup> (IBDP), was quite busy. The Programme's role is to promote increased business relations between Icelandic companies and developing countries.

As in the previous year the Programme emphasised the continued introduction of the various IFIs to Icelandic companies and consultants and so organized a number of seminars, both general and thematic with IFIs, such as the World Bank, IFC, EBRD and the Nordic Funds. The Programme again organized two-day courses for consultants and suppliers on how to participate in international competitive bidding organized by IFIs. These seminars and courses were very well received the year before and continued to be so this year.

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<sup>6</sup>The Icelandic Business Development Programme is run in co-operation between ICEIDA, the Ministry for Foreign Affairs and the New Business Venture Fund. The project was launched in January 2001 and will be evaluated three years after and a decision taken on the continuation.



Photograph: Hjördis Gubbjónsdóttir

IBDP has made good progress in creating and maintaining ties with the various IFIs and will continue to do so. IBDP was e.g. made a formal contact point for the Nordic Development Fund in order to circulate pertinent information to Icelandic companies as far as NDF projects and business opportunities go.

IBDP visited four countries on two different trips, organized on the one hand by the World Bank Enterprise Outreach Programme for the Private Sector Liaison Officers, and on the other hand by ICEIDA. The former was to Bosnia-Herzegovina and the latter to three of ICEIDA's co-operation countries; Malawi, Mozambique and Namibia. These trips were very informative and good contacts were made with important institutes, local and international organisations, foreign embassies and trade and business contacts in the respective countries. In three of the four countries IBDP has had the chance since to follow up on possible business contacts and projects.

Continued effort has been put into updating the project's website <http://www.icebiz.is/> and the database constructed for Icelandic companies and consultants interested in working on IFIs projects and doing business with developing countries has increased in size. The database, <http://www.icebiz.org/>,



Photograph: Guðfinnur Eiríksson

has been circulated to the various IFI project managers in an effort to make Icelandic companies and expertise more easily available in those circles.

IBDP regularly disseminates information about pipeline projects, ICBs and relevant business opportunities and conferences on developmental issues to Icelandic companies. A core group of about 30 companies can now be said to be actively interested in those matters, but otherwise the information goes to a much bigger group of companies.

### **Nordic Co-operation**

The co-operation between the Nordic countries has always been very important for ICEIDA. In 2002 a representative from ICEIDA participated in a Nordic seminar about how to promote the private sector development in a poverty reduction strategy as well as attending the yearly meeting of the Directors General.

ICEIDA has one member in the Programme and Research Council of the Nordic Africa Institute (NAI) and pledges a yearly contribution towards the activities of NAI amounting to approximately one percent of the contribution of the other Nordic countries to NAI (Sweden's administrative part excluded).

ICEIDA participated for the second year in the Nordic countries' support to the INTOSAI<sup>7</sup> Development initiative (IDI). This means funding from ICEIDA amounting to about 21.500 USD annually for a period of three years for "basket funding".

## Scholarships

ICEIDA continues to support students from the co-operation countries in Africa. The majority study at secondary schools and universities in Africa. In spite of that there are always some students who get the opportunity to visit Iceland for short-term practical training or to participate in longer studies at the University of Iceland.

Three students received fellowships to study in Iceland in 2002. One of the recipients, a Master of Science student from Angola, finished an MSc degree in fisheries biology at the University of Iceland. The second student is an MSc student from Mozambique who studies microbiology at the University of Iceland. The third, from Malawi is an engineering teacher who stayed for three months and received training at the United Nations' University, Fisheries Training Programme as well as at Suðurnes College and at a refrigeration company called Frostmark.

The purpose of offering the students from the co-operation countries the possibility of studying in Iceland is not least to build bridges between Iceland and the partner countries in Africa, to increase mutual knowledge about the people and the culture and to create friendship between individuals.

## Information and Public Relations

Last year it was decided to reconstruct the ICEIDA Website so ICEIDA's Newsletter got a new role. The articles written for ICEIDA's Newsletter mainly contained information on the progress of the ICEIDA projects. Now articles and news of that nature will be published on the website or be available in the bi-annual reports from the co-operation countries. One volume of the ICEIDA Newsletter was issued last year in Icelandic and was dedicated to the technical adviser and his/her family and its theme was living and working in Africa. The Newsletter is distributed free of charge and sent to all schools, libraries, ministries, and official offices as well as distributed among selected public figures. As mentioned above, ICEIDA, in co-operation with the University of Iceland issued a booklet on Uganda. The booklet describes Uganda, the country, its people, history and future and can be obtained free of charge at the ICEIDA office.

The activities of ICEIDA were introduced to students at the University of Iceland and several secondary schools. Large numbers of students visited the library searching for books and materials to use in their writings about Africa. There is obviously an increased interest in African issues among students in Iceland.

Lectures were given on development co-operation and developing countries for various organisations and at conferences. On several occasions interviews were given to radio, television and newspapers.

*ICEIDA continues to support students from the co-operation countries in Africa.*

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<sup>7</sup>INTOSAI stands for the International Organisations of Supreme Audit Institutions and is open to the Supreme Audit Institutions (SAIs) of UN (United Nations) member countries and currently includes about 185 members institutions. The IDI initiative is an interesting programme the main objective of which is to secure and strengthen the training capacity in the INTOSAI region and one of the goals is also an effective fight against corruption.



Photograph: Eijólfur V. Valtysson

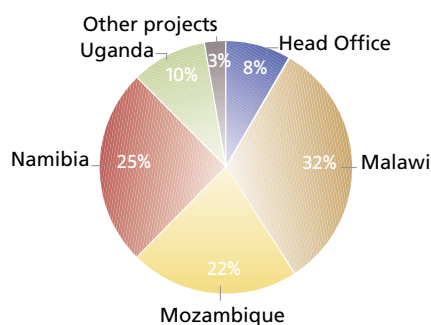
## Financial Statement 2002

State budget appropriation US\$<sup>8</sup> 4,798,033

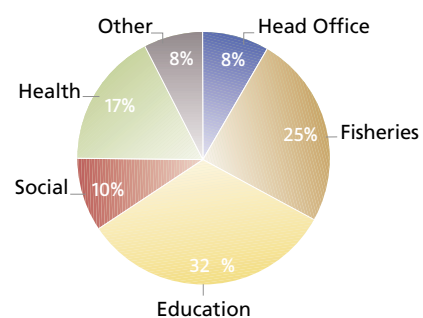
### Expenditures- Geographical Distribution

Head Office	376,512
Malawi	1,567,581
Mozambique	1,067,838
Namibia	1,178,421
Uganda	475,898
Other	131,783

Composition of ICEIDA's Expenditures-  
Geographical Distribution



Sectoral Distribution of ICEIDA  
Development Assistance



### Expenditures- Sectoral Distribution

Head Office	376,512
Fisheries	1,203,756
Education	1,565,203
Social	459,060
Health	818,181
Other	375,321

Icelandic development aid as a ratio of GNP (gross national product) was 0,16% in the year 2002. Approximately 40% of the total sum went to bilateral assistance.

<sup>8</sup>Average exchange rate for the year 2002; 91,67 IKR/US\$ as valued by The Central Bank of Iceland.



## Partner Countries in Africa

Photograph: Guðfinnur Eiríksson



**Malawi is ranked among the world's 10 poorest countries. Increasing numbers of Malawians seem to be slipping into poverty and the Millennium Development Goals remain distant.**

Photograph: Guðfinnur Eiríksson





2002 was a difficult year for Malawi. The Real GNP was negative<sup>11</sup> for the second year in a row and overall the economic indicators were disappointing. The country had to struggle to manage a series of widespread and severe crises. In the beginning of the year it experienced an acute food emergency as a result of drought during the previous growing season. The dubious sale of government maize stocks in 2001 was one of the contributory factors to the famine and investigations into the sale are still ongoing. Substantial inflow of emergency aid and the resumption of a starter-pack programme did get to grips with the emergency situation and the Government, with assistance from donors, focused throughout the year on import to build up the maize stocks in the country.

Malawi is ranked among the world's 10 poorest countries. Increasing numbers of Malawians seem to be slipping into poverty and the Millennium Development Goals remain distant. The country continues to be heavily aid dependent. Typically, close to 40% of the annual Government expenditure is provided through aid inflow.<sup>12</sup> In 2002 relations with many key donors were strained due to numerous outstanding governance problems. Donor disbursements were lower than projected and payments were delayed. However, many donors compensated for this through increased humanitarian assistance during the food crisis.

## MALAWI



### MALAWI<sup>a</sup> – KEY FIGURES

Land area	118,484 km <sup>2</sup>
Population	11.3 million
Population growth rate	2%
GDP per capita <sup>9</sup>	174 US\$
GDP per capita PPP <sup>10</sup>	615 US\$
GDP growth rate 2002	-1.3%
Adult literacy rate (age 15 and above)	60.1%
Icelandic aid	1,567,581 US\$

<sup>a</sup> Statistical sources if not otherwise specified: **Human Development Report 2002**. Published for the United Nations Development Programme (UNDP).

<sup>9</sup> **Country Profile Malawi 2003**. The Economist Intelligence Unit.

<sup>10</sup> Purchasing Power Parity. A rate of exchange that accounts for price differences across countries, allowing international comparisons of real output and incomes.

In 2002 increasing attention was paid to governance issues in Malawi, including the next presidential and legislative elections scheduled for May 2004. A bill to allow the president to stand for an unlimited number of terms failed to win the necessary two-thirds support in parliament in July and a debate over whether to allow an increase in the number of terms that the president can serve from two to three dominated the political scene for the rest of the year. High on the political agenda was also the debate on the need to create greater transparency and accountability regarding the use of public money and reduce the potential for corruption in the country.

Malawi's first full Poverty Reduction Strategy Paper was published in May and is now the main planning framework for economic and social policymaking in the country. The primary objective of the Poverty Reduction Strategy is to reduce poverty and achieve sustainable development through empowering the poor with emphasis on pro-poor programmes. 85% of the people in Malawi live in rural areas, and agriculture remains the key source of income for the vast majority of them. Therefore, the Poverty Reduction Strategy makes agricultural development the focus for poverty reduction. Allocations to health, education, and community-based programmes are also high on the agenda.

<sup>11</sup> According to the Economist Intelligence Unit Estimates it was -1.3. Malawi Country Report 2003. The Economist Intelligence Unit, p. 12.

<sup>12</sup> Country Assistance Strategy Progress Report. World Bank, 2003, p. 9.



## ICEIDA's Development Co-operation

The development collaboration between the Malawi Government and ICEIDA has been ongoing for more than a decade and Malawi remains the main recipient of Icelandic aid. The aid provided by ICEIDA is largely project-based and all the projects in Malawi continued uninterrupted throughout the year. In keeping with the UN Millennium Development Goals and the newly adopted Malawi Poverty Reduction Strategy ICEIDA has directed its focus on the country's health, education and marine sectors.

## Support to the Health Sector

Health indicators in Malawi have remained poor over the past decades. A rapidly increasing population, high illiteracy rate and widespread poverty are the main contributing factors to the poor health status of the people. In addressing these problems the Government of Malawi has developed a policy strategy with the aim of facilitating the National Health Plan (1999-2004) objectives. The National Health Plan provides an overview of health related policies, objectives, strategies, and activities. The main objectives of the plan are to improve the general health

## MALAWI



Photograph: Guðný H. Gunnarsdóttir



status of the population in Malawi by strengthening, expanding and integrating the relevant health services. In the spirit of these objectives ICEIDA has allocated increasing financial resources to the health sector in the country, with main focus on the primary health care facilities and services. Support to the health care of the Monkey Bay Head Zone, which was launched in the year 2000, is ICEIDA's major contribution to this sector. In addition, ICEIDA annually provides funds to the maintenance of the Lilongwe Central Hospital facilities through a local charity organisation.

The focus of the Monkey Bay Health Care Project in 2002 was on the construction of a new health facility in Monkey Bay and preparations were made for the development of improved health services in the Zone. By the end of May the construction of the new health facility was completed. After a long delay from the suppliers, electricity was brought on the site during the final phase.

In June, Monkey Bay Health Centre moved all its activities to the new buildings. In the beginning, only the Out Patients Department, Dispensary and Maternity Ward were brought into use since no additional staff had been supplied except for one Medical Officer who had been undergoing his additional training. In September the health authorities in Mangochi decided to open the Female Ward



Photograph: Guðfinnur Eiríksson



and use a part of it for paediatric patients. Four new nurses and one Medical Assistant were eventually assigned to the hospital, but the need for support staff, such as ward attendants, cleaners and other non-trained staff remained great. This problem was discussed with health authorities, but in spite of goodwill shown, no additional help was assigned.

Before the new health facilities were taken into use, one of the two ICEIDA technical advisors working on this Project, the Reproductive Health Advisor (RHA), conducted a course for the hospital staff about sanitation, infection prevention and teamwork, amongst other things. The RHA also conducted a course in sexual education for girls from twelve to eighteen years at the Namazizi School, which is one of the primary schools in Monkey Bay Zone. This course led to a request from the district's educational authorities to conduct a course on this topic for all teachers in all primary schools in the Monkey Bay area. The RHA, in co-operation with the health and educational authorities, continued preparation for this. The main objective for this course was to address the high rate of drop-out by girls in this age group.

In December, an internal evaluation of the Project was carried out to advise on

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Photograph: Guðný H. Gunnarsdóttir



Photograph: Guðfinnur Eiríksson

the next steps to be taken within the Project. After the evaluation, it became obvious that the Project needed to put more emphasis on Component 2 of the Project, which is assistance to Health Care Services Development in the whole Monkey Bay Head Zone.

After the evaluation a decision was made to postpone all further constructions and preparation for Component 2 started. During these preparations the Malawi National Health Plan was considered as well as the Project Document. In order to activate Component 2, and get it going, it was of utmost importance to establish suitable communication system between all the health care facilities in the Zone and in Monkey Bay Community Hospital and then deal with the serious lack of available transportation between all the clinics and the hospital. Accordingly, the Project will shift its focus and concentrate on further development of the health services in the Zone in 2003.

### Support to Education and Social Development

High on the Poverty Reduction Strategy agenda in Malawi is the improvement of education standards and literacy levels in the country. As a way of achieving the goal of increased literacy levels, the Malawi Government began developing a

*As a way of achieving the goal of increased literacy levels, the Malawi Government began developing a comprehensive adult literacy policy in 2002.*



comprehensive adult literacy policy in 2002, but one of the major obstacles for the progressive implementation of the National Adult Literacy Programme (NALP) in the past has been the lack of national policy on literacy and adult education. In addition to policy development, the Government has also started an effort to increase the number of trained literacy instructors. According to the Poverty Reduction Strategy, the overall goal is to increase the enrolment of adult learners in the NALP to 300,000 in 2005, up from 37,500 in 1999.

Recognizing the development priority placed on education in Malawi, ICEIDA started to support the NALP activities in the Monkey Bay area with the launching of the Monkey Bay Adult Literacy Project in 2001. The Project's activities in 2002 focused on infrastructure, capacity building, and the development of post-literacy material. During the year, the Project rehabilitated and moved into its own office space in Monkey Bay, which also accommodates the activities of the Government's Community Development Officers (CDOs) working in the Monkey Bay area. An Administrative Field Officer, who was hired for the Project in early 2002, is responsible for the office administration and the day-to-day running of the Project in Monkey Bay, in co-operation with the Government Officials.

Capacity building of the Project's staff in Monkey Bay during the year included computer and motorcycle training, in addition to training in the REFLECT approach to adult literacy education, which is the chosen approach for the Project. Literacy committees and literacy facilitators from eight selected villages in the Monkey Bay area were also trained in the REFLECT approach early in the year. Following the training, literacy circles opened in the eight selected villages in May with the average initial enrolment of 53 learners. To maintain the capacity of the facilitators a refresher course in the REFLECT approach was organized late in the year, in addition to monthly meetings with supervisors. In September and October, the Project sponsored two intensive workshops to produce post-literacy material. The workshops produced twelve easy-to-read booklets that will be available to the learners in the Project's literacy circles.

An emphasis on a close supervision of the literacy circles and recurrent meetings with the circle facilitators the whole year has maintained enthusiasm among participants and decreased former drop-out rates and fatigue considerably. Regular invitations of guest speakers to the circles to discuss different issues of interests to the learners, is also thought to have worked as an incentive for learners to attend regularly. The main obstacle faced in 2002 was the hunger situation in Malawi during the first months of the year. Attendance dropped notably during the first three months of the year but increased again after April when the situation in the country improved. Assessment of the four initial literacy classes, which the Project opened in Monkey Bay in September 2001, was conducted in September 2002 and showed a significant improvement from earlier state of affairs in adult education in Monkey Bay.

ICEIDA also contributes to higher education in Malawi by its support to the Aquaculture and Fisheries Science Department (AFSD) at Bunda College of Agriculture (BCA). The Malawian Government has been encouraging aquaculture development since the 1990's. At present the Fisheries Department is making a master plan for the Fisheries and Aquaculture sectors in Malawi, outlining a future strategy for the sectors. The master plan will make all donor involvement more focused and synchronised and is expected to support further development of aquaculture in Malawi. Important objectives of the Malawi Poverty Reduction Strategy are to improve human capital development through education at all levels and increase food security for the rural people in Malawi. The ICEIDA support to the AFSD at BCA is contributing to both of those objectives.

Photograph: Guðný H. Gunnarsdóttir



**Malawi's first full Poverty Reduction Strategy Paper was published in May and is now the main planning framework for economic and social policymaking in the country.**

Photograph: Guðfinnur Eiríksson





The AFSD is growing and developing and never before have there been as many students attending the BSc and MSc Programmes, a total of 51 students. At present almost all the AFSD students receive ICEIDA support. No new scholarships will be offered for BSc students next year but those students receiving scholarships will be supported throughout their studies. Effort was made to encourage female students to enter the AFSD, by offering full scholarships to first year female students opting for the AFSD Programme. Two females opted for the AFSD Programme and receive full scholarships. Due to increased cost of the MSc Programme ICEIDA was forced to reduce the number of MSc scholarships from 4 to 2 since budget for the Project had already been determined. However, other donors are showing interest in the Programme and four students are now in MSc the first year of the two supported by ICEIDA and two are receiving support from another donor.

Academic staff members in the AFSD are going for further studies and posts are still being filled. In the mean time the ICEIDA contribution to part time teaching in the department and technical assistance is of great importance. One Icelandic lecturer has been working in the Department full time since 2000. One staff member returned during the period from Thailand, where he attended his MSc

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Photograph: Guðfinnur Eiríksson



Photograph: Guðný H. Gunnarsdóttir

studies at the Asian Institute of Technology (AIT), supported by ICEIDA. In 2004-5 three staff members will return to the AFSD after completing their PhD's and MSc, one being supported by ICEIDA for a PhD at the AIT. By 2005 the AFSD should be able to run the BSc Programme without external support. However, it is not likely that the MSc Programme will run without donor support and it is important for the AFSD to attract other donors to support the Programme after the ICEIDA support comes to an end. Because of the present shortage of academic staff new intake for the MSc Programme has been cancelled for the next academic year and ICEIDA MSc scholarships transferred to the following academic year.

The BCA library was supported to further develop a reprint collection and associated database. To improve access to this database, and other CD-rom material, it was agreed to use part of the library support to buy a computer for the library. Part of the library support was also used for textbooks relevant to the AFSD Programme.

The ICEIDA support to the AFSD Programme at Bunda College is scheduled to come to an end in 2005. An external evaluation of the Project will be conducted in 2003.





## Support to the Marine Sector

Lake Malawi is the most significant resource endowment available to Malawi. It has provided a means of transport along the length of the country and nourished the inhabitants and provided them with a source of protein. There are over 500 species of fish, most of them endemic, in the lake. Realising the benefits of the lake the Government of Malawi has sought to establish a modern hydrographic service, which could provide maritime safety and efficiency and monitor the lake for a sustainable environment and pollution. In the spirit of the Malawi Poverty Reduction Strategy Paper the multiplier effects from the provision of adequate and timely hydrographic services were recognised and the Malawi Marine Administration initiated dialogue with ICEIDA to resuscitate the Hydrographic Project.

The Project was launched in early 2001 and has gathered full momentum during the year 2002. The Malawi Survey Vessel Timba was fully utilised in 2002. Her crew finished surveying the southern part of the lake including the container harbour at Chipoka. At the end of the year she started survey at Likoma Islands, which are located near the Mozambique coast of the lake. With the hydrographic data collected during these first two years of the Project, the cartographers have worked together to produce the first navigation charts fulfilling all international standards. By the end of the year the first two charts out of 27 which are scheduled, were finally ready for printing and are due to be officially published in early 2003.

The publishing of the first two charts is a highlight in the revival of required safety at sea where the lake environment is described and vital spatial data acquired. Its by-products will be used for maritime infrastructure and development. For a landlocked country like Malawi it is vital that the endowment is not taken for granted.

ICEIDA provides technical assistance for the Project, in addition to operation funds needed to carry out surveys and tools and equipment needed for chart making. The Malawi Department of Survey provides the 70-ton Survey Vessel Timba and the personnel to carry out the hydrographic survey tasks. Also, Malawi provides all local facilities, as well as all necessary local professionals, technical and support staff.

The technical component is implemented in close collaboration with the Icelandic Coast Guard, which is providing technical expertise for the Project and supervising the training of the local professionals. In 2002, an expert from the Icelandic Coast Guard came to Malawi for his second visit since the Project started, to maintain the equipment and train local staff in the use of the equipment.

The Malawian cartographer who went to Iceland for training in 2002 came back to his duty station in January 2003. Support was also given to a hydrographic officer who went for a six-month training course at Trieste in Italy, organized by the International Maritime Academy. The Hydrographic Project is scheduled to continue up until late 2004.

The development and expansion of the local fishing industry is also one of the priorities of the Poverty Reduction Strategy. To achieve this, the Malawi Marine Administration requested ICEIDA support to set up a formal training programme at the Malawi Marine Training College in Monkey Bay for nautical and marine engineering officers for fishing vessels on Lake Malawi. The Project commenced in 1999 and was aimed at contributing towards positive development in the

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fisheries sector. The Project was also expected to facilitate increased access by stakeholders to the under exploited fish stocks in deeper waters which in a wider perspective will further contribute towards improved fishing and handling practices and thus elevate the nutritional contribution of fisheries products as the single most important animal protein in Malawi.

At the end of 2001, an evaluation of the Project was carried out. The evaluation team recommended a two-year extension of the Project with the emphasis on staff training. Some conditions were to be met by the Malawi Government during 2002 if further funding and support were to be provided. During this year the main emphasis in this Project was on staff training, developing of syllabi and teaching manuals for various fishing courses and building up of the training facilities.

Two ICEIDA lecturers have been stationed at the College since early 1999 but at the end of the year 2002 one remained. Several courses based on the newly developed syllabi were conducted. A considerable number of students participated in the courses at different levels, such as in the courses for Deck and Engineering Officers, Able Seamen and Motormen. A special course in teaching

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Photograph: Guðný H. Gunnarsdóttir



Photograph: Guðfinnur Eiríksson

*Lake Malawi is the most significant resource endowment available to Malawi. It has provided a means of transport along the length of the country and nourished the inhabitants and provided them with a source of protein.*

methods was offered for present and newly employed local lecturers at the College and the academic staff of the College went on a field trip to Cape Town in the neighbouring country of South Africa. One engineering lecturer went for a short training in Iceland, which was part of the United Nations University's Fisheries Training Programme. Further support to the Malawi Marine Training College was in the form of textbooks, office and teaching equipment and a small maintenance shed was built. Most of the conditions to be met by the Malawi Government during 2002 if further funding and support were to be provided were fulfilled sufficiently. It was, therefore, decided to extend the Project into its final year of 2003. During this last year the main focus will be to continue staff reinforcement and to enhance the poor library facility at the College.



Photograph: Margrét Einarsson

# MOZAMBIQUE

**In development terms Mozambique has been a relative success story since independence, and is highly favoured by the international donor community, mainly because of political stability, sound economic policy and favourable conditions for growth and poverty reduction.**



Photograph: Reynir Þórarinnsson



Mozambique achieved independence in 1975 after a decade of war against the colonial power of Portugal. The country was plagued by a civil war until 1992 when growing domestic pragmatism and changes in the international environment ultimately brought the war to an end. During the late 1970's, FRELIMO, under the leadership of Samora Machel, embraced socialist ideals and policies. The ruling party formally abandoned Marxism in 1989 and there was a turn toward the West for economic and military assistance. The first democratic multi-party elections were held in 1994, returning FRELIMO to power. The economy at independence was mainly based on agriculture with very little industrial development. This has changed noticeably with a comprehensive economic reform programme that was initiated in 1987. In early 2000 and 2001, the country suffered from devastating rains and floods, further compounding the daunting economic challenges it faces.

In development terms Mozambique has been a relative success story since independence, and is highly favoured by the international donor community, mainly because of political stability, sound economic policy and favourable conditions for growth and poverty reduction.

## MOZAMBIQUE



### MOZAMBIQUE<sup>b</sup> – KEY FIGURES

Land area	802,599 km <sup>2</sup>
Population	18.3 million
Population growth rate	1.7 (2000 - 2015)
GDP per capita <sup>14</sup>	193 US\$ (2001)
GDP per capita PPP <sup>15</sup>	854 US\$
GDP growth rate 2002 <sup>16</sup>	7.7%
Literacy rate (age 15 and above)	44%
Icelandic aid	1,067,838 US\$

<sup>b</sup> Statistical sources if not otherwise specified: Human Development report 2002. Published for the United Nations Development Programme (UNDP).

<sup>14</sup> Country Profile Mozambique 2003. The Economist Intelligence Unit,

<sup>15</sup> Purchasing power parity. A rate of exchange that accounts for price differences across countries, allowing international comparisons of real output and incomes.

<sup>16</sup> Country Profile Mozambique 2003. The Economist Intelligence Unit.

During 2002, the ruling party FRELIMO selected Mr Armando Guebuza as its candidate for the next presidential elections in 2004, as President Chissano declared that he would not stand for another term.

High on the agenda during the latter half of 2002 was the explosive trial of the suspected assassins of journalist Carlos Cardoso, who was murdered in November 2000. Mr. Cardoso was investigating the alleged looting of the former state banks, implicating high-level officials. The party's credibility suffered greatly from the negative publicity brought on by the trial. Six men were tried and found guilty of having conspired to assassinate the journalist. The persistence with which journalists, civil society activists, honest officials and certain FRELIMO politicians sought out the truth of the case is a remarkable example of the efforts to create an open society in Mozambique.

Tension rose on Mozambique's border with Zimbabwe. These included arbitrary expulsions of Mozambicans residing in Zimbabwe as well as harassment of those travelling or undertaking business in the country. Over 50 licenses have been granted to landless Zimbabwean farmers in the province of Manica (bordering Zimbabwe) during 2002. They are mainly producing tea, tobacco and other cash crops. This will have a large impact on the development of commercial agriculture in Mozambique.



The economy grew stronger than expected during 2002. This was mainly due to the expansion of the Mozal aluminium smelter and the construction of a gas export pipeline to South Africa. The services and transport sectors also expanded strongly. Agriculture was negatively affected by a severe drought in the south of the country. The UN estimated around 600.000 people requiring emergency food aid. The worst affected areas were the southern and central provinces. Inflation was 9.5% during 2002 and is expected to decrease because of the tight monetary policy pursued by the Government. Corruption continues to be a major concern for the international donor partners.

In spite of the stability in politics and the economy and the rapid economic growth, Mozambique remains one of the poorest countries in the world and it is the poorest and lowest-ranking country in the SADC area, according to that UNDP Human Development report.

### ICEIDA's Development Co-operation

Iceland's co-operation with Mozambique dates back to 1995 and in the beginning, the focus was entirely on support to the fisheries sector. The co-

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Photograph: Valgerður Jónsdóttir



operation has widened through the years and ICEIDA is now engaged in three sectors: Fisheries, Social and Health sectors. ICEIDA's office in Maputo was opened on 1 June 1999.

In the beginning of the year, there was a change of Country Director at the ICEIDA office in Maputo. Work began on creating an electronic database for the filing system and the asset inventory. Job descriptions were adopted for the Office Manager and for the Driver. This is a part of the Maputo office efforts in formalising the administrative work procedures.

### Support to the Fisheries Sector

In early 2002, the Ministry of Fisheries issued its Development Plan for 2002/2006. The Plan was a result of a study made earlier followed by a seminar, designed to evaluate, comment and analyse the various activities of the Fisheries Guiding Plan, the Study of the Fisheries Sector and the fishing sub-sectors in Mozambique. The overall objective of the Development Plan is to strengthen the capacity building and co-operation of the various sectors, State, private and fishing communities, for the implementation of joint initiatives promoting self-sustainability. The more specific objective is to improve the internal supply of fish



Photograph: Hjördís Gubjónsdóttir



including covering parts of food deficit in the country, to increase the income of foreign currency and to improve the living conditions of fishing communities. ICEIDA's co-operation with the Ministry's Department of Fish Inspection (DIP), in the form of technical assistance continued in 2002. Work on the Inspection Manual, linking the inspection procedures with national laws and regulations in order to give the Manual a legal status is now in its final phase and the testing of the Manual has begun.

An assessment of ICEIDA's future support to the Ministry of Fisheries was conducted by an external consultant. The purpose of the consultancy was to assess the needs of the Ministry and use the results as a basis for a dialogue between ICEIDA and Mozambican authorities on continued co-operation. The report recommended the establishment of a strong and sustainable inspection system in Mozambique, which will in the future meet the requirements of Mozambique's main fish marketing areas. An efficient fish inspection system will in turn have a positive impact on the economy with increased export earnings. During ICEIDA's annual meeting with the Ministry in September 2002, it was decided to draft a co-operation Agreement with the Ministry, which will act as an umbrella agreement for all projects in the fisheries sector supported by ICEIDA.

Another aspect of the co-operation with the Ministry is the construction of a laboratory to conduct the necessary analyses required to support the quality assurance programmes for production and export of Mozambican fisheries products. The laboratory was completed in 2001 and with the construction of a powerhouse and the power transformer installed; the final connection to the Maputo Power Company (EDM) could be established, making the laboratory operational. The collaboration between ICEIDA and DANIDA in training of the staff in the laboratories in Maputo and Beira (funded by DANIDA) continued. The workshops were followed up by implementation of methods and procedures and writing of forms and work instructions, in particular relating to the implementation of new microbiological methods and establishing a routine in the microbiological department of the laboratory. Documentation and quality control was emphasised and the staff participated in a workshop on quality assurance in November, making the gradual installation of a quality system at the laboratory in Maputo achievable.

The other projects falling under the fisheries sector include the setting up of a Fisheries Information and Training Centre in the Ministry of Fisheries that collects and disseminates information on fisheries, publishes work and is in the future intended to organise training courses as needed. The Centre was formally opened in September and serves the staff of the Ministry as well as individuals, organisations and private companies within the fisheries sector. As the agreement between ICEIDA and the Ministry was to terminate at the end of 2002, the Ministry requested prolongation of the Agreement in order to finish the projects. An addendum to the Agreement was being drafted at the end of the reporting period.

## **Support to other activities in the Fisheries Sector**

### **Laboratory and Fish Administration Building in Quilemane**

This project dates back to the year 2000, when the British Development Agency (DfID) requested ICEIDA to oversee the implementation of constructing a laboratory in Quelimane. The laboratory part of the project is funded by the British Development Agency (DfID) and administered by ICEIDA, whereas ICEIDA finances the facilities for the provincial fisheries administration.

*Training of volunteers is a part of the community based health care and 37 Health Care Volunteers and 18 Traditional Birth Attendants were trained, based on material from the Ministry of Health.*



### **R.V Fengur**

The revenue from the sale of the vessel Fengur was allocated into a special account held by the Ministry of Fisheries along with the balance on the NDF Special Account. An agreement was made with the Fisheries Research Institute (IIP) to use the funds for a research project, based on stock assessment of Kapenta, in the Cahora Bassa dam in the Tete province. A project document was accepted by ICEIDA and a contract was signed by both parties with an approval of NDF before the end of the year.

### **Mozambican Semi-Industrial Fisheries Project-Investment Component**

ICEIDA is acting as the Lead Agency in the investment component of the Mozambique Semi-Industrial Fisheries Project. The component is financed by the Nordic Development Fund (NDF) and is implemented by GAPI, a Mozambican investment institution. In the beginning of this year the final aspects of the on-lending agreement to clarified and later signed by all parties, the first disbursement request submitted to NDF and approved by the end of the year 2002.

## **Support to the Social Sector**

A co-operation agreement was signed between the Ministry of Women and Social Action and ICEIDA in 2000. The agreement outlines various possible fields of co-operation, including institutional support; training and education of staff; prevention of and fight against domestic violence; income-generating and self-employment projects for women and; technical assistance.

### **Ministry of Women and Co-ordination of Social Action**

#### **- National Directorate for Women (DNM)**

ICEIDA has provided institutional support to the Ministry by providing a technical advisor in the fields of gender issues and adult education. The advisor worked with the staff in strengthening the capacity within the directorate, with special attention on the Family Department. Capacity building within the Ministry as a whole continued in the form of English and computer classes available to all staff members. ICEIDA continued the support to the Ministry by means of procuring office equipment and other necessary working tools. The focus during the second part of the year was on training. ICEIDA approved a request for assistance from the Ministry in supporting the Head of the Family Department towards her university degree in social sciences.

The National Directorate for Women is becoming the main source of information dissemination for the whole country regarding to laws and other matters relating to gender equality and basic social rights. There is still a long way to go in terms of building up the directorate and the needs are constantly being re-evaluated and ICEIDA's support adjusted accordingly.

### **Participation in the Ministry's Various National Plans and Project Planning in Relations to Poverty Reduction, Gender Issues and Equality**

During the months of May through August 2002, the advisor worked on a project together with the Family Department of DNM relating to the Ministry's Provincial directorates in four provinces. The directorates were visited and the reports produced constitute "base-line surveys" that aim at identifying strenghts and weaknesses of the personnel in the provincial offices. A part of this project involved visiting women's prisons in the same four provinces, in order to identify social and educational needs. Another aim of the project was to collect information for the DNM database regarding projects within its scope of activities and to reinforce the capacity of the personnel in the integration of

*The National Directorate for Women is becoming the main source of information dissemination for the whole country regarding to laws and other matters relating to gender equality and basic social rights*





gender aspects, violence and HIV/AIDS in all their plans and programmes.

Preparatory work began on a new project that will be initiated in 2003 in co-operation with the Ministry and the Maputo City authorities. This is a micro-project that will be implemented in the "Bairro dos Pescadores", one of the poorer fishing areas on the coast within Maputo City. ICEIDA's participation in the project is twofold: on the one hand, to enhance support to grass-root projects for women and on the other, support to the inner capacity building in the Ministry.

### **Other Activities in the Social Sector**

ICEIDA has since 2000 supported an association of widows and single mothers, AVIMAS (Associação das Viúvas e das Mães solteiras), located in one of the suburbs of Maputo City, providing financial support for their activities such as capacity building, sewing and literacy classes. The association has been singled out and recognised by both the Ministry of Women and Co-ordination of Social Action and Maputo City as an exemplary organisation. In the beginning of 2002, AVIMAS moved into their own house and ICEIDA continued supporting the association in strengthening their adult educational programmes and assisting with renovating the house. AVIMAS is growing rapidly both in terms of inner capacity and also relating to adult education, mainly in the sewing classes and also in English, literary programmes, bookkeeping as well as prevention programmes concerning reproductive health. There is a strong community based educational component, where volunteers from the association visit schools and workplaces and talk about HIV prevention, alcoholism, violence etc.

The World Links project originated in the World Bank and consists of computerising schools in the developing countries and establishing computer links between schools across the world. ICEIDA has supported a link between the Akureyri Secondary School and the College of Francisco Manyanga in Maputo. Five teachers and 25 students were specially trained to continue internet communications with the Akureyri Secondary School, for the fall semester, focusing on English, geography and computer science.

ICEIDA provided support to the Operational Group for the Advancement of Women, which is a mechanism of inter-sector co-ordination created by the Government to supervise and follow-up the implementation of policies and programmes approved by the Government in the field of women and gender, through the technical advisor. These meetings are valuable for the exchange of information and ideas.

### **Support to the Health Sector**

In 1999, ICEIDA entered into a new field of co-operation, when an agreement was signed between the Mozambique Red Cross Society, the Icelandic Red Cross and ICEIDA. The programme objectives include building and equipping a health centre in the district of Matutuine, Maputo Province, as well as the training of community health care personnel and providing institutional support for the Red Cross provincial office in Matola, Maputo Province.

The Health Centre was inaugurated and handed over to the Mozambican authorities (Ministry of Health) in April 2002, while the training, support and capacity building continues. The Ministry is responsible for running the Centre, including providing medicines and staff. Soon after the Centre was opened, it became evident that relatively few women chose to give birth at the Centre, the



main reason being the lack of facilities to wait in before giving birth and resting afterwards. It was thus decided to construct a house for this purpose.

As a part of the institutional strengthening, the Mozambique Red Cross Provincial Office was equipped with computers, printers and other essential equipment to run the office. English courses and computer training for the staff of the MRC Provincial Delegation continued. The Hindane Program Coordinator and the Icelandic Delegate visited a similar project in Inhambane funded by the Danish Red Cross to gain experience from the DRC project. Work with the District Committee of MRC in Matutuine has started and an office will be constructed for the Committee in Bela Vista on a plot allocated by the government.

Training of volunteers is a part of the community based health care and 37 Health Care Volunteers and 18 Traditional Birth Attendants were trained, based on material from the Ministry of Health. The volunteers received "tool kits" and uniforms and are working in the field, receiving incentives at the end of each financial quarter.

Another aspect of the CBHC is the construction of water points, which have been

## MOZAMBIQUE



Photograph: Elin R. Sigurðardóttir

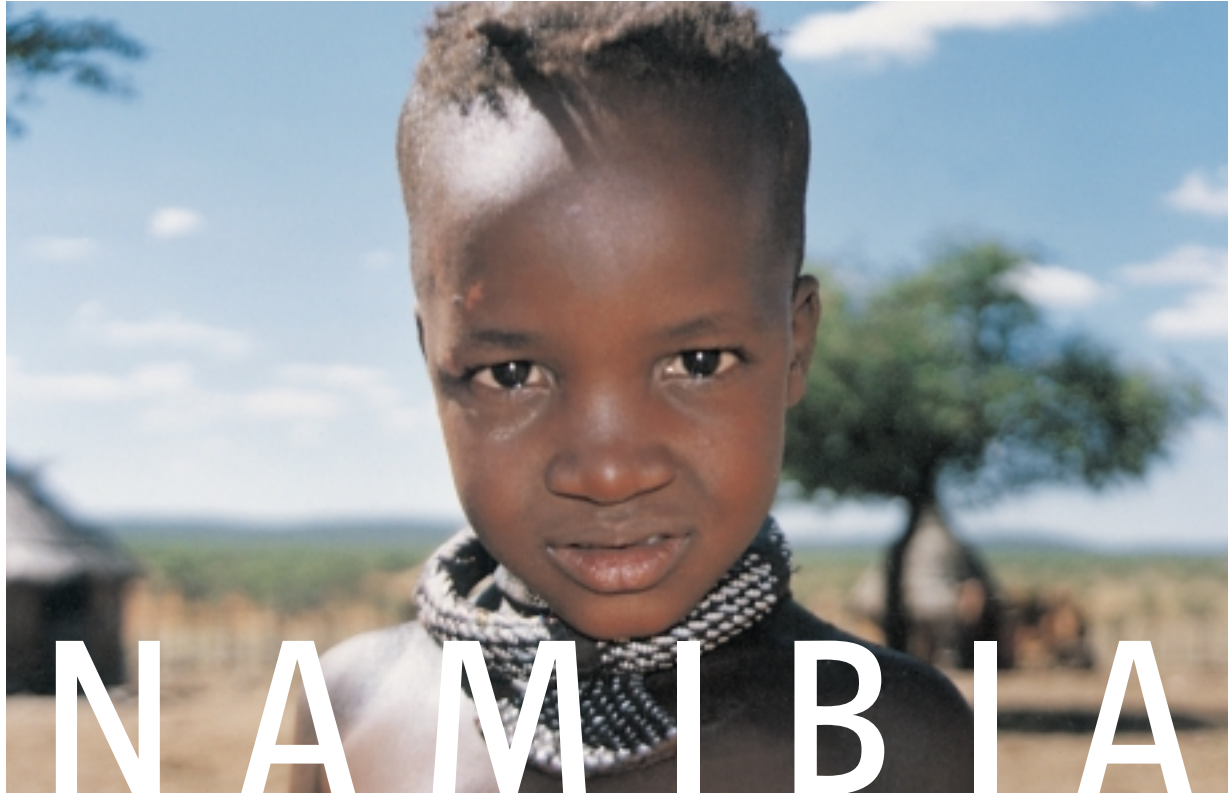


Photograph: Hjördis Guðbjörnsdóttir

constructed in all seven villages covered by the Project and sixteen MRC Water and Sanitation Volunteers have been trained, they will take care of maintaining the water points as well as training the communities in basic hygiene. Five First Aid Posts are under construction. The material is provided by the Project and the construction is the responsibility of the communities. This method has caused delays, amongst other things because many of the local men prefer to work on similar projects in neighbouring villages that provide food for work.

A technical advisor has been working on the project from the beginning of 2000. The project did suffer considerable delays due to the devastating floods in 2000 and 2001 during which time the technical advisor was engaged in emergency assistance. In December, the project was evaluated as foreseen in the project document, by an external consultant. He produced a report with positive results as to the attainment of the project objectives.

Photograph: Sigvaldi Torfason



# NAMIBIA

**Following the SWAPO congress in August, the Government's land acquisition programme and white ownership of land was debated within Namibia as well as overseas.**

Photograph: Guðrún Matthíasdóttir





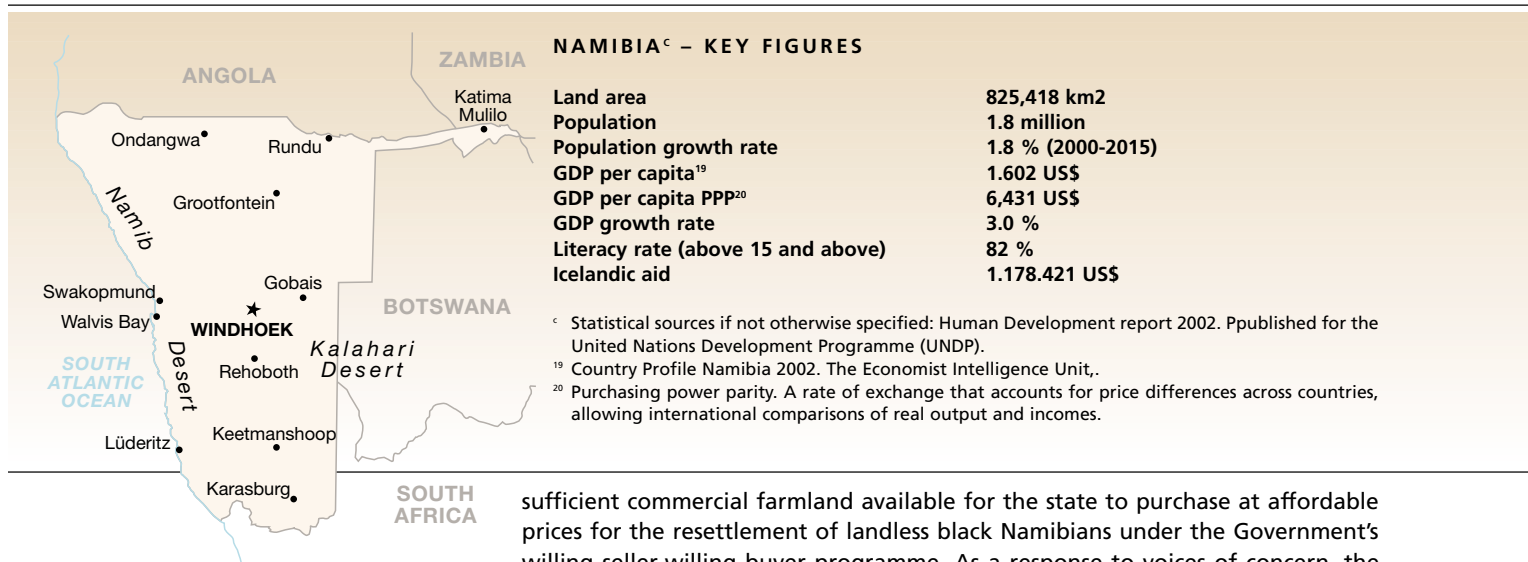
Namibia is a republic with a multiparty democratic system. When the country gained independence in 1990, the South West Africa People's Organisation (SWAPO) formed the new government and was re-elected in 1994 and again in 1999.

On the political front, the second half of 2002 proved to be quite eventful in Namibia. The South West Africa People's Organisation (SWAPO) party congress in late August set the stage. President Nujoma made open dissent at the congress impossible and secured the election of his preferred candidates to key position within the party.

The most significant decision at the congress was to fudge the issue of President Nujoma's retirement and who will succeed him as party leader, by referring it to an extraordinary party congress in 2004, the year when the next general and presidential elections are scheduled.

Following the SWAPO congress in August, the Government's land acquisition programme and white ownership of land was debated within Namibia as well as overseas. President Nujoma criticised white farmers for allegedly failing to make

## NAMIBIA



sufficient commercial farmland available for the state to purchase at affordable prices for the resettlement of landless black Namibians under the Government's willing seller-willing buyer programme. As a response to voices of concern, the Government went out of its way to provide assurances that any land reform would be carried out in accordance with the constitution and the law of the land. The second five-year development plan (NDP2) was made public in the last quarter of 2002, although it covers fiscal years 2000/01-2005/06. The NDP2 policies are geared to achieve the medium-term aims of Vision 2030. Approximately half of the N\$ 18bn public-sector investment programme proposed under NDP2 is expected to be funded by the donor community. By year's end the programme had not been presented formally to the international community so whether this level of external funding will be achieved remains to be seen.

Real GDP growth was 3% in 2002 and the annual average inflation rate was 11.3%, the highest since 1992, nearly 2 percentage points higher than the 2001 average. The Namibian dollar is pegged at par to the South African rand and was one of the best performing currencies in the world in 2002, appreciating by 21% against the US dollar.

The Central Bank became alarmed at the increase in the value of loan guarantees provided by the Government for borrowings, mainly by state-owned enterprises.



The culture of corruption that has taken hold in the public sector was much in the public domain.

According to the 2003 budget, the fish catch rose by 7% in 2002, the first annual increase since 1998 (the catch fell by 8% in 2001). The increase is mainly due to higher mackerel catches offsetting a reduction in the hake catches caused by a high proportion of immature fish. In contrast, fishing output – which measures catch volumes and fish processing on-board – declined in 2002. Severe drought at the beginning of the year and critical food shortages resulted in 345,000 rural Namibians relying on distribution of food relief. The improved security situation along the border with Angola will stimulate a substantial recovery in tourism.

### ICEIDA's Development Co-operation

In line with ICEIDA's overall reorganisation, the modus operandi of ICEIDA's co-operation with Namibia was restructured in 2002. A Country Director assumed position in the early months of the year and acts as local representative of the General Director with financial administration and planning, personnel management and contacts with the Namibian authorities as his main

## NAMIBIA



Photograph: Söfn Vilhelmsdóttir



Photograph: Söfn Vilhelmsdóttir



responsibilities. The ICEIDA office in Namibia, together with Project Managers, formalized and clarified projects and activities carried out under the General Agreement on Bilateral co-operation between the Government of Iceland and the Government of Namibia. Project Documents were written for all projects, providing clear objectives as well as identifying contributions and responsibilities of each party within a realistic timeframe.

The General Agreement came up for review in 2002. ICEIDA proposed an addendum to the Agreement in conformity with decisions passed by ICEIDA's Board of Directors, being primarily an extension until the end of 2004, as well as regarding some minor administrative and personnel matters. After negotiations a new General Agreement was signed in Windhoek during a monitoring mission from ICEIDA's head office in September.

### Support to the Fisheries Sector

ICEIDA's biggest project in Namibia continued to be at the Namibian Maritime and Fisheries Institute (NAMFI). In 2001 the Board of ICEIDA commissioned an internal evaluation of its support to NAMFI, which was carried out in the early months of 2002. The evaluation's main findings were that ICEIDA should



Photograph: Sigvaldi Torfason



gradually reduce support to NAMFI while extend its commitment to the institute for some years to come. A Project Document incorporating all findings and recommendations was prepared and approved by ICEIDA and the Ministry of Fisheries and Marine Resources (MFMR), as co-operation partners, with NAMFI being the main implementation party. One of the main objectives of the revised project at NAMFI is to respond constructively and methodically to the stated Namibianisation policy of the Government of Namibia by building up a high quality indigenous knowledge base and create a sound financial foundation for the institute.

In the implementation of the project, short-term technical assistance is to be implemented with the more traditional longer-term technical support.

In response to two major marine disasters, the Namibian authorities established two commissions of various stakeholders to investigate the cause of the accidents and to identify improvements in the safety of seafarers. ICEIDA personnel at NAMFI were appointed to sit on both commissions. As in previous years, ICEIDA personnel assisted the Directorate of Maritime Affairs reviewing existing laws and preparing new laws relevant to Namibia signing the IMO convention STCW.

Two Namibian instructors, who had been on a practical training programme in Iceland since July 2001, returned in March. They were amongst others provided with practical sea-time onboard vessels, which contributed towards earning upgraded certificates. A search was carried out during the latter semester for an appropriate institution to give ICEIDA sponsored management level training to Namibian instructors and training programmes in Iceland and South Africa were prepared.

### **Support to the Ministry for Fisheries and Marine Resources**

Co-operation with MFMR continued in 2002. A co-operation Agreement was signed between ICEIDA and the Ministry, which acts as an umbrella agreement for all projects in the fisheries sector in Namibia. A Project Document for the technical assistance to the Ministry was prepared and approved by both parties. ICEIDA has since 1999 provided the Ministry with an economic advisor whose main role is twofold, firstly, to assist with economic and policy analyses and, secondly, to support the development of the required environment for the Directorate of Policy, Planning and Economics to be able to fulfil its future tasks. In addition to providing analysis and policy advice, the advisor has aided the Ministry in preparations for, and participated in, international meetings and conferences. In July the advisor drafted a document outlining the vision of the fishing sector for the year 2030 which forms part of the comprehensive Vision 2030, commissioned by the National Planning Commission under the Office of the President, which aim is to transform Namibia from a developing, lower-middle-income country to a developed, high-income country

A further activity ICEIDA is engaged in at the Ministry is the establishment of a Fisheries Economic Database (Eco). This database is radically changing the working environment for economic and policy analysis in the Ministry, as for the first time consistent and reliable economic data is available. Eco, in its final form, contains three sets of data: raw material – inflow and utilization; finished products – exports and domestic sales; and, employment – at sea and on land. As a follow-up to work carried out in 2001, ICEIDA provided two consultants for the project in the early months of 2002. Some difficulties encountered delayed the work, but work continued after the consultants' departure through a computer link established between Iceland and Namibia. This arrangement has worked beyond what was expected and should be attempted in other ICEIDA projects



where applicable. The economic advisor is also actively engaged in the Eco project through coordination and capacity building training. The advisor also prepared a report on the Ministry's staff requirement for the Eco. Furthermore, the economics advisor has been involved in ICEIDA's co-operation project with NAMFI. In December, a report titled Possible options for future funding of the Namibian Maritime and Fisheries Institute: A discussion paper was submitted to the Ministry. This document assessed some possibilities open to the Namibian Government in finding revenue for NAMFI and was meant to provide a starting point for discussions among stakeholders. Lastly, the advisor has served, as an invaluable link between ICEIDA and the Ministry, which is ICEIDA's most important line Ministry in Namibia.

### Support to the Social Sector

ICEIDA's development co-operation in the social sector in Namibia has expanded significantly in recent years. Assistance, which started as financial support to a localized adult literacy project in 1993, has now grown into a programme with five main projects. Project Documents were written for all the projects during 2002. ICEIDA's social sector programmes have two components. The first component focuses on providing financial assistance and technical support to

## NAMIBIA



Photograph: Eyjólfur V. Valþýsson

local communities in establishing and running non-formal educational projects aimed at uplifting the community. The second component focuses on assisting local municipalities and regional authorities in constructing and running community centres. The programmes concentrate on the Erongo and Karas regions, as the projects are located in the coastal towns of Luderitz, Walvis Bay and Swakopmund, and the inland town of Usakos. The projects follow largely the same model, although with a few variations.

The ICEIDA Training Centre/Help Yourself Project in Walvis Bay was established in 1995. The project's main objective is to give unemployed women the opportunity to upgrade their education by attending literacy, English and AUPE (adult primary education) classes, and practical skills training. Yet, the project goes beyond basic literacy training as it aims to combine literacy classes with development education and practical skills training. Amongst other activities, the project offers needlework and cooking classes, business and child-care courses, gender training, and information sessions on health, social issues and human rights. The Help Yourself Project is operating in the ICEIDA Training Centre, a building constructed by ICEIDA in 1997. In February 2002, a year after signing a co-operation agreement with ICEIDA, the Walvis Bay Town became formally engaged in the ITC operation when the Management Committee (MC) held its first meeting. A full time Namibian coordinator was recruited in June, which





marked an important step towards handing the project over to the local community and ensuring sustainability.

ICEIDA has funded and supervised the Luderitz Literacy Project (LLP) for nine years. The project is targeted at the most disadvantaged population of Luderitz: children, out-of-school youngsters and unemployed women in the Benguela suburb. Its main objective is to empower these groups by giving them the opportunity to attend pre-primary, literacy, English, AUPE or skills training classes. In 2001, ICEIDA and the four permanent employees of LLP agreed on the Project becoming independent from ICEIDA in 2002. This meant that the four form a managerial group, which at the beginning of 2002 assumed the managerial, financial and social responsibilities of the Project. At the same time, ICEIDA's role was limited to financial support and limited technical support. The LLP is operated in the Benguela Community Centre (BCC) whose construction was completed in 2001 and co-financed by ICEIDA. The donation agreement signed between ICEIDA and the Karas Regional Council states that BCC is to be run by a local MC for the first 3 years. This is to ensure that the local community will take ownership in and responsibility for the centre and its activities. The main task at the beginning of the year was the appointment of a full-time coordinator, which proved difficult since no applicant had the qualifications and/or experience

## NAMIBIA



Photograph: Sjöfn Vilhelmsdóttir



Photograph: Eyjólfur Valtýsson

required for the post. As a result it was decided to reduce the coordinator post to 50% and its main responsibility would be the administration of BCC while less emphasis would be put on developments. One of the LLP teachers, who has worked with ICEIDA for a long time was offered the position which she accepted and commenced work in the middle of February. ICEIDA provided and funded necessary training for the coordinator. In June the MC decided to start with an after school programme at BCC. The objective of the programme is to provide primary school children with facilities where they can come and do their school homework and receive assistance if needed. The programme proved to be a success with between 30 to 40 children attending classes daily.

*Two Namibian instructors, who had been on a practical training programme in Iceland since July 2001, returned in March.*

In October 2000, ICEIDA signed a co-operation agreement with Swakopmund Town Council on supporting the Mahetago Community Project (MCP) for four years. It is a community based educational project operating in a new community centre in the Mondesa suburb. The project's objective is twofold. First to get the community involved in the running of the community centre, and second, to provide educational and training programmes for pre-school children and adults. ICEIDA's role in the project is to provide technical support and funds for coordination costs, equipment, and teaching materials. The operation in 2002 was affected by some financial management problems.



In February 2001, ICEIDA and Usakos Town Council signed a co-operation agreement on establishing a multi-purpose community centre. The agreement also makes provision for assisting a community-based organisation—the Together Kindergarten—in establishing a pre-primary school programme in the new centre located in the Hakhaseb suburb in Usakos. The official opening of the Centre was on 20 September with the Prime Minister, Mr. Theo-Ben Gurirab, as guest of honor.

## NAMIBIA



Photograph: Eyjólfur V. Valtýsson



Photograph: Margrét Einaradóttir

*The ICEIDA Training Centre/Help Yourself Project in Walvis Bay was established in 1995. The project's main objective is to give unemployed women the opportunity to upgrade their education by attending literacy, English and AUPE (adult primary education) classes, and practical skills training.*

Photograph: Eria Halldórsdóttir



# UGANDA

In the 90's Uganda has achieved an annual average GDP growth rate of 7%, and although this has somewhat levelled out in the millennium it still remains at 4-6%.

Photograph: Eria Halldórsdóttir

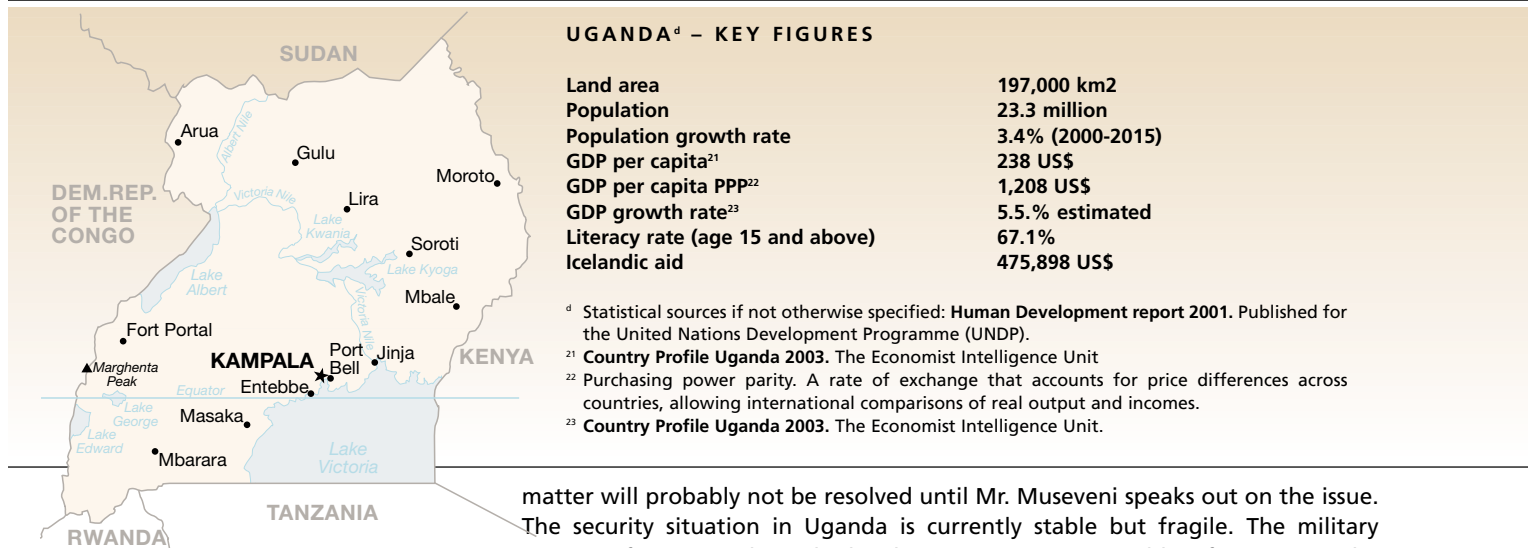




When Y.K. Museveni and the National Resistance Movement seized power in 1986, after two decades of civil war, dictatorship and economic mismanagement, Uganda had transformed from a reasonably healthy economy with rapid agricultural growth and a developing industrial sector, to one of the worlds poorest countries. The physical infrastructure had collapsed, education and health systems had crumbled and the civil service and administration had been destroyed. In economic terms the GDP in 1986 was 40% below its level in 1970, inflation was raging and investment, export and government expenditure was less than 10% of GDP. This was the scenario in Uganda when the Movement government led by President Museveni took over 17 years ago, and the challenges have faced the nation since.

The political scene in Uganda is vibrant and the issues of the day are multipartyism and whether the two-term limit for the presidency set in the constitution should be lifted. Museveni has already endorsed multipartyism and the Movement as well as opposition groups are adjusting to the new political structure in preparation for the next general elections, which will be in 2006. Whether the limit of maximum two terms for the president as set in the constitution will be lifted is yet to be seen but the debate is ongoing and the

## UGANDA



### UGANDA<sup>d</sup> – KEY FIGURES

Land area	197,000 km <sup>2</sup>
Population	23.3 million
Population growth rate	3.4% (2000-2015)
GDP per capita <sup>21</sup>	238 US\$
GDP per capita PPP <sup>22</sup>	1,208 US\$
GDP growth rate <sup>23</sup>	5.5% estimated
Literacy rate (age 15 and above)	67.1%
Icelandic aid	475,898 US\$

<sup>d</sup> Statistical sources if not otherwise specified: **Human Development report 2001**. Published for the United Nations Development Programme (UNDP).

<sup>21</sup> **Country Profile Uganda 2003**. The Economist Intelligence Unit

<sup>22</sup> Purchasing power parity. A rate of exchange that accounts for price differences across countries, allowing international comparisons of real output and incomes.

<sup>23</sup> **Country Profile Uganda 2003**. The Economist Intelligence Unit.

matter will probably not be resolved until Mr. Museveni speaks out on the issue. The security situation in Uganda is currently stable but fragile. The military presence from Uganda in the bordering Democratic Republic of Congo, on the border of Uganda and Rwanda in the south-west and the ongoing terrorist war with the Lord's Resistance Army in the north are causes for concern and very taxing on the government budget.

The development progress in Uganda in the past two decades has been considerable and is generally accepted as comparatively successful. The country has also enjoyed strong support from the international donor community.

Close to 50% of the annual government budget or 800 million US\$ is provided through development aid. Needed external support is fully secured for at least the coming financial years, but concerns and conditions are being raised on issues like good-governance, human rights, defense budget and corruption.

Uganda is ranked as the seventh most corrupt country out of 21 African countries monitored and ranked by the World Economic Forum. This is of great concern to the government and the donor community.

The economy of Uganda is agriculturally based and coffee is the most important



cash crop. The price of coffee on the world markets has been low in the past years, which of course has affected the economy of Uganda. Currently there are signs on the horizon that this may be reversed in the near future, which will benefit Uganda. The fisheries sector and export of fish products is developing fast and is now the second most important foreign currency earner for Uganda after coffee. There are concerns about over-exploitation in the fishery on Lake Victoria, which need to be addressed but a substantial potential is still untapped through reduction of post-harvest losses.

In the 90s Uganda has achieved an annual average GDP growth rate of 7%, and although this has somewhat levelled out in the millennium it still remains at 4-6%. Despite this, Uganda remains as one of the world's poorest countries ranking as number 150 of the 173 countries on UNDP Human

### ICEIDA's Development Co-operation

Following a request from Uganda for development assistance from Iceland in the rapidly expanding fisheries sector, a General Agreement on development co-operation was signed in September 2000 with an initial duration of four years.

## UGANDA



Photograph: Ágústa Gísladóttir



The co-operation was initiated in January 2001 when ICEIDA established an office in Kampala and development of projects under the agreement began.

In line with the original request from Uganda and ICEIDA's policies, the focus was kept on three main areas or sectors: the fisheries sector, the social sector and the energy sector. Four projects have been approved for funding by ICEIDA of which two are being implemented and two will enter the implementation phase this year.

The PEAP – Poverty Eradication Action Plan – is Uganda's planning framework for sustainable economic development. It recognises improvement of the lives of the poor as a cornerstone in achieving desirable development in the country and focuses on four main goals or pillars to realise this:

- 1) Rapid and sustainable economic growth and structural transformation
- 2) Good governance and security
- 3) Increased ability of the poor to raise their income
- 4) Enhanced quality of life of the poor.

The PEAP was launched in 1997 and remains the main planning framework for economic development with the ultimate goal of reducing absolute poverty in Uganda to less than 10% by 2017.

Photograph: Ágústa Gísladóttir



Photograph: Erla Halldórsdóttir

**Education in general and not least adult education is seen as a crucial instrument in empowering the poor in Uganda to contribute towards economic growth and improve the quality of their own lives.**



Photograph: Erla Halldórsdóttir



Education in general and not least adult education is seen as a crucial instrument in empowering the poor in Uganda to contribute towards economic growth and improve the quality of their own lives. According to the National Adult Literacy Strategic Investment Plan developed by the Ministry of Gender Labour and Social Development in 2002 the aim is to achieve a 50% improvement in levels of adult literacy by the year 2007. This is in line with UNESCO's goal of Education for All.

### **Support to the Social Sector**

ICEIDA, together with the Ministry of Gender, Labour and Social Development, and Local Authorities in Kalangala District have joined forces in implementation of FALP in Kalangala District, an island community on Lake Victoria. Kalangala district is in many ways unique and different from other districts in Uganda, as the livelihood is mainly based on fishing and related activities opposed to the generally more agriculturally based districts in Uganda. Furthermore the communities in Kalangala are less established than generally in Uganda as many of the people are migrants from all over Uganda and even from neighbouring countries, moving from one site to the other depending on the status of the fishery at any given time.

The objectives of the ICEIDA funded FALP project in Kalangala is to develop teaching materials which focus specifically on the realities of the lives of the people in the district, to train facilitators and to build capacity to implement Functional Adult Literacy. The project in Kalangala is a pilot project with a specific focus on island communities with fishing and related activities as the main source of income. If the materials developed and the approaches applied are successful, then there is a possibility to expand it to other island communities on Lake Victoria. Request to this effect has already been received by ICEIDA and will be considered in the near future.

### **Support to the Fisheries Sector**

Fishery and export of fishery products has been a very important growth area in the Ugandan economy in the last decade or so. The products are mainly Nile Perch and Tilapia caught by small-scale fishermen on Lake Victoria, which is processed by a handful of local fish processing factories, and exported to the global fish markets. The most important market is currently the European Union, but products are being exported to markets in all continents of the world. The value of exports in the current financial year is expected to be close to 100 million US\$, in second place after coffee, the traditional export product of Uganda.

On three different occasions in the last few years Uganda and the East African Region have experienced closure on import of fish products from Lake Victoria into the European market. This has been due to certain quality concerns, which the local fish quality authorities have had difficulties in dealing with because of inadequate infrastructure in the home countries. ICEIDA has teamed up with the Department of Fisheries (DFR) in Uganda to strengthen the capacity of the competent authority for quality of fish products in Uganda. The project involves the establishment of a Fish Quality Laboratory within the DFR, development of the official quality control system and capacity building through training of local professionals in the operation of the system. This is to be done in accordance with accepted international standards and is expected to be accredited as such before the finalisation of the project.



## Support to the Energy Sector

The Energy sector in Uganda, as in most of the developing countries, is a crucial sector in future development and the need for energy is expected to rise drastically in the coming years. Uganda stands at a national electrification rate of about 5%, which is mainly (80%) with the urban population. The current electricity generation is close to 250 MW, mainly from two power stations on the Nile. The potential hydropower capacity is estimated at 2 GW, but some of this may not be achievable due to various constraints, including environmental conservation concerns.

Rural electrification is a priority in Uganda and alternative energy resources are being explored in order to reduce the use of bio-fuel and to extend energy access to the rural areas. One of the options is the exploitation of geothermal energy resources on the rift in the western part of Uganda. These areas were surveyed in the early 90s by a UNDP project financed by ICEIDA. Potential 450MW of exploitable geothermal energy was identified, but the needed research was never completed at that time.

## UGANDA



Photograph: Erla Halldórsdóttir



Photograph: Kristján Hjálason

*Following a request from Uganda for development assistance from Iceland in the rapidly expanding fisheries sector, a General Agreement on development co-operation was signed in September 2000 with an initial duration of four years.*

ICEIDA has agreed with the Ministry of Energy and mining to provide technical and financial resources to carry out the remaining geological and geophysical research in the three most promising geothermal areas and prepare in collaboration with local experts a pre-feasibility report on those areas. This project will start towards the end of 2003 and be completed by mid 2004.

In addition to the three projects mentioned above which all involve active participation of ICEIDA staff in implementation and technical inputs from Icelandic experts, ICEIDA has approved support to two NGO projects. Firstly there is operational support to a small project by the Children's Candlelight Foundation (CCF) in Kampala involving rehabilitation and support to street girls in Kampala through provision of education and vocational training. Secondly ICEIDA has approved to sponsor the building of a dormitory for 250 girls at Kitetika Comprehensive College (KCC) in Kampala. The CCF is a local NGO originally established by Icelandic interests, and the Uganda-Australia Foundation responsible for the KCC has a long-standing relationship with ABC Children's Villages in Iceland, and has previously received similar support from ICEIDA.





Photograph: Elin R. Sigurðardóttir

# Administration and ICEIDA's Employees in the year 2002

## Board of Directors

Six Board members and alternate members are elected by Parliament for a term of four years. The Chairperson is appointed by the Minister for Foreign Affairs. The present board was last elected in the spring 2001 and will serve until 2005.

## The members of the Board were the following:

Mr Árni Magnússon, *Chairman, appointed by the Minister for Foreign Affairs.*

Ms Margrét Sigurgeirsdóttir, *Teacher. Independence Party*

Mr Hjálmar Jónsson, *MP. Independence Party*

Ms Bryndís Friðgeirsdóttir, *Project Manager. Social Democratic Alliance*

Mr Jón Skaptason, *General Manager. Independence Party*

Ms Valgerður Guðmundsdóttir, *Sales Manager. Social Democratic Party*

Ms Valgerður Jónsdóttir, *Nurse. Progressive Party*

## Head Office

Mr Sighvatur Björgvinsson, *General Director*

Ms Ágústa Gísladóttir, *Executive Officer*

Ms Margrét Einarsdóttir, *Programme Co-ordinator*

## ICEIDA -Malawi

Ms Þórdís Sigurðardóttir, *Country Director*

Mr Guðni M. Eiríksson, *Technical Adviser*

Dr Guðrún Haraldsdóttir, *Project Manager*

Mr Halldór Jónsson, *Project Manager,*

Ms Hildur Sigurðardóttir, *Technical Adviser*

Mr Jóhann Pálsson, *Project Manager*

Mr Þórmundur Þórarinnsson, *Technical Adviser*

## ICEIDA - Mozambique

Ms Elín Rósa Sigurðardóttir, *Country Director*

Mr Guðmundur Guðmundsson, *Technical Adviser*

Ms Hulda Biering, *Technical Adviser*

Mr Margeir Gissurarson, *Project Manager*

## ICEIDA-Namibia

Mr Gísli Pálsson, *Country Director*

Mr Alfreð Steinar Rafnsson, *Technical Adviser*

Mr Elfar Óskarsson, *Technical Adviser*

Mr Eyjólfur V.Valtýsson, *Technical Adviser*

Mr Ingólfur V. Ingólfsson, *Technical Adviser*

Mr Sigurður Jónsson, *Technical Adviser*

Ms Sjöfn Vilhelmsdóttir, *Project Manager*

Dr Vilhjálmur Wíium, *Project Manager*

Mr Vilmundur Víðir Sigurðsson, *Project Manager*

## ICEIDA-Uganda

Mr Árni Helgason, *Country Director*

Ms Drífa Kristjánsdóttir, *Project Manager*

Mr Kristinn Kristinsson, *Technical Adviser*

### **Short-term consultants in the year 2002:**

Ms Ágústa Gísladóttir provided consultancy services in connection with the ICEIDA support to the Fish Quality Laboratory within Department of Fisheries in Uganda.

Ms Brynhildur Benediktsdóttir and Mr. Baldvin Baldvinsson provided consultancy services for the Ministry of Fisheries and Marine Resources in Namibia in establishing an economic and industrial database for fish processing

Dr Franklín Georgsson provided training for laboratory personnel from the laboratories in Maputo and Beira in Mozambique

Dr Garðar Sverrisson provided consultancy services in connection with the ICEIDA Support to the Fisheries sector in Mozambique.

Dr Geir Gunnlaugsson provided internal consultancy services for ICEIDA in connection with the ICEIDA-funded Project "Monkey Bay Health Care," Monkey Bay, Malawi

Dr Geir Gunnlaugsson carried out an external evaluation of the Mozambique Red Cross Society Community Based Health Care Programme in Hindane (2000 - 2003). A project supported and funded in co-operation by ICEIDA and the Icelandic Red Cross.

Mr Hilmar Helgason provided a short-term consultancy in connection with the ICEIDA supported project "Charting of Lake Malawi"

Ms Sigríður Rut Skúladóttir, librarian and documentalist provided consultancy at the head office in documentation management and the use of GoPro.

Dr Tumi Tómasson carried out an internal evaluation of the ICEIDA assistance to the development of NAMFI, The Namibian Maritime and Fisheries Institute, in Walvis Bay, Namibia.

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Fax. + 256 41 341079  
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# Audit Report 2002

<b>Statement of Operations for the year ended December 31 st 2002 US\$</b>			
		<b>2002</b>	<b>2001</b>
<b>Income</b>			
Own income		33.407	13.921
	1	<u>33.407</u>	<u>13.921</u>
<b>Expenses</b>			
Head Office	2	376.512	386.217
Malawi	3	1.567.581	1.746.386
Mozambique	4	1.067.838	1.415.949
Namibia	5	1.178.421	977.182
Uganda	6	475.898	379.480
East Timor	7	0	62.912
Other Development Assistance	8	131.783	88.580
		<u>4.798.033</u>	<u>5.056.705</u>
<b>Profit (loss) excluding cost of financing</b>		(4.764.626)	(5.042.785)
Financial income, (financial expenses)	9	8.043	(8.567)
Earnings (deficit) before State Budget Appropriation		(4.756.583)	(5.051.352)
State budget appropriation		4.809.098	5.012.545
<b>Profit (loss) for the year</b>		<u>52.515</u>	<u>(38.807)</u>

<sup>1</sup>Average exchange rate for the year 2002; 91,67 Ikr/US\$ as valued by Central Bank of Iceland

### Balance Sheet - December 31st 2002

		2002	2001
<b>Assets</b>			
<b>Current Assets</b>			
Current debtors		8.40	9.735
Bank Accounts and Funds	10	<u>178.207</u>	<u>295.239</u>
		<u>186.608</u>	<u>304.974</u>
<b>Total Assets</b>		<u><u>186.608</u></u>	<u><u>304.974</u></u>
<b>Capital and Liabilities</b>			
<b>Capital</b>			
Principal 01.01.02.		9.438	53.379
Differences because of different exchange rate (5.133)			6.947
Profit (loss)		<u>52.515</u>	<u>(38.807)</u>
	<b>Principal 12</b>	<u>68.901</u>	<u>9.439</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Treasury	11	31.241	102.256
Trade Creditors		68.511	18.343
Ministry of fisheries (Mozambique)		0	167.984
Unpaid expenses		<u>17.955</u>	<u>6.953</u>
		117.707	295.536
<b>Liabilities</b>		<u>117.707</u>	<u>295.536</u>
<b>Capital and Liabilities</b>		<u>186.608</u>	<u>304.975</u>

# Abbreviations

AFSD	Aquaculture and Fisheries Science Department	ICB	International Competitive Bidding
AIDS	Acquired Immune Deficiency Syndrome	ICR	Icelandic Red Cross
AUPE	Adult Primary Education	ICEIDA	Icelandic International Development Agency
AVIMAS	Associação das Viúvas e das Mães Solteiras	IMO	International Maritime Organization
BCA	Bunda College of Agriculture	IFDP	Integrated Fisheries Development Project
BCC	Benguela Community Centre	IFC	International Finance Corporation
CBHC	Community Based Health Care Centre	IFI	International Financing Institute
CCF	Children's Candlelight Foundation	IFL	Icelandic Federation of Labour
CDA	Community Development Assistants	IIP	Instituto de Investigação Pesqueira
CDO	Community Development Office	IMF	International Monetary Fund
DANIDA	Danish International Development Assistance	KCC	Kitetika Comprehensive College
DFR	Department of Fisheries in Uganda	LLP	Lüderitz Literacy Project
DFID	Department for International Development - The British International Development Agency	MFMR	The Ministry of Fisheries and Marine Resources
DIP	Department of Fish Inspection	MC	Management Committee
DNM	Direcção Nacional das Mulheres - National Directorate for Women	MCP	Mahetago Community Project
EBRD	European Bank for Reconstruction and Development	MDG	Millennium Development Goals
EU	European Union	MRC	Mozambican Red Cross
FALP	Functional Adult Literacy Programme	NAI	Nordic Africa Institute
GAPI	Sociedade para Apoio a Pequenos Projectos de Investimento	NALP	National Adult Literacy Program
GNI	Gross National Income	NAMFI	Namibian Maritime and Fisheries Institute
GNP	Gross National Product	NDPI	National Fisheries Development Institute
HDI	Human Development Index	NDF	Nordic Development Fund
HIV	Human Immunodeficiency Virus	NGO	Non Governmental Organization
IBDP	Icelandic Business Development Program	PEAP	Poverty Eradication Action Plan
IBRD	International Bank for Reconstruction and Development	PRS	Poverty Reduction Strategy
		RHA	Reproductive Health Advisor
		SADC	Southern African Development Community
		SWAPO	The South West Africa People's Organization
		UN	United Nations
		UNDP	United Nations Development Programme
		WB	World Bank





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