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2006



Annual Report 2006

Icelandic bilateral development assistance from 1 January to 31 December 2006

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Photo: Gunnar Salvarsson

Public attention on international development aid has been growing in Iceland. The Icelandic Government has now expressed its aspirations in which development aid is seen as one of the main cornerstones in foreign policy. At the Ministry for Foreign Affairs, international development aid has not only become one of the main pillars in foreign policy, it has indeed become one of the priority issues. Moreover, Iceland aims to be among the most generous contributors to international development aid as measured in percentages of GDP. In Iceland there is also an emerging community of policy experts in the field of development cooperation including both civil servants, country directors and fieldworkers as well as members of non-governmental organisations and academia. In terms of policy and our commitment to the Millennium Development Goals and the Monterrey Consensus as operationalised through nationally owned development strategies and the Paris Declaration on Harmonisation and Alignment, these conditions provide an ideal and promising platform for a new and a more integrated approach to the making of government policy on Iceland's international development aid.

During the first six years of the new millennium ICEIDA's financial scope has grown by almost 400% and the Agency has increased its activities accordingly. In the period 2005-2006 ICEIDA expanded its activities to Asia and Latin America by signing cooperation agreements with two new partner countries, Sri Lanka in 2005 and Nicaragua in 2006. However, countries in Sub-Saharan Africa will continue to be the centre of gravity in Iceland's bilateral development collaboration. There is no doubt that Icelandic bilateral development aid has much to offer African countries. Successful co-operation in the past years supports a continuation of existing partnerships in the fields of fisheries, energy, health and social sectors, education, water and sanitation.

The Millennium Development Goals constitute the criteria for both Icelandic bilateral and multilateral development cooperation. ICEIDA has special attention on certain aspects of health, particularly child care and maternal care and the development of public health care systems. Various social issues are also addressed, as well as the utilisation of renewable energy resources, in particular geothermal energy, which is ICEIDA's most recent priority. Another of ICEIDA's recent priorities is water and sanitation, where the Agency joins in the fight against the global water crisis having over a billion people living without access to clean water and 2,6 billion without access to basic sanitation. The Agency also cooperates increasingly with non-governmental organisations, both Icelandic and local NGOs and thereby contributes to promote the development of a vibrant and democratic civil society.

This report provides an overview of bilateral development cooperation between ICEIDA and its six cooperation countries. The report focuses on general development in the countries concerned and describes Iceland's contribution in this context. It should, however, be kept in mind that ICEIDA does not act alone but always in close collaboration with the people on the ground in the partner countries.

FOREWORD BY
MRS. INGIBJÖRG SÓLRÚN GÍSLADÓTTIR
MINISTER FOR FOREIGN AFFAIRS



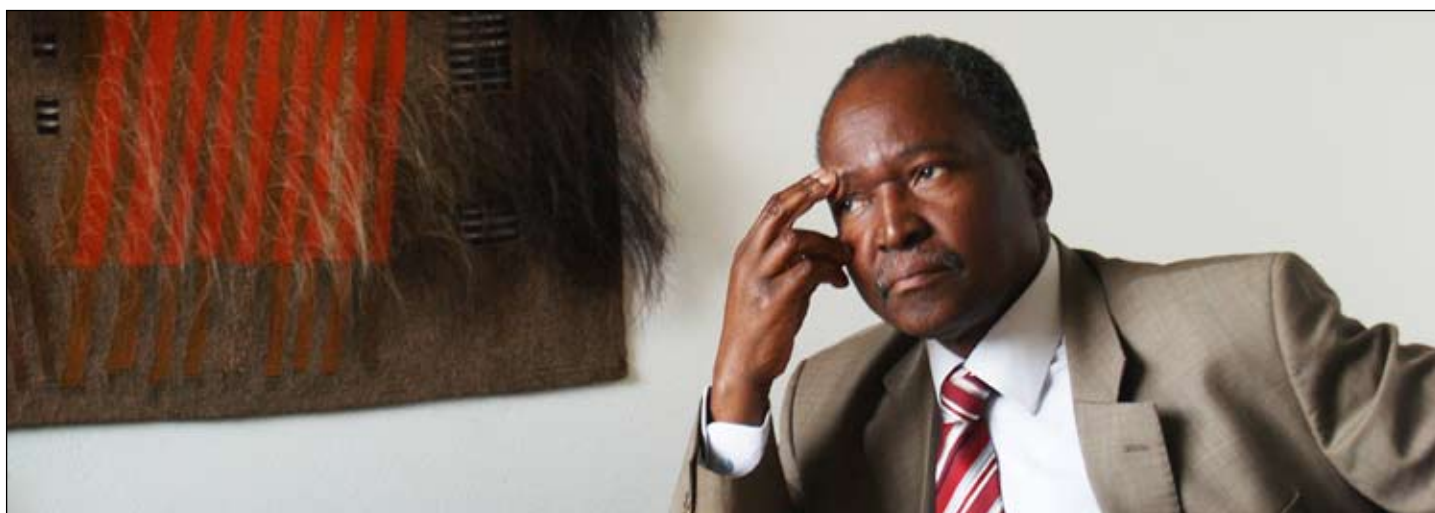
A handwritten signature in black ink, which appears to read 'Ingibjörg Sólrún Gísladóttir'. The signature is written in a cursive style and is positioned above a horizontal line.

INGIBJÖRG SÓLRÚN GÍSLADÓTTIR

Highlights from the Home Office

Record Increase between Years

In 2006, Iceland's contribution to development aid, ODA, was 0.27% of the gross national income (GNI), of which ICEIDA allocates over a third, solely to bilateral projects in six developing countries. The Ministry for Foreign Affairs similarly allocates two thirds of the contribution to multilateral, as well as bilateral, development aid. Contributions to ICEIDA projects increased by 64% between 2005 and 2006. Never before since its foundation have the activities of ICEIDA increased to such extent between years, although a substantial increase of about 41% was seen between 2000 and 2001. This considerable increase of contributions to bilateral development projects is in keeping with the Icelandic government's policy to contribute more towards the international community's battle against poverty and the UN Millennium Goals, and in 2005 the government of Iceland, therefore, decided that in 2009 Iceland's development aid would reach 0.35% of the GNI. This 64% increase between years does, nonetheless, not present a true picture of the expanded activities of ICEIDA, as the GNI in Iceland has increased greatly in latter years and the funds to ICEIDA projects in the developing countries have, thus, increased considerably beyond the percentage indicated. In 2006, ICEIDA designated just under ISK one billion compared to less than ISK 600 million the year before. The exchange rate of the Icelandic krona at each given time also has its influence on the total funding allocated to the activities of ICEIDA, increasing or decreasing the funds depending on whether the exchange rate is favourable or unfavourable.



In 2006, the krona was strong, yielding from the exchange rate balancing fund, on grounds of the positive exchange difference, around ISK 200 million. Before the end of the year, the Ministry for Foreign Affairs decided to use the exchange rate difference mostly for projects directed by the World Food Program, WFP, to buy school meals for children in Malawi and Uganda for two years. Further, the development over the past few years is further emphasised by the fact that ICEIDA activities have almost quadrupled over the past six years, in fact more if calculated on grounds of the reference currency, the USD. Despite this, there was only a marginal increase in ICEIDA staff, for which there were two reasons. Firstly, ICEIDA has increasingly hired well educated locals in its partner countries and, secondly, a much greater number of short-term consultants. This can, first and foremost, be contributed to ICEIDA's cooperation with Icelandic universities and professional bodies and agencies in Iceland. In ICEIDA's annual report, the expanded activities in the six partner countries in 2006 are related in detail. The partner countries are six, Malawi, Uganda, Mozambique and Namibia in Africa, Nicaragua in Central America and one in Asia, Sri Lanka. Increased activities are evident in all the countries, most apparent in the two new partner countries outside Africa, and in Uganda. However, it is worth noting in this context that within the current legal framework ICEIDA is

Portrait of Wesley O.O. Sangala Principal Secretary of Ministry of Health in Malawi who was one of the lecturers at ICEIDA "Health Care Services in Low-Income Countries" conference in September. Photo: Gunnar Salvarsson

prevented from making major changes as the ICEIDA Act from 1981 binds the Agency by stipulating certain procedures on how to approach projects. This approach is time-consuming and requires a long preparation period, usually around two years. As would be expected, this impedes ICEIDA's capacity to respond rapidly to greatly increased contributions.

Growing Interest in Development Issues

Constant increase in Iceland's contributions to development issues in recent years demonstrates growing interest in this policy area amongst both politicians and the public. In 2006, this increased interest in Iceland in development issues was manifested in various ways, e.g. through growing debate in the media, a growing number of requests for various types of grants submitted to the Board of ICEIDA, a growing number of university students studying development issues and a considerable increase in the number of applications for ICEIDA jobs, to name but a few. It can be added that because of the added interest in these jobs and that a growing number of jobs becoming available is anticipated, it was decided in the spring to make use of an employment agency in Iceland, Hagvangur, to oversee all recruitment of permanent staff for ICEIDA. The new jobs at the Head Office are that of a project manager in fisheries and an assistant in book-keeping and archiving; further, the position of a project manager in social projects is being developed. This arrangement, to use Hagvangur to oversee recruitment from 2006, has worked out well.

Change of Minister

In 2006, on 15 June, Geir H. Haarde left the office of Minister for Foreign Affairs to become the Prime Minister, having become Chairman of the Independence Party the year before. This change of minister came about after the then Prime Minister, Halldór Ásgrímsson and Chairman of the Progressive Party, announced his decision to leave politics. Ms. Valgerður Sverrisdóttir then became Minister for Foreign Affairs, the first Icelandic woman to assume that position. The new Minister placed increased emphasis on development issues wanting to make this policy area one of the pillars of Icelandic foreign policy. In November, the Minister met with the Board of ICEIDA stating that through the increased contributions to development cooperation a new opportunity presented itself to develop focus points and policies of the future. The Minister explained that the ICEIDA Act from 1981 would be revised and that Ambassador Þorsteinn Ingólfsson would lead the work.

Conferences

The Head Office organised, at the end of September 2006, a conference on health care services in low income countries. The main purpose of the conference was to reinforce the growing debate and interest in Iceland on the problems, of many poor nations in regard to public health services. The conference was held in cooperation with the Ministry of Health and Social Security, the Department of Medicine of the University of Iceland and the Primary Health Care Organisation of the Reykjavík Capital. In connection with the conference a seminar was held in the National Museum of Iceland, where Icelandic university students in Malawi were especially invited to present their studies followed by discussions. Two other large events were organised by ICEIDA in two of the partner countries. First, an international workshop was held in June on the future of geothermal power in Nicaragua and on Icelandic cooperation in this field. Then, in August, a conference was held in Namibia, in cooperation with the The United Nations University Fisheries Training Programme in Iceland, on policy making in fisheries and aquaculture in Sub-Saharan Africa.

Interns

Every year since 2004 small groups of interns have been given an opportunity to work for a five month period for ICEIDA in the agency's partners countries. The aim is to give young and well-educated people an opportunity to acquire personal experience by working on development issues in the field. The training is aimed at providing the interns with an insight into work such as information gathering, preparation, implementation and monitoring of development projects and give them guidance in carrying out various practical projects. Many have expressed interest in these jobs and a large group of young people apply for these every year. In 2006, six interns were selected to work in the field, one in each of ICEIDA's partner countries. They worked on various projects under the guidance of project managers and regional country directors of ICEIDA in each place. All returned at the end of the year and were invited to participate in a presentation at ICEIDA's Head Office where they told of their experiences, described their projects and the environment they worked in. The interns were Dögg Guðmundsdóttir in Uganda, Þóra Kristín Ásgeirsdóttir in Mozambique, Kristina Djurhuus Christiansen in Malawi and Namibia, Jo Tore Berg in Malawi, Hulda Guðrún Gunnarsdóttir in Namibia and Haukur Þór Þorvarðarson in Sri Lanka.

Scholarships

As in previous years, ICEIDA offered two types of scholarships for university students, one for students at The United Nations University Fisheries Training Programme in Iceland, and the other for students at the University of Iceland working on their MA or PhD degrees. Four students at the The United Nations University Fisheries Training Programme in Iceland received scholarships from ICEIDA in 2006. These were Ms. Rauna Mukumangeni, Ministry of Fisheries in Namibia, Ms. Pradeepa Shayamali Jayasinghe – NARA Sri Lanka – who worked on the Water and Ice project, Mr. Amos Bataringaya, Uganda, fisheries officer in the Kalangala Islands where ICEIDA is working on a regional development project, and Mr. Johnson Mubasen Gurirab from Namibia who is a teacher at the Namibian Maritime and Fisheries Institute (NAMFI), and who worked in Iceland under the auspices of ICEIDA for a few months before commencing his studies at the Institute. In 2006, three applications for the other type of scholarship fulfilled the requirements, one from a student working on his PhD degree and two from students working on their MA degrees.

All three applications were deemed worthy and the Board of ICEIDA decided to award Dagfinnur Sveinbjörnsson a scholarship for his doctorate project and Inga Dóra Pétursdóttir and Jo Tore Berg for their masters projects. The Board of ICEIDA approved proposals from the University of Iceland on new procedures for the award of ICEIDA research scholarships. The changes mainly entail the establishment of a special assessment committee, which provides professional evaluation of the applications and subsequently ranks them. Further, the application process was simplified, requirements made regarding cost estimations, requirement to submit 30 credit essays waived and a member of staff of the Research Liaison Office of the University of Iceland employed to oversee presentations and provide consultancy.

General Employment Agreements

In the second half of the year, ICEIDA signed general employment agreements with the head offices employees' trade unions, which are member unions of the Association of Academics, BHM. These member unions are Útgarður, the Union of University Graduates, The Icelandic Library and Information Science Association, the Association of Icelandic Economists as well as the Union of Public Servants, SFR, which is not a member of BHM. These general employment agreements between ICEIDA and the member unions were based on an agreement between the Minister of Finance and the member unions of BHM from 28 February 2005, and include changes to and renewal of wage contracts of ICEIDA employees. The agreement with SFR was based on a wage contract between SFR and the Minister of Finance from 9 March 2005.

On page 9: Fishermen and their boats on the shore near the fishery village of Zambo, Monkey Bay, Malawi. Photo: Gunnar Salvarsson



ICEIDA's aim with the agreements was, amongst other things, to:

- secure good employees
- make decision on wages
- maintain a flexible salary system due to its unique position
- provide for the continuous education and/or retraining of its employees
- guarantee gender equality amongst its employees
- have the wage system reflect the employees skills and ambitions.

The ARGeo Project

The African Rift Valley Geothermal Development Facility (ARGeo) is a project of six partner countries in East Africa: Ethiopia, Eritrea, Uganda, Kenya, Tanzania and Djibouti, working together with the World Bank (WB), United Nations Development Program (UNEP), and supporters, which now include ICEIDA, the German Geothermal Union (GtV), the Italian government, the USAID having also made promises to support the project. The UNEP and the World Bank initiated the project. The objective is to harness geothermal power in the partner countries with the aim of reducing the rapid deforestation driven by the current need for biofuel.

The objective of ARGeo is threefold. Firstly, to initiate and fund basic research of viable geothermal areas in the member states and reveal as to whether there is any probability of finding harnessable geothermal power. Secondly, to prepare the legal framework for the activities of a Risk Guarantee Fund, to be established and funded by the project initiators. This would provide investors, who engage in costly experimental drilling, following a positive outcome of the basic research, with partial risk guarantees for the refunding of the cost of drilling which yields no result, provided the investors have paid guarantee premiums, from the outset of the undertaking. Thirdly, to seek ways to remove potential barriers to cooperation of such investors and administrations, e.g. in regard to concluding contracts and the business environment.

ICEIDA joined this project just over two years ago, amongst the first to lend it support. It has supported the project in various ways during the preparation stage. The Agency has e.g. funded scientific consultation during the preparation stage, as well as individual research projects and training in cooperation with the Iceland GeoSurvey (ÍSOR), the Icelandic National Energy Authority and the United Nations University Geothermal Training Programme. At the end of 2006, the Board of ICEIDA decided to provide funds, together with the World Bank, for the final phase of the preparation stage to be carried out in 2007. The aim is to conclude the preparation stage in that year so that, at the end of the year, the World Bank and UNEP will be able to make a formal decision on launching the project.

Regional Directors' Meetings

Regional directors' meetings were held in Maputo, Mozambique, 19-20 October. On the agenda were various matters dealing with all aspects of ICEIDA, i.e. finances, matters concerning workers in the partner countries, auditing, review of manuals, as well as project preparation, to name but some. Sigríður Dúna Kristmundsdóttir, Ambassador of Iceland in Pretoria, attended part of the meeting as a guest.

ICEIDA's regional directors came to Iceland in November to attend a course on book-keeping due to various procedural and training problems, which had arisen. The opportunity was also used to appraise the regional directors of other matters, such as recruiting, health issues and diplomatic matters.



Change of Regional Director in Namibia

At the end of 2006, Vilmundur Víðir Sigurðsson retired after a period of six years in Namibia, both as project manager and regional director. In the new year, his position was filled by Vilhjálmur Wiium, who had been project manager for ICEIDA in Namibia for a year, having previously worked in the country on behalf of ICEIDA 1999-2003 as project manager and consultant at the Ministry of Fisheries. It was announced in December that Stefán Jón Hafsteinn, a member of the Reykjavík City Council, had been hired as a project manager of social projects in Namibia for a period of two years.

Increased Publicity and Education Activities and a new Logo

ICEIDA increased substantially both its publicity and information activities in 2006, emphasising in particular increased flow of information on the Agency's webpage, as the webpage had been redesigned at the end of the year. Newswriting was increased and relations between the agency and the media reinforced. Further, the regional directors were asked to make summaries of all the projects for the webpage. Such project descriptions, along with series of images, are in particular aimed at meeting the needs of educational personnel who increasingly seek information on the activities of ICEIDA. In keeping with this growing interest in development issues, education activities and services were now increased, both at universities and secondary schools. In addition, various kinds of lectures were held for organisations and institutions.

At the end of the year, the Board of ICEIDA received proposals for a new logo and co-ordinated image for ICEIDA and agreed to these. The new image, developed by the advertising agency Vatikanið, covers all printed material and other informational publications published by ICEIDA. Late in the year, ICEIDA's Board agreed to make a documentary film in one of the partner countries. Malawi was selected for this purpose. It was decided to adopt, when approaching the subject, a viewpoint different from that used previously in documentaries about ICEIDA and, thus, present a family from ICEIDA's main area of activity, Monkey Bay, describing the positive effects Iceland's participation in development aid has brought about in their lives. It was decided to hire the journalist Héðinn Halldórsson, who holds a MA degree in Developmental Studies, and cameraman Vilhjálmur Þór Guðmundsson to produce the film, recording their material at Easter, 2007.



Three New Employees at the Head Office

Three new employees have been recruited this year: Geir Oddsson, project manager in fisheries matters, Gunnar Salvarsson, public relations officer and Hannes Hauksson, director of finances. Geir and Gunnar took up their posts in the middle of August and Hannes in mid-December.

Visits

Visit from Uganda

Hamzat Ssenoga, a radio programmer from Uganda, came on a ten day visit to Iceland at the end of October. Mr. Ssenoga has hosted a popular weekly radio show in Uganda about ICEIDA's adult education programme and one of the purposes of his visit to Iceland was to acquaint himself with the workings of a radio station. He spent three days at the Akureyri branch of the Icelandic National Broadcasting Service. He also visited two fish processing plants in two towns in the north of Iceland, Dalvík and Húsavík, where he acquainted himself with the fisheries and their work.

ARGeo Visit

ICEIDA invited Mr. Bernard Jamet, Project Manager, to Iceland in December. His visit was connected with the agreement between ICEIDA and the United Nations Environmental Programme (UNEP) on the project African Rift Development Facility (ARGeo)

Visit by Mr. Hina Mu Ashekele

ICEIDA supported a visit to Iceland by Mr. Hina Mu Ashekele, who is Professor at the Multidisciplinary Research and Consultancy Centre (Mr.CC) of the University of Namibia. Mr. Ashekele visited Iceland for the purpose of forming an association between Mr.CC and the University of Iceland. Professor Páll Jensson was the liaison between University of Iceland and Mr. Ashekele.

Visits Connected with the Conference on Health Matters in Poor Countries

The conference, hosted by ICEIDA, as well as the Icelandic Ministry for Health and Social Services, the Department of Medicine of the University of Iceland and the Primary Health Care Organisation of the Reykjavík Capital, was held on 29 September. Many excellent guests were present to take part in the conference and to share their experiences and ideas on the subject. They included:

Dr. Luís Sambo, Regional Director for Africa at the World Health Organisation (WHO). Dr. Sambo gave a talk on the Key challenges for WHO-AFRO where he discussed the challenges in Africa.

Dr. Guðjón Magnússon, who is Director of the Division of Health Programmes at WHO Regional Office for Europe in Copenhagen, gave a talk entitled Key challenges for WHO-EURO where he discussed the growing inequality in regard to access to health services in Europe.

Dr. Cesar G. Victoria, Professor of Epidemiology at the Federal University of Pelotas, Brazil, discussed maternal and child mortality in low-income countries and evaluations of health projects in real life settings.

Dr. Wesley Sangala, Malawi's Principal Secretary in the Ministry of Health, gave a talk titled "Challenges and Experiences of Developing Health Services in Malawi" where he outlined the main problems facing the Malawian health sector.

Dr. Lars Smedman gave a lecture entitled "Great Things Happen Slowly – Child Health in Late 19th Century Stockholm". In it he described the state of health services in Stockholm in the nineteenth century.

As well as guests from abroad, Icelandic specialists also gave lectures: Dr. Stefán B. Sigurðsson, Dean of the Medical Faculty, University of Iceland, discussed the Millennium Development Goals and Health Sciences. Dr. Jónína Einarisdóttir, Associate Professor in Anthropology at the University of Iceland, talked of child death and maternal reactions in Guinea-Bissau, Dr. Geir Gunnlaugsson, Director of the Centre

for Child Health Services, Primary Health Care Organisation of the Reykjavík Capital Area, discussed ICEIDA's health project in Malawi and, finally, Cand. Pharm. Einar Magnússon, Head of the Pharmaceutical Department at the Ministry of Health, talked of essential medicines in developing countries.

Nordic Plus

Alongside new emphases in development cooperation, ICEIDA has participated to a greater extent in multilateral cooperation together with other development agencies. This includes participation in the Nordic Plus cooperation which is a group comprised of development agencies of all the Nordic countries, the UK, Ireland and the Netherlands.

Representatives of these agencies have, in recent years, met on a regular basis with the aim of enhancing coordination of actions and setting criteria to increase the efficiency of development aid.

In 2006, the managing directors of the Nordic Plus development agencies in Nairobi held one such meeting where their common policies were discussed, in particular, the issues regarding Kenya.



MALAWI





Introduction

The political environment in Malawi has continued to be dominated by the struggle of the president, Bingu wa Mutharika, to maintain a grip on power in the face of the opposition's campaign to undermine him. The president withstood the political turmoil in 2006 and he is by political analysts expected to remain in office until 2009, when his term ends. Then he is expected to stand again for his second 5 year term, probably facing his former team-mate in the United Democratic Front and the predecessor in the State House, Mr. Bakili Muluzi. Mr. Muluzi was forced to leave office in 2004 because the Malawian Constitution prohibits the president to sit for more than two terms. After having been away from the office for one term, Muluzis' supporters claim that his candidature is according to the rules, an interpretation currently debated by legal experts.

Presidents Mutharika's support in parliament is very weak. The opposition parties have attempted to weaken the position of his new party, the DPP, as part of their campaign against his government. The background is that President Mutharika left the once dominant United Democratic Front (UDF) in early 2005 to form the DPP after a confrontation with Muluzi and his supporters. Mr. Mutharika was successful in attracting around 65 MPs so his DPP became the ruling party. His new allies were from the UDF, numerous independent MPs and most of the MPs of the smaller parties crossed the floor to join the new party.

A Constitutional Court ruled that Section 65 of the Constitution, which bars floor crossing in parliament, was valid, and many followers of the president in the DPP stand to lose their seats if they do not return to their original party.

MALAWI



Malawi - Key Figures

Land area	118,484 km ²
Population	12,9 million
Population growth rate	2,2%
GDP per capita	164 US\$
GDP per capita PPP	829 US\$
GDP growth rate	6,9%
Life expectancy at birth	39,8 years
Adult literacy rate (age 15 and above)	64,1%
HIV/AIDS prevalence	14,1%
Iceida AID 2006	3.721.791 US\$

Statistical Sources: Economist Intelligence Unit; Country Profile Malawi 2007 and Human Development Report 2006, Published by the United Nations Development Programme

Elsewhere in the political battlefield between Mr. Mutharika and his rivals, treason charges still hang over the vice-president and Muluzi supporter, Cassim Chilumpha. In April 2006, Mr. Chilumpha was arrested and subsequently placed under house arrest over allegations that he had held meetings discussing the assassination of Mr. Mutharika and the toppling of his government. He claims his innocence despite government claims to have taped evidence of Mr. Chilumpha discussing his plans. The case stagnated for most of 2006 and Mr. Chilumpha remained under house arrest from April to the end of the year.

The UN Human Development Report was launched in Malawi in December, by which time Malawi's ranking on the Human Development Index (HDI) had fallen. The rankings saw Malawi slip one place, to 166th place out of the 177 countries covered by the report, with an estimated 65% of the Malawian population living in poverty. This was a disappointing reading for the government, which had made the raising of living-standards a central part of its economic policy. Malawi also got a debt relief under the HIPC initiative and the famine in 2004 and 2005 ended early 2006. The report was not all bad news, as improvements were recorded in primary school enrolment and the immunisation of children against tuberculosis and measles.

Despite the slip on the HDI the International Monetary Fund reports that the current Poverty Reduction and Growth Facility (PRGF), that is the Malawian guidance in economic policy, has broadly remained on track.

An Australian mining firm, Paladin Resources, has indicated its readiness to begin construction on a uranium mine in the north of Malawi. That could be a milestone in the dreary economy of Malawi that is predominantly based on agriculture. The Malawi Investment Promotion Agency reports that it was successful in attracting 185m USD of investment pledges during 2006.



ICEIDA's Development Co-operation

The co-operation between ICEIDA and the Malawi Government (MGO) dates back to 1989 and has been focused on the Health, Fisheries and Education sectors. In 2006, a new project was launched in the Water and Sanitation sector. The project is in the same area as most of the other activities ICEIDA is supporting in the Nankumba Traditional Authorities of Mangochi. Malawi continues to be ICEIDA's biggest receiver of development aid.

In January, Lilongwe Office moved from the Manobec Complex to new premises in Samala House plot 13/13 in the City Centre. This change of houses was necessary in order to make room for ICEIDA staff and to accommodate the work of ICEIDA, which has been expanding in recent years.

Six full-time ICEIDA professional staff members from Iceland were involved in the implementation of projects in 2006. Some changes were made in the professional staff working on the Health Project in the middle of the year and at the end of the year both the Project Manager and Technical Advisor were replaced. In Malawi, eleven full-time locally recruited staff members are working for ICEIDA.

MALAWI



In March, new rules and regulations for locally recruited staff members were adopted and new contracts for provisional workers presented. All contracts were revised and signed. The consultant for this work was Mr. K. Sentala, a legal practitioner (lawyer). The rules and regulations are in accordance with Malawi's Employment Act No. 6 of 2000. In 2006, 32 provisional workers were working for ICEIDA. In late April, a delegation of two professionals from the Presidents Office in the Faeroe Islands visited Malawi to learn about Icelandic development aid. The yearly delegation from ICEIDA arrived in May, Chaired by Ambassador Sighvatur Björgvinsson, the Director General of ICEIDA.

Two medical students and a midwife student carried out their research project in Monkey Bay, supported by ICEIDA.

Two interns worked for ICEIDA during the latter part of 2006, a guest intern from Faroe Islands as well as a Masters student from University of Iceland.

Support to the Health Sector

The Malawi Growth and Development Strategy of 2005 emphasizes the importance of health and education to achieve prosperity. The goals that are presented in the MGDS for health include increased life expectancy and reversal of the downward trend, decreased maternal mortality rate and child morbidity and mortality, reduction in the spread of HIV/AIDS and improvement in the quality of life of those infected. Remarkable progress has been reported. According to the 2006 Malawi Multiple Indicator Cluster Survey (MICS) and the 2004 Malawi Demographic

Photo from Monkey Bay. Girl walking home with firewoods on page 15, photo taken near Dedza. Photos: Gunnar Salvarsson.



and Health Survey (MDHS), neonatal mortality has decreased by 9%, infant mortality by 18%, and under-five mortality by 29% over the past decade. In contrast, the maternal mortality ratio increased by 80% during the 1990s, and, unfortunately, has not changed during the past decade. HIV/AIDS continues to ravage Malawi, with over 14% of the adult population infected.

ICEIDA has been involved in the construction, development and running of the Monkey Bay Community Hospital (MBCH) since 2000. In 2006, a health institution with a wide array of services, has risen and it is growing fast.

The main activities in 2006 centred on new buildings, the most important of which were a surgical theatre, a new laboratory and an HIV outpatient clinic for voluntary counselling and testing (VCT), as well as anti-retroviral (ARV) treatment. These buildings are supposed to be handed over in early March 2007.

Various educational activities and training were supported, including courses on environmental health, mental health, HIV/AIDS, child health, malaria, courses for CBDAs (Community Based Distribution Agents) and TBAs (Traditional Birth Attendants) and others. ICEIDA continued to be responsible for running the ambulance service and several motorcycles for outreach clinics, and purchase of a new ambulance was planned. After the VCT clinic was successfully opened in 2005, an ARV clinic was commenced in June 2006. Of the 245 patients that started on ARV treatment in 2006, 2% dropped out and 7% died, which is an acceptable progress compared to last years.

In addition to the construction of the facilities and providing various technological support, ICEIDA is significantly involved in the running of the hospital in spite of the goal in the Project Document of 2004, that the Malawian Ministry of Health (MoH) shall “gradually integrate projects’ costs into government and district budget”.

The main problems at MBCH are, on the one hand, lack of staff in face of steadily increasing patient attendance, and, on the other hand, chronic drug shortages. At the end of the year, discussions were initiated between ICEIDA and MoH to find ways to reduce the staff shortage problem.

For more than a decade ICEIDA has, through collaboration with a charity organization, Friends of Kamuzu Central Hospital, supported construction and upgrading at the Bottom Hospital in Lilongwe. In 2006, ICEIDA funded an extension of the psychiatric ward and drainage around the new building. A brick fence was also constructed to define the area that belongs to the hospital.

Support to the Social Sector

Illiteracy among the adult population in Malawi is high but a mere 60% of women can read and 70% of men. Being able to read and write is an important personal asset providing increased opportunities in life. Literacy enables development in the society and a link between illiteracy and poverty has been noted.

The Malawian Government has, therefore, stressed the importance of the National Adult Literacy Programme (NALP) for achieving economic growth. ICEIDA has sponsored the ALP project in the N/A Nankumba since the year 2001. The project establishes literacy circles in rural villages where participants meet from Monday to Thursday, for two hours each day. The project is based on the principles of the REFLECT approach, which encourages the participants to engage actively in key issues in their surroundings, learning at the same time how to read and write.

The ALP project has grown a great deal from the start and in 2006 10 new circles were established. Forty-four circles are operating, serving forty-four villages in the Nankumba Area. The number of participants is 855 and the majority are women.

In 2006, ICEIDA sponsored various training courses for the extension workers. This included a training workshop in Project Management, Training in Supervisory Skills Development, Training for Transformation and Basic Management of Rural Information Centres. Two drama groups, comprising 16 community volunteers, were trained in performing art and basic cross-cutting issues, including environmental management, human rights, HIV/AIDS and family planning.

A Memorandum of Understanding was signed in May 2006 by the Director General of ICEIDA and the District Educational Manager of Mangochi. In the MoU ICEIDA emphasizes its continuing

Cheerful girl from the Chiroambo village on page 18. Photo: Gunnar Salvarsson.



support in the field of education to improve the quality of education at all levels by building and renovating schools, and to provide funds to the District Education Office for training.

The second UN Millennium Development Goal stresses the importance of all boys and girls completing a full course of primary schooling. At the same time, it emphasizes the elimination of gender disparity, both at the primary and the secondary level. Accordingly, the Government of Malawi highlights the importance of education as a key factor for attaining prosperity in the Malawi Growth and Development Strategy Paper. It is ICEIDA's hope that by assisting the Government of Malawi in building and renovating more schools, providing them with furniture and staff houses so that more qualified teachers will join forces in the rural areas, that these goals will be met.

Two schools were constructed in 2006, one primary school and one Community Day Secondary School. The primary school was built in Malembo and is estimated to serve between one and two thousand children in the area. The school in Malembo was in an extremely bad condition so that the old houses had to be demolished. Four new school blocks were constructed, an administration block, a library, seven new staff houses besides latrines and boreholes. The site was also connected with electricity. The school was handed over by the Country Director of ICEIDA in December.

ICEIDA assisted a secondary school in Monkey Bay in 2005, which was the first secondary school building the agency constructed. There was a great need for a secondary school building in this area since the school did not have any permanent physical structure. Nankwali Community Day Secondary School serves 14 nearby villages. Two school blocks were built, an administration block, a library and a science lab. Furthermore, three staff houses were constructed. Pit latrines and a borehole were put in place. The construction of the school will continue in 2007.

ICEIDA financed renovations of three primary schools in 2006. In Cape Maclear Primary School, four school blocks were renovated and furnished, the administration block was upgraded and a library added. The second school that was assisted was the Mangombo Primary School, where four school blocks were extensively renovated and furnished. Last but not least Muwonekera Primary School had three school blocks renovated. Smaller renovation projects were also supported and other assistance provided. They were implemented by local communities but supervised by ICEIDA.

ICEIDA's support to the District Education Office in Mangochi is valuable since it enables the office to provide training for teachers, parents and village committees in the District. Numerous courses were held during the year but they were in keeping with a previously approved activity plan. The courses included training in school management, library training, training for volunteer teachers and community mobilisation for enrolment and attendance of children in primary schools.

Support to Higher Education

ICEIDA has supported the Aquaculture and Fisheries Science Department at Bunda Collage since 1994. The project contributes directly to the Government of Malawi's poverty reduction strategies. It does so by increasing the capacity of aquaculture staff to expertly advise smallholder farmers on how to produce fish for subsistence and for sale. This also has a bearing on the newly introduced Presidential Initiative on Aquaculture Development (PIAD).

The contract between ICEIDA and the BCA came to an end in 2005 but after an evaluation carried out in 2004 it was decided to extend the support to 2009. The aim with this phase of the project is to work on the shortfalls that were highlighted in the evaluation report. The areas that needed more support included the MSc program, awareness of the Aquaculture program within the SADC region and participation of female students in the program.

Eight students from SADC countries (including Malawi) were supported to complete their MSc degrees. Three members of staff were also given scholarships for PhD and Master Degrees. They carried out their studies outside Malawi. ICEIDA funded part-time teaching, which has strengthened Bunda College capacity in its role as the SADC regional centre for aquaculture and fisheries training and research. After a gender awareness campaign in 2005, the intake of female students in the department has improved from 10% to 16%.

The research capacity in the AFSD has been greatly improved and the research by staff and students has been significantly augmented. Preparation of the first Malawi Journal of Aquaculture and Fisheries (MJAF) is ongoing. It has proved beneficial to the department to get





a technical advisor from Iceland who visits the department every year to guide members of staff technically on research projects and on the general guidance of the project.

The Regional University Forum for Capacity Building in Agriculture (RUFORUM) has identified the DAFS as a centre of excellence and the best of the SADC region. The PhD programme in Aquaculture and Fisheries Science now serves the whole region. The PhD curriculum has been drafted with the help of regional experts and awaits approval by the University Senate.

Support to the Fisheries Sector

The Small-scale Offshore Fisheries Technological Development Project, a community based project, was implemented in 2005 in collaboration with the Department of Fisheries in Malawi.

The objective is to aid the development of an offshore small-scale fishery to allow fishermen to expand their operations to underutilized resources in the deep-water of the southern part of Lake Malawi. The aim is to improve food security and the income of rural fishing communities. The project is carried out in three villages in the Nankumba Peninsula. The project's major components are fishery technology and trial component; research component and institutional capacity component.

Two full-time ICEIDA employees are engaged in this project. The focus in 2006 was towards gear development, research and safe navigation on the lake. A local chirimila net has been modified to operate in offshore deep waters with an input from the ICEIDA technical consultant in gear technology who visited the country in October 2006. The project also sponsored a study visit of the project implementation team to Lake Tanganyika, Tanzania, that resulted in the construction of the lift net as one of the offshore fishing gears.



A survey to assess the current fish biomass was conducted in the southern and central waters of Lake Malawi and the report confirmed that the existing fisheries still marginally exploit the offshore fisheries resources. All the frontline fisheries staffs on the lake have been trained in safety at sea and first-aid and the graduating students were awarded certificates. The safety at sea manual and brochures, which were both in English and the vernacular language Chichewa, have been produced and distributed, and about 1,800 fishermen, 44 local leaders and 83 members of the frontline fisheries staff have been instructed in safety at sea issues.

Frontline fisheries staffs from Mangochi District were also trained in small-scale business management. Work on craft technology has commenced by assessing the availability of construction materials for plank boats and dugout canoes. An evaluation was conducted of the existing designs and construction of fishing crafts for the development of an appropriate craft for small-scale offshore deep-water fisheries. The report on construction materials of craft indicate that wood may only be available for a few years but recommends strongly alternative craft construction materials. The report of the workshop on the evaluation of the existing craft designs and construction is underway. Technical and financial feasibility of the modified local chirimila and lift nets for the offshore fishery are now underway. Craft technology will form one of the main project activities in the coming year.

ICEIDA has been providing support to the Malawi Department of Survey (MDOS) since 2001. The goal of the support was to ensure safe navigation on Lake Malawi by producing updated navigation charts. The project was implemented between three partners, ICEIDA, MDOS and the Icelandic Coast Guard. The support came to an end in 2005 but it was decided to extend it to 2006. The goal of extending the project was to ensure support for the completion of chart production and as well a smooth transition.

The funds provided in 2006 were higher than the approved budget as there was a need for training in the use of the Hydrographic CARIS programme in processing charts. The hydrographic survey department requested support from ICEIDA and one cartographer was sent to Iceland in April for two weeks of training. During his stay, he was trained by the Icelandic Hydrographic Service in the production of charts using the CARIS Programme.

Further, it was decided to provide extra funds for the annual Skyfix Spot signal fees so that the MDOS be able to carry out their activities.

Two boys from the village of Matapant'ombe.
Photo: Gunnar Salvarsson.



NAMIBIA





Introduction

In 2006, the Namibian economy is estimated to have done moderately better than in 2005, improving by approximately 0.4%. The growth is attributed to the strong performance in primary industries, particularly in the mining sector, while the performance in agriculture and fishing was disappointing. The inflation rate increased considerably during 2006, with an average inflation rate of 5.1%. This is much higher than the 2.2% recorded in 2005, and this increase can largely be attributed to rising and volatile international oil prices.

The Namibian government has made a commendable effort to reduce its budget deficits and the public debt. For the fiscal year 2006/2007, a budget surplus of 2.2% is projected. This would be the first budget surplus since independence. The education sector is one of the main concerns of the Namibian government. One cause for concern is that more than half of the 31,493 Grade 10 pupils, who took the Junior Secondary Certificate examinations towards the end of 2006, failed to progress to Grade 11. The students that fail have very few options and most end up unemployed. A labour force survey published during the year estimates the unemployment rate at 36.7%, so the options for these students are extremely limited.

The government launched a 15 year Education and Training Sector Improvement Programme (ETSIP) which aims to improve education and training outcomes by responding to key weaknesses in the current education and training systems.

In the beginning of the year, an Anti-Corruption Commission was inaugurated. Its main purpose is to fight and uncover corruption in Namibia.

NAMIBIA

Namibia - Key Figures

Land area	825,418 km ²
Population	2,04 million
Population growth rate	1%
GDP per capita	3,206 US\$
GDP per capita PPP	7,513 US\$
GDP growth rate	2,9%
Life expectancy at birth	47,2 years
Adult literacy rate (age 15 and above)	85%
HIV/AIDS prevalence	19,6%
ICEIDA AID 2006	2.016.906 US\$

Statistical Sources: Economist Intelligence Unit; Country Profile Namibia 2007 and Human Development Report 2006, Published by the United Nations Development Programme

Health issues continue to be of great importance to the Namibian government. HIV/AIDS, tuberculosis and malaria affect Namibia adversely, with HIV/AIDS being the single largest obstacle to sustainable human development. In May, the first case of polio for ten years was reported in Namibia. Close to 300 cases were reported throughout the year and over 30 deaths. The Namibian government swiftly responded by initiating three rounds of mass polio vaccination campaigns with an estimated coverage close to 90%. In the beginning of the year, farmers reportedly were praying for rain. Their wish came true, as good rains were experienced in the first half of the year. However, there can be too much of a good thing. In some regions, harvest failed due to late rains and flooding resulted in food shortage in some rural areas. A number of dams filled beyond capacity and floodgates had to be opened. This flooded half of the town of Mariental in southern Namibia.

ICEIDA's Development Co-operation

All ICEIDA projects and activities in Namibia are carried out under the General Agreement on Bilateral Cooperation between the government of Iceland and the government of Namibia. In 2004, this agreement was extended until the end of 2007. In early 2006, the government of Namibia requested an extension of the agreement. The government of Iceland responded favourably and Mr. Einar K. Guðfinnsson, Minister of Fisheries in Iceland signed an extension of the agreement during his visit to Namibia in August. The agreement between the two governments now runs until the end of 2010.

As scale-down of ICEIDA's operations in Namibia had already begun, in anticipation of a withdrawal by the end of this year, ICEIDA's activities were characterised by many, but small projects. Once an extension of the General Agreement had been signed, preparations began for a number of larger projects, but it will take some time before they fully commence.



The annual monitoring mission to Namibia, from the ICEIDA headquarters, took place from 9 to 13 October. The mission was led by ICEIDA's Director General, H.E. Ambassador Sighvatur Björgvinsson, who was accompanied by one member of the Board of Directors of ICEIDA and the Public Relations Officer of ICEIDA. In addition, two people from the Icelandic National Broadcasting Service were a part of the mission. They visited a number of ICEIDA projects in Namibia and produced material that was shown on television in Iceland. This is a part of ICEIDA's efforts to inform the Icelandic public of the activities of ICEIDA.

Two short-term consultants were stationed in Namibia throughout 2006. Both were linked to ICEIDA's fisheries projects, one working at NAMFI and the other at the National Marine Information and Research Centre in Swakopmund. Two interns arrived in July. One had a background in early childhood development (ECD) and her task was primarily to assist in the preparation of ECD projects. The other intern was from the Faeroe Islands and she stayed in Namibia for ten weeks before heading to the ICEIDA office in Malawi.

Former County Director in Namibia was transferred to Nicaragua late in 2005, and the ICEIDA project manager for NAMFI replaced him on a one-year contract. A new project manager arrived in Windhoek in early January.

NAMIBIA



Due to this complete change in staff, the intern from 2005 was hired as a specialist for the first three months of 2006 to assist the new staff members in getting acquainted with the projects in Namibia.

Support to the Social Sector

The introduction of chess to Namibian school children continued in 2006. Icelandic chess teachers visited Namibia twice and travelled extensively throughout the country visiting schools. Almost 80 schools were visited and about 1,500 children received chess instruction. The Namibian Chess Olympic teams, both men and women, received training from the Icelandic chess players and ICEIDA sponsored the participation of the Olympic team in the Chess Olympiad, which took place in Turin, Italy.

In 2005, ICEIDA received a request from the Namibian government to assist with the education of disabled children. After a review of the request it was decided that ICEIDA would assist with the education of the deaf and hard of hearing. In particular, the development of Sign Language teaching became the main emphasis of a small pilot project that was developed.

The Icelandic Communication Centre for the Deaf and Hard of Hearing (Samskiptamiðstöð heyrnarlausra og heyrnarkertra, SHH) agreed to provide expertise for this project. In 2006, Icelandic teachers from SHH visited Namibia twice, firstly to train Namibian teachers in using equipment and software provided by ICEIDA and SHH in their teaching, and, secondly, to improve the skills of the teachers in using Sign Language as a teaching tool.

San people outside their hut in northern Namibia. On page 23: Cheerful boy of the San. Photos: Gunnar Salvarsson.





During the year, it became apparent that the need for assistance in the education of the deaf and hard of hearing is much greater than thought initially. In the beginning of 2007, a workshop is planned to bring all stakeholders together and map the way forward. Ever since ICEIDA began supporting community centres in the late 1990s, early childhood education has been a part of ICEIDA's work in Namibia.

Support continued for the Together Kindergarten in Usakos where 60-80 children between the ages of two and six from very poor families attend. Financial support and food is provided and during the year training was provided for all the caregivers at the kindergarten. Sadly, one of the founders of the kindergarten, Mrs. Magdalena Kwandjomudi, passed away during the year.

ICEIDA continued its cooperative efforts with the Ovahimba people in the remote areas of the Kunene Region. Four mobile kindergartens were provided in 2005 and close to 200 children attend them. The area is often inaccessible during the rainy season and ICEIDA was not able to visit this project until six months into the year. The Ovahimba people have requested more kindergartens and adult education programmes and ways are being explored as to how best to accommodate these requests, given the logistical difficulties experienced. Namibian authorities have asked ICEIDA to assist further with early childhood development. A number of small projects were initiated during the year, first and foremost to explore what approach to ECD would be most suitable for cooperation in this area.

Support was provided for the Celes Hope Kindergarten in Walvis Bay and the Ongulumbashe Kindergarten in Epalela in the Omusati Region. In both cases, the owners had received training at the ICEIDA Training Centre in Walvis Bay and started their own kindergartens some years ago. Additional class-rooms were built and some equipment provided, benefiting between 40 and 50 children. The Regional Councillor from Onesi Constituency in the Omusati Region requested support for five kindergartens in the constituency.



This is one of the poorest regions in Namibia and kindergarten facilities leave much to be desired. Work began on upgrading the five kindergartens just before the end of the year and is expected to finish in early 2007. Each of these is attended by 20-40 children. ICEIDA continued its support to community centres in Swakopmund and Lüderitz during 2006. Both centres run kindergartens with close to 100 children each, and provide various adult education courses for the surrounding communities.

These centres have been supported by ICEIDA for a long time and the staff of these centres is well capable of running them. Consequently, the current support is mostly financial. Alternative ways of funding the centres are being explored, while ensuring their sustainability.

This year the assistance to the Legal Aid Clinic of the University of Namibia was extended. Funds were provided for a training programme as well as the purchase of various support materials such as books, stationery, etc. ICEIDA also supported a pilot project where the Legal Aid Clinic visited a few towns in Namibia, providing free legal counselling to poor people. This proved very successful and a continuation of this is planned for the coming year.

Support continued to Venacious Rukero AIDS Orphans and Vulnerable Children Foundation. The foundation looks after approximately 20 orphans and vulnerable children and is also open for street children that need short-term assistance and shelter. ICEIDA assists with the rental of the facilities of the foundation and food for the children.

Street photo from northern Namibia. Young Himba girl on page 26. Photos: Gunnar Salvansson.



After ICEIDA began its assistance to deaf education, a request for assistance came from the Association for Children with Language, Speech and Hearing Impairments of Namibia (CLaSH), which promotes services that meet the special needs of children with language, speech and hearing impairments as early as possible, and to facilitate development that leads to equal opportunities and ensures equal access to education, training and all other facilities for these children. ICEIDA's support is to ensure the provision of a number of workshops, seminars and training activities that support the work of CLaSH.

A small organisation, Mother's Voice Grassroots OVCs and HIV/AIDS Care, approached ICEIDA for support. Mother's Voice operates in Katutura, the poor part of the capital city. It provides food for about 90 schoolchildren every day and has done so since 2001. In addition, the children are assisted with school home-work and receive counselling on issues relating to HIV/AIDS.

In cooperation with the Namibia Literacy Trust, which role is to assist the government of Namibia in its fight against adult illiteracy, ICEIDA supported the Usakos Adult Literacy Project. Through the project English literacy classes and self-empowerment training is offered in the Hakhaseb area of Usakos. Over 100 people received training through this project during 2006.

Towards the end of the year, support was approved for Where there is a Will and Hope there is a Way Project, which has operated in Walvis Bay since 1999. The project provides sewing classes to housewives and working ladies. The support was in the form of sewing machines and a building extension to the current premises. The work is expected to finish during the first half of 2007.

Support to the Fisheries Sector

The year 2006 was the final year of formal cooperation between ICEIDA and the Namibian Maritime and Fisheries Institute (NAMFI). For the past couple of years, ICEIDA has been phasing out its support to NAMFI, in accordance with recommendations from an evaluation report of the cooperation, which was undertaken in 2002. The report recommended that ICEIDA would continue to support NAMFI for some time, but that full-time technical support would be gradually reduced and support eventually withdrawn. During 2006, one instructor from ICEIDA worked at NAMFI. When he left Namibia in December, ICEIDA's direct involvement in NAMFI came to an end.



The head of the Navigation Department at NAMFI began a 16 months study course in the Philippines in the beginning of 2005, supported by ICEIDA. In June, he completed the studies and returned to NAMFI. ICEIDA also supported an instructor from NAMFI to attend the United Nations University Fisheries Training Programme in Iceland from June to March 2007. ICEIDA funded the attendance of the head of the Safety Department at NAMFI to the 50th International Association for Survival and Safety Training Meeting and the 7th International Conference for Safety and Survival Training both of which took place in Croatia in early October.

To mark the end of the cooperation, ICEIDA funded the purchase and installation of a state-of-the-art navigation simulator for NAMFI. Installation began in November and was scheduled to finish in February 2007. The simulator will make a revolutionary change in navigational instruction at NAMFI, as learners can get much better training in navigation than before. The simulator will also be used for refresher courses for the fishing industry, providing a potential source of income for NAMFI.

In 2005, the Ministry of Fisheries and Marine Resources (MFMR) requested a technical advisor to work with the Director for Resource Management that was to be appointed in early 2006.

Springbok antelopes in Namibia. On page 29: Little preschool girl of the Ovahimba tribe in northern Namibia (top) and Himba children waiting for lunch. Photos: Gunnar Salvarsson.





A consultant was hired that was stationed at the National Marine Information and Research Centre in Swakopmund from February until the end of the year. A number of activities took place as a result of this cooperation. For instance, three members of the hake longlining industry in Namibia went on a study tour to Iceland. As a result of some new techniques they learned during the visit, their operations became more profitable as catches increased and costs went down.

In co-operation with the United Nations University Fisheries Training Programme (UNU/FTP) in Iceland, a large international workshop was held in Windhoek from 21 to 24 August. This workshop, titled Workshop on Fisheries and Aquaculture in Southern Africa: Development and Management, was attended by fisheries managers and specialists from the seven African countries that have sent students to UNU/FTP, fisheries experts from Iceland and members of various international organisations.

The workshop was opened by H.E. Hifikepunye Pohamba, the President of Namibia. Mr. Einar K. Guðfinnsson, Minister of Fisheries in Iceland, attended the workshop and gave closing remarks. The workshop was judged successful in every respect and plans are to have a follow-up workshop in the future.



Other Support

Through ICEIDA's work with the Ovahimba people in the Kunene Region, the debilitating effect of the lack of access to clean water has been only too evident. The Ovahimba people have on many occasions inquired about the possibilities of ICEIDA supporting the drilling of new boreholes in northern Kunene Region.

Currently, discussions are ongoing with the Ministry of Agriculture, Water and Forestry with the aim of assisting the Ovahimba people in this regard. Once contact with the Ministry had been established, ICEIDA decided to support the drilling of three boreholes in Namibia during 2006, as well as the rehabilitation of a number of water points.

In 2005, ICEIDA and Landsbanki, a commercial bank from Iceland, provided technical assistance to the Development Bank of Namibia (DBN) with regards to the establishment of an information management system for DBN. Towards the end of 2006, a consultant from Landsbanki arrived in Namibia to assist DBN to finalise the installation of the system.

Support was approved for two projects with the Joint Consultative Council (JCC), which is an umbrella organisation for service providers to small and medium-size enterprises (SMEs).

Firstly, there was support to establish an SME information centre in northern Namibia, similar to such a centre that operates in Katutura. Secondly, there was support for a Women's Roundtable that is to bring together businesswomen from all over Namibia. However, there were a number of delays so these two projects were postponed until 2007.



MOZAMBIQUE





Introduction

President Guebuza, who was inaugurated as the President of Mozambique on February 2, 2005, is, like his predecessor, committed to the continuation of the sound economic policies that have encouraged generous foreign investments. In the early part of 2006, the Mozambican Government nominated permanent secretaries for each of the districts. The President travelled around the country, emphasising that the involvement of the districts and the local communities is fundamental in the fight against absolute poverty. In 2006, the Mozambican Government showed good governance and political stability. Nevertheless, Mozambique's ranking in the Human Development Index (HDI), compiled by the UN Development Programme and published in its Human Development Report 2006, still ranks 168, out of 177 in 2005.

In 2006, the Government prioritised the implementation of objectives designed to reduce absolute poverty in the country. Special focus was placed on education, health, public construction, the judicial system and public order. It also emphasises the maintenance of comprehensive and sustainable social and economic development programmes, based on a rational utilisation of national public resources. This approach is consolidated by the Action Plan for the Reduction of Absolute Poverty (PARPA II), which established a relationship between the Quinquennial Government Plan 2005-2009 and the Millennium Development Goals (MDGs). The donors fully endorse Mozambique's poverty reduction agenda defined by PARPA and Mozambique's Poverty Reduction Strategy Plan (PRSP), which is the PARPA II.

MOZAMBIQUE



Mozambique - Key Figures

Land area	802,599 km ²
Population	20,2 million
Population growth rate	1,7%
GDP per capita	356,3 US\$
GDP per capita PPP	1.237 US\$
GDP growth rate	7,9%
Life expectancy at birth	41,6 years
Adult literacy rate (age 15 and above)	47%
HIV/AIDS prevalence	16,1%
ICEIDA AID 2006	2.517.397 US\$

Statistical Sources: Economist Intelligence Unit; Country Profile Mozambique 2007 and Human Development Report 2006, Published by the United Nations Development Programme

The country is still in a period of transition and faces substantial social and economic challenges, such as poor infrastructure, unemployment, low agricultural production and limited social services. Due to these and many other problems, Mozambique is still considered to be one of the poorest countries in the world. However, over the last couple of years, Mozambique has made considerable progress in fighting poverty and improving human development. Inequality remains low by regional standards, and progress has been made toward the key MDGs of infant mortality and primary school enrolment.

According to the Director of the IMF's African Department, Abdoulaye Bio-Tchané: "...Mozambique continued to have strong macroeconomic performance in 2005 and early 2006 despite exogenous shocks. Fiscal and monetary policies remain prudent, and the macroeconomic outlook remains favourable; however, vigilance will be required, in light of volatile oil prices and unpredictable weather." Despite positive economic growth, one of the key challenges for Mozambicans is the rising rate of morbidity and mortality from HIV/AIDS. Economic models indicate that AIDS has reduced per capita GDP growth by as much as 1% per annum because of reduced productivity, lower human capital, reduced physical ability, and other effects of the social burden of the disease. Corruption is still an issue in Mozambique and President Armando Guebuza believes that corruption is essentially a structural problem which the Government is combating. Consequently, reforms of public administration have been implemented which include decentralisation of government. In this regard there is now greater governmental effort on accountability, clearer formulation and evaluation of public policies, professionalization of public sector workers as well as improved financial management.

ICEIDA's Development Co-operation

ICEIDA's overall operation has gone according to plan and the implementation of projects has been carried out satisfactorily. Operations in ICEIDA have differed in a positive way to previous years, due to the fact that all the Icelandic staff at the office is new to their posts. Most financial proposals went according to plan and the office was on budget at the end of the year.

One milestone worth mentioning is the inauguration of the newly refurbished Fish Inspection Institute (INIP) office in Maputo on 28 June. It had good coverage from the media, which was encouraging for the new institute. In October, the annual visit from ICEIDA headquarters took place; followed by the annual meeting of ICEIDA Country Directors.

Support to the Health Sector

ICEIDA has been cooperating with the Icelandic Red Cross (IRC) and the Mozambique Red Cross Society (CVM) in the health sector since 2000 in several provinces. In Hindane, the project is now preparing to be phased out and the main emphasis has been put on the consolidation and improvement of activities carried out by the volunteers. This will enable the continuation of projects after the proposed ending of funds from ICEIDA at the end of 2008. Preparations for a second community based health care project in Chibucutso in Maputo Province, started in 2005 as a result of discussions on vulnerable communities between the CVM and the Ministry of Health. As with Hindane, the two Red Cross Societies will be responsible for this project and ICEIDA will be providing part of the funding and participating in monitoring activities.



MOZAMBIQUE



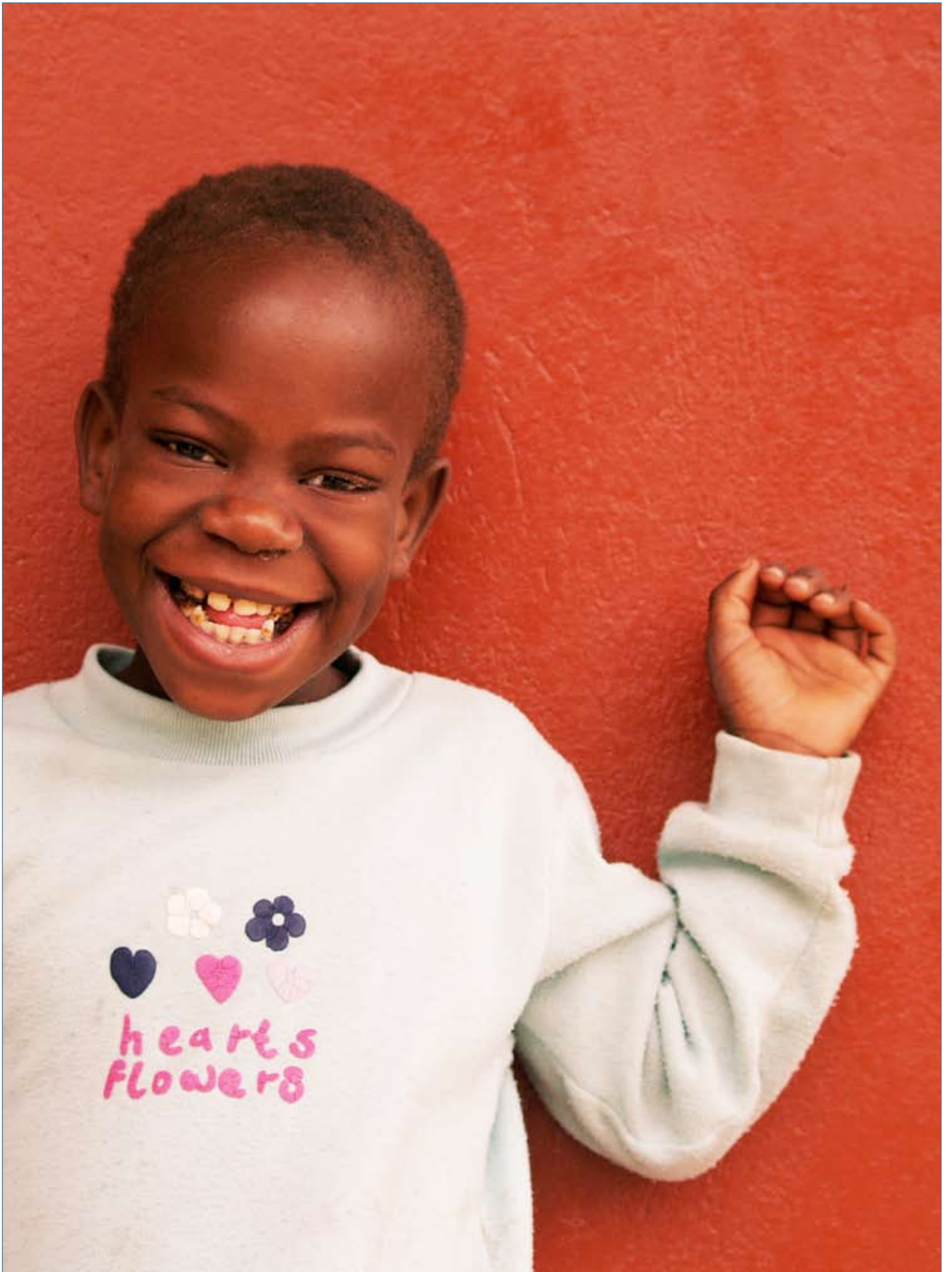
The integrated project will have health activities as its main component, and social welfare and HIV/AIDS activities as incorporated components. The CVM carried out a baseline survey for the first time when preparing the new project, thus effecting capacity building of CVM personnel and volunteers. The number of beneficiaries of the new project will be greater than first anticipated; it is now estimated they will be close to 10,000.

The project description for a health care project in Chibucutso was finalised and after a tendering process a construction company was selected to carry out the construction of the health centre. The foundation-stone was laid on 15 June in a traditional ceremony attended by leaders and officials from the local community, CVM and ICEIDA. Although the start of the new project in Chibucutso has been promising in many ways, the preparation took more time than anticipated. This suggests that plans for the preparation phase might have been too optimistic given the low capacity of CVM in some areas, including the writing of project proposals.

Support to the Social Sector

ICEIDA continued to focus on capacity building within the Ministry of Women and Social Affairs, MMAS. The two main areas are the education and training of MMAS staff and strengthening the capacity of the provincial offices through the purchase of computers, other IT equipment and office materials. ICEIDA continued to provide English lessons for four groups, in Maputo Province, Maputo City, Gaza and at the Central branch. Visits were also carried out to all the provinces, enabling cooperation between the central and provincial branches.

Women from AVIMAS dancing and singing. Boy from Inhambane in the afternoon sun on page 31. Photos: Gunnar Salvarsson.



Visits were carried out to all the provinces where ICEIDA has been giving institutional support, namely Maputo City, Maputo Province and Gaza, as well as to the Inhambane and Zambezi provinces, which ICEIDA began supporting in 2006. The provincial offices expressed a need for funds to implement programmes for the most vulnerable groups.



The new government emphasises that programmes to help vulnerable populations increase their economic activities should be implemented. As farming is the main activity in the countryside, such a programme typically consists of a direct input in form of seeds, irrigation systems, tractors and other equipment necessary to increase production. The ministry works with associations rather than individuals and collaborates with the Ministry of Agriculture. Furthermore, all the provinces expressed great concern due to the increasing infection rates of HIV/AIDS. Linked to the AIDS epidemic is the grave problem of an increasing numbers of orphans and the inability of the ministry to respond to their needs.

It was clear during and after the visits that it is necessary to plan ICEIDA's support at a provincial level, as opposed to the central office doing so on behalf of the provinces. The provinces have different needs and because of the lack of resources this information is not always available at the central level. Therefore, it was decided that ICEIDA would carry out a workshop, involving technicians from all the different departments and representatives from some of the districts.

The co-operation between ICEIDA and the MMAS is an ongoing project. As the ministry is relatively young and receives a somewhat low proportion of the state budget, ICEIDA's contributions are considered very important. The policies and strategies of the MMAS are still being formulated. Association of Women and Single Mothers (AVIMAS) is an organisation of widows and single mothers in Maputo City.



Many widows and single mothers have problems sustaining themselves and their families and thus come to the Ministry of Women and Social Affairs for assistance. In 2000, the ministry suggested a co-operation between ICEIDA and AVIMAS. Since then, ICEIDA has been the main donor for AVIMAS activities. Support to AVIMAS includes capacity building: the training of its members, funding the construction of buildings, and financing equipment and materials for income-generating projects. After the death of its president, AVIMAS experienced difficulties with management and the continuation of activities.

ICEIDA also helped to organize and finance two capacity building workshops. The first was held in May on leadership and social activism and had 21 participants. The second was held in June, for key staff members who had been experiencing difficulties in the planning and implementation of projects.

Djombo ya Warime is a Pilot Project within district Maputo City, supporting two associations: The Association of Fishermen and Fish Vendors and the Association of Agriculture and Small Animal Farming.

The project is financed by ICEIDA and implemented jointly by the DNM and the Provincial Office of Maputo. The project started in 2004 and was supposed to be completed in 2005, but there have been delays at various stages of the project. Centro Mutanhana Weru is situated in the outskirts of Maputo and accommodates orphans and mentally and physically disabled persons, mostly women and children. Some of the members are also HIV positive. The centre is run by a Dutch priest, Padre André.

Children from the village of Guisseme, Inhambane. Mute girl from Centro Mutanhana Weru on page 34. Photos: Gunnar Salvarsson.



In 2005, Öryrjabandalag Íslands (Organisation of Handicapped in Iceland, OHI) donated 18,619 USD for purchase of equipment for the disabled inhabitants of the home. It was then decided to postpone buying the equipment until the completion of a building being constructed for some of the disabled people. The idea is to use the OHI funds to buy equipment for a training facility in this new building. Due to a lack of funds at the Centre, the construction had to be stopped when it was only half completed. ICEIDA was therefore requested to provide funds to complete the building. This was approved and the house was ready in April.

Support to the Fisheries Sector

As well as tourism in Mozambique, fisheries are one of the important sectors in the fight against poverty. Fisheries are a considerable source of national income, a source of employment and helps food security as a source of protein, especially for the poorest segment of the population. ICEIDA's co-operation with Mozambique in this sector dates back to the year 1995 and has developed in accordance with government priorities.

The current co-operation with INIP, the Fish Inspection Institute, continued in 2006. According to the project document, the project was estimated to be finalised before the end of 2005. However, because of delays in the rehabilitation of the office facility for the institute, some of the activities related to structuring and strengthening the inspection system were not finalised until the end of 2006, and others will be finalised at a later date.

By the end of this year, all the planned activities with INIP were in progress more or less according to the revised plan. The final version of the Inspection Manual was in preparation and the training of the inspectors in the use of the manual was in progress.



Closely linked to the Inspection Manual is the database for the inspection data. The database was installed at INIP in May 2006. The construction and implementation of the Quality Assurance System for the fish inspection laboratories started 1 May 2006. According to need assessment carried out in 2005, it was considered necessary to construct a database for the registration and processing of data from inspection activities, including licensing and certification. Based on the assessment, it was decided to begin with the construction of a database for the licensing and compiling of inspections. ICEIDA recruited a new laboratory advisor as of 1 March. His main task is to assist the laboratories in the work towards accreditation status, not only for the laboratory in Maputo, but also in Beira and Quelimane.

In October 2006, ICEIDA accepted a request from INIP for financial support for the rehabilitation/construction of offices, laboratories and accommodation for INIP's delegates in Angoche and Nacala in Nampula Province. The request was based on a tender and quotations from local constructors.

In November 2006, the MoF provincial office moved to Nampula City and the office space in Angoche was then available for use by INIP. Some rehabilitation was needed, especially for the sensory laboratory, before INIP could move in. Cost estimates for this were not at that time ready and ICEIDA emphasised the importance of having these estimates ready at the earliest opportunity.

Boats on the shore near Costa Do Sol in Maputo. On page 37: Members of Association of Women and Single Mothers (AVIMAS) dancing (top) and a smiling boy from Maputo. Photos: Gunnar Salvarsson.





In September 2005, a local consultant was recruited to investigate the training needs and to compile a draft Project Document for the Information and Training Centre (ITC). In October 2006, a report was delivered from the consultant, "Implementation of Training Administration at MoF".

The final report for the Phase I of the Cahora Bassa project was delivered in January 2006. The report proposes a four-year follow-up project with continued support from ICEIDA.

A Preparation for a Project at Cahora Bassa was made in the second half of 2006, "The Cahora Bassa Reservoir Fisheries Research and Monitoring Project - Phase II".

The overall objective of the Cahora Bassa Fisheries Research and Monitoring Project - Phase II is to contribute to the sustainable utilisation of the fisheries resources of Cahora Bassa Reservoir, through the development of scientifically based management plans, the implementation of which will increase food security, livelihood standard and employment in the local lakeshore communities.

Upon the decision of DANIDA at the beginning of 2000 to depart from the fisheries sector, ICEIDA took over the lead agency functions in the investment component of the Mozambique Semi-Industrial Fisheries Project. The component is financed by the Nordic Development Fund (NDF) and is administered by a Mozambican development finance institution, GAPI. This case was closed 31 December.

ICEIDA is supporting IDPPE with a small pilot project in Maputo Bay. The main objective is to grant assistance to artisan fishing for the establishment of grassroots community organisations in the fishing centres of Muntanhana and Pequenos Libombos. The project is to be carried out in 2006 by IDPPE Maputo Delegation. Further co-operation with IDPPE will be evaluated at the end of the project.



Support to the Transport Sector

The Mozambican Institute for Hydrographical Surveying, INAHINA, approached ICEIDA in 2003 with the idea to extend the Hydrographical survey project on Lake Malawi. This was implemented with the cooperation of ICEIDA and the Malawian authorities. The Mozambican name for Lake Malawi is Lake Niassa.

The work to complete the Project Document started after some delays in November 2005 and several meetings between the Country Director and personnel from INHAINA took place in the last months of 2005. INHAINA representatives visited their counterparts in Malawi in December and a Memorandum of Understanding (MoU) was signed between the countries at the end of the year.

The overall objective of this project is to provide members of the fishing and seafaring communities in Mozambique and neighbouring countries with up-to-date charts. These are crucial for safe navigation, which will in turn lead to improved operational efficiency on Lake Niassa.



UGANDA





Introduction

The presidential and parliamentary elections held in February 2006 marked a watershed in Ugandan politics when, after twenty years, multipartyism returned to the country. A total of five candidates, from four parties, ran for president. The same parties e.g. the Democratic Party (DP), Forum for Democratic Change (FDC), National Resistance Movement (NRM) and Uganda Peoples Party (UPC) contested the parliamentary elections. Incumbent President Mr. Yoveri Kaguta Museveni won a convincing victory in the presidential poll getting 59% of the votes while his main rival Dr. Kizza Besigye got 37%. The ruling party NRM won the battle for parliamentary seats taking 189 out of 319 seats. However, the party failed to win seats in any of the 6 districts in war torn northern Uganda. The biggest opposition party in parliament is the FDC. Political tensions are expected to subside after President Museveni expressed his desire to work with the opposition, and criminal cases brought against his opponent, Dr. Besigye were found unsubstantiated.

The first “real” peace negotiations between the Lords Resistance Army (LRA) and the Government of Uganda and subsequent Agreement on Cessation of Hostilities that was signed in August 2006, brought fresh hope that an end to the conflict might be in sight. However, the parties soon realised that the talks were very complicated. By the end of the year the talks were expected to stretch well into next year before a peace deal could be signed. One major hurdle in the negotiations was the outstanding International Criminal Court (ICC) arrest warrants for the senior leadership of the LRA. It is worth mentioning, that since the onset of the Juba based talks (in Southern Sudan), mediated by Sudan’s Vice President Mr. Machar, no hostilities by the LRA were reported in North Uganda.

UGANDA

Uganda - Key Figures

Land area	241,139 km ²
Population	28,8 million
Population growth rate	3,7%
GDP per capita	307 US\$
GDP per capita PPP	1,517 US\$
GDP growth rate 2006	5,0%
Life expectancy at birth	48,4 years
Adult literacy rate (age 15 and above)	66,8%
HIV/AIDS prevalence	6,7%
ICEIDA AID 2006	2.274.407 US\$

Statistical Sources: Economist Intelligence Unit; Country Profile Uganda 2007 and Human Development Report 2006, Published by the United Nations Development Programme

The biggest security challenge in 2006 stemmed from the North Eastern part of Uganda. The traditional cattle economy in this underdeveloped arid region, inhabited by the pastoralist Karamojong, had long been associated with rustling and inter-clan fighting. The Karamojong acquisition of modern firearms and increased small arms proliferation in the region in recent times added a more dangerous dimension to traditional rivalries and often spilled over to adjacent districts. In an effort to control increased violence in the region, the government decided to commence forceful disarmament of the Karamojong employing the army (UPDF) to carry out “cordon and search” operations. These army operations, however, evoked strong criticism from human rights organisations and were not very successful. Expectations of an improved situation in the region are attached to the elaboration and implementation of the Karamoja Integrated Development Program.

A scandal that broke over alleged misuse of the Global Fund (GF) contributions to the health sector involving high-ranking officials shadowed the fight against corruption in 2006. The President set up a judicial inquiry, which submitted a report in June. The report recommended further investigations before legal actions could be taken. However, by the end of the year these investigations were still pending.

Discoveries of considerable oil reserves in western Uganda caused much celebration in 2006. In view of the country’s energy shortages, the government immediately announced plans to set up a mini oil refinery to process crude oil into fuel for a power plant. Meanwhile, preparations for the Bujagali hydropower plant progressed according to plans and electrical production is expected to commence in the year 2011.

Uganda continued to make progress towards achieving the Millennium Development Goals (MDGs). As reported earlier, good progress has been made towards eradication of poverty (since 1990) although the progress has somewhat stagnated in recent years, equal ratio of girls and boys in primary education has been met, prevalence rates for HIV/AIDS kept under control and access to improved water and sanitation significantly improved. However, significant proportion of primary school children still fail to complete all seven grades, and the progress made towards reduction of child mortality and maternal health improvements is considered less than satisfactory.



ICEIDA'S Development Co-operation

The operation in Uganda broke new ground with the signing of its cooperation projects in 2006. Firstly, the support to the Kalangala District Development Program which was ICEIDA's first comprehensive rural development project to be initiated, secondly, support to entrepreneurship training programs in Uganda being the first private sector project. Lastly, the support to the operations of the Uganda Australia Foundation in Rackoko in North Uganda. The volume of ICEIDA operations also increased considerably with the inclusion of the new projects. The country office participated in various donor activities and joined the Partners for Democracy and Good Governance Group in September. Lack of space started to hamper the operations with increased number of projects and project staff. It was, therefore, decided to move into new premises that fortunately were located in the same office building as before. An annual monitoring delegation from Iceland visited Uganda in May. The delegation visited the ICEIDA projects in Uganda and attended meetings with representatives of the Ugandan central government and district officials.

UGANDA



Support to the Social Sector

Support towards adult literacy and basic education is a direct contribution towards the MDGs. The direct effects of support towards these two fields are: poverty eradication; educated and healthy society; gender equality and empowerment; environmental sustainability, peace and security at individual, local and national levels. The Functional Adult Literacy Programme (FALP) is the Government's of Uganda priority programme designed to reduce poverty through increasing literacy rates. The programme empowers communities with skills, knowledge and information to participate in development activities. Furthermore, it is hoped that the number of people using literacy skills in different ways, at ever deepening levels, will increase. FALP targets people who missed out on the formal education system, and those who dropped out at the lower stages thus lapsing into illiteracy, with special emphasis on women. The program is currently being implemented in a decentralised manner, at sub-county level, in all the districts in Uganda. ICEIDA in Uganda began supporting the implementation of FALP in the hard to reach island communities on Lake Victoria in 2002. The support was initiated on the Ssesse Islands in the Kalangala District and last year, it was extended to the Buvuma and Koome islands of the Mukono District. During 2006, the main contributions of ICEIDA to the implementation of FALP on the islands were as follows: capacity building of those implementing the programme, namely the district staff and FALP instructors at village level; conducting learners proficiency tests, and operation of the 146 classes with 2,298 learners in Kalangala and 244 classes with 4,158 learners in the Buvuma and Koome islands in Mukono or a total of 390 classes with 6,456 adult learners. There has been an increase of male enrolment in the classes of approximately 43% of the learners.

Head teacher of grammar school in the Kalangala district. On page 39: Young girl from Kampala. Photos: Gunnar Salvarsson.





This can be attributed to the project strategies and increased number of post-literacy classes (Small Business and English). Furthermore, the weekly FALP pro-active radio programme broadcasted in Luganda, one of Uganda's many local languages, and the advocacy of the instructors' associations in the two areas have played a significant part in encouraging participation of male learners.

In addition to the implementation of FALP and as a part of the capacity building, the project had planned to support the office of Community Based Services in Mukono District with their housing.

This activity was revised following a request from the district to include office accommodation for the District Administration. Subsequently, ICEIDA approved to support the completion of two wings of the Mukono District Administration Block, namely the Community Based Services and District Administration wings. The work started in October and should be finished within the first half of 2007.

The Department of Elderly and Disabilities, in charge of the national FALP, received support for two projects in 2006. Both of these, the establishment of a National Adult Literacy Management Information System and a Process Review of FALP should increase the quality and efficiency of the delivery of the adult literacy program in the country. Furthermore, the information generated in the Process Review will be used for policy formulation for adult literacy and basic education and re-designing the FALP.



The first rural development project supported by ICEIDA was approved in September 2006. The project will provide support to the Kalangala District in implementing their district development program. The project duration will be 10 years, in four distinctive phases with a total budget of 7 million USD.

The main purpose of the project is to facilitate and support the efforts of the Kalangala District Local Government in achieving the following: efficient and effective leadership in the district together with quality administration and management of public services, along with strong private sector and civil society organizations; sustainable quality fisheries production and marketing in the whole district; equitable access for the citizens to quality primary and secondary education, and equitable access for the citizens to quality health services at district level.

The project took off in October, which limited the activities that could be carried out. The focus was on minor infrastructure development, purchasing of consumables and assets to support the various departments, and training of district staff. Furthermore, the project staff was hired, including a project manager and a local project officer in charge of finance.

Support to the Fisheries Sector

As in recent years, fish products continue to be the leading non-traditional export from Uganda. The most important market for Ugandan fish products is in Europe, which in turn makes stringent requirements on the industry and the Competent Authority (CA) to have the appropriate Quality Assurance mechanisms in place.

Taxicabs in Kampala during rush hours in the capital. On page 42: Mother and a child on the porch in small village in Kalangala. Photos: Gunnar Salvarsson.



Support to the Ugandan Fisheries Laboratory (UFL) continued throughout the year. However, the ICEIDA technical advisor finished his term in June. The UFL achieved national recognition in mid 2006 but CA regulations require the laboratory to have international accreditation before offering its services to the industry. The accreditation process was initiated in early 2006 and is expected to continue well into 2007. The project ended officially by December but some few “left over” activities will be carried out in 2007. Responding to a request from the CA, a team of fish quality assurance experts from Iceland visited Uganda for an evaluation of the sectors QA systems.



Support to the Energy Sector

The Ministry of Energy and Mineral Development (MEMD) of Uganda, with support from ICEIDA and the World Bank, carried out a drilling programme for temperature gradient measurement in Kibiro and Katwe geothermal prospects. The drilling programme was a follow-up of the results of a surface exploration that was carried out in 2005. The objective of the programme was to confirm the existence of the geothermal resource and assist in positioning deep exploration wells. Alongside the drilling programme was the geochemical investigation of other geothermal areas of Uganda.

Support to Private Sector Development

An Entrepreneurship Training Project was developed with an aim of making the existing training programs in Uganda more relevant and responsive to the needs of the target groups (small and medium-size enterprises, as well as women entrepreneurs).

It was in this regard that a team of 8 initial trainers of trainers (first generation trainers) were sent to Iceland for an Entrepreneurship Training Seminar at the Reykjavik University. This exposed the trainers to best practises in Iceland and also gave them an opportunity to get appropriate training materials, which they would customise to the Ugandan environment.

The training material was then developed “in country” and tested. The project named Support to Entrepreneurship Training Programs started formally in October 2006 and was the first project of its kind in ICEIDA’s history.

Schoolboy from Kitetika school in the Wakiso District. Photo: Gunnar Salvarsson. On page 45: Fishermen in the evening sun at Lake Victoria (top) and a lively marketplace in Gaba, Kampala. Photos: Geir Oddsson.





Support to NGOs

The foundation for supporting NGOs and grassroots projects is to promote civil society and democratic development in Uganda. ICEIDA supported a number of local NGOs involved in social and educational projects in 2006.

For the fourth year in a row, support towards operational costs was given to the Candle Light Foundation (CLF) – a rehabilitation centre for vulnerable girls in Kampala. In 2006, 75 girls and 15 children benefited from the foundation's programmes, which included counselling on HIV/Aids and other health and social issues; medical services; income-generating skills and vocational training (tailoring, hairdressing and candle making). In addition, some of the girls were supported to attend formal education in primary, secondary and vocational schools.



Uganda Australian Foundation (UAF) got support from ICEIDA through ABC Children's Aid in Iceland. The support was for the construction of science laboratory classrooms and library/computer laboratory for the secondary school at the Comprehensive College in Kitetika (CCK), in the Wakiso District. The UAF also received support for their adult learning centre located next to a refugee camp in Rackoko in the Pader District. This was the first ICEIDA funded project in North Uganda.

ICEIDA has supported Kalangala FALP Instructors Association (KAFIA) since 2004. The main objective of this support is to build the grassroots capacity in the Kalangala district for the sustainability of the FALP. In 2006, KAFIA got support towards the running of its office, monitoring of literacy classes, KAFIA's general assembly and training in financial management and proposal writing.

For the second year, the Always Be Tolerant Organisation (ABETO) got support for translation and printing of its textbooks and pamphlets in Luganda and English. The books are used in adult literacy and education to enrich functional knowledge about peace, tolerance and human rights.



SRI LANKA





Introduction

Ever since independence in 1948, Sri Lanka has had an active multiparty system, democratically elected governments and peaceful transfers of power. However, after 450 years of successive colonial administrations, post-independence attempts to ‘Sinhalese’ national life and the increasing discrimination against ethnic and religious minorities provoked mounting communal violence and efforts by extremists to fight for an independent Tamil state in the North and East.

These tensions erupted into war in 1983 and the ensuing 25-year conflict has caused nearly 70,000 deaths as well as widespread displacement of people (with figures of Internally Displaced People (IDP) due to the conflict reaching more than 500,000, of which more than 200,000 since April 2006) and destruction.

A ceasefire was signed in February 2002, although peace talks have been suspended since April 2003. The ceasefire is monitored by the Sri Lanka Monitoring Mission, originally manned by people from all the Nordic Countries, but currently only from Norway and Iceland. Attempts to restart the peace talks with active involvement of the Norwegian facilitator in 2006 have not produced the expected results.

Following the elections in 2005 the Mahinda Chintana, which His Excellency Mahinda Rajapaksa presented during the election campaign, became the guiding documents for development in Sri Lanka, and has been transformed into a ten year development framework for the periods 2006 – 2016.

SRI LANKA



Sri Lanka - Key Figures

Land area	65,610 km ²
Population	19,9 million
Population growth rate	0,7%
GDP per capita	1,289 US\$
GDP per capita PPP	4,032 US\$
GDP growth rate	7,4%
Life expectancy at birth	74,3 years
Adult literacy rate (age 15 and above)	90,7%
HIV/AIDS prevalence	0,1 %
ICEIDA AID 2006	1.125.485 US\$

Statistical Sources: Economist Intelligence Unit; Country Profile Sri Lanka 2007 and Human Development Report 2006, Published by the United Nations Development Programme

It replaces the Poverty Reduction Strategy for Sri Lanka, “Regaining Sri Lanka”, that was adopted in 2002. The goals set by the Mahinda Chintana is to raise the annual GDP growth to above 8% with emphasis on market economic policies, through necessary support to domestic enterprises and by encouraging foreign investments in the country.

The Mahinda Chintana has been welcomed and largely supported by the international community, although with a certain level of caution and scepticism in view of the on-going conflict and intensification of fighting, and is not expected to be realised unless the issues of the conflict and humanitarian issues are dealt with concurrently.

ICEIDA’s Development Co-operation

Year 2006 was the second year in the newly established development cooperation between Iceland and Sri Lanka. The ICEIDA Country Office was opened in August 2005, and was fully operational as intended by early 2006. Year 2006 was characterised by the development of projects under the bi-lateral program between Iceland and Sri Lanka. In compliance with the original request by Sri Lanka, the focus was on the Fisheries Sector.

ICEIDA had received a number of specific requests from the Ministry for Fisheries and Aquatic Resources (MFAR) of the Government of Sri Lanka (GoSL). These had to be evaluated with regard to the development policies of both ICEIDA and the GoSL, and eventually developed into implementable project plans. Specific attention was given to projects assisting in the recovery from the devastation by the tsunami in 2004.

A number of expert missions from Iceland were undertaken to Sri Lanka during 2006 to assist in project development and expert missions from Sri Lanka also travelled to Iceland for the same purpose. A total of six expert missions came to Sri Lanka from Iceland during 2006, involving ten experts in quality assurance, education and fisheries statistics.



Two quality experts from Sri Lanka travelled to Iceland during the year for project development, and additional three professionals from the MFAR joined the six month intensive United Nation Fisheries Training Programme (UNU-FTP) with support from ICEIDA.

Support to the Fisheries Sector

The fisheries sector is an important livelihood sector in Sri Lanka as well as being increasingly important as a production sector and source of export earnings for the country. As most of its activities and infrastructure are placed near the coast, it was relatively hard hit by the tsunami in 2004.

By 2006, substantial recovery had already been achieved, but immense tasks still remain, particularly in infrastructure reconstruction and development.

In April 2006, the GoSL adopted a “Strategy and Programme for Post-tsunami Reconstruction and Development of the Marine Fisheries Sector”, which was developed by the MFAR with support from FAO and various other donor agencies.

SRI LANKA



The strategy is based on the principle “build back better” where the aim is not only to reconstruct infrastructure and facilities that was lost during the tsunami at the same level as before, but to strive for improvements, and thus achieve positive development at the same time. In 2006, ICEIDA decided to join forces with the MFAR in implementation of the development plan.

An Icelandic fisheries expert joined the Country Office in Colombo in February 2006. His main role was to assist with the development of projects in the Fisheries Sector and to facilitate and monitor progress in already approved projects.

A Civil Engineer of Sri Lanka nationality was also recruited during 2006, and he was charged with the responsibilities of supervising and managing the post-tsunami infrastructure development programme funded by ICEIDA.

A Need Assessment Study was carried out by an Icelandic education expert in February 2006 to identify the priority areas for education and training in the Fisheries sector. The findings and recommendations of the study, combined with the findings from two specific studies into Gear Technology and Marine Training carried out in 2005, create the basis for possible ICEIDA intervention in the area of training in the Fisheries Sector.

Some progress was made during the year to identify more specifically the areas for ICEIDA attention, but a specific project proposal was not completed during the year. This work will continue in 2007.

Tug of war with beach seine at Madel on the south coast. On page 47: Fishermen mending nets at Dodanduwa. Photos: Árni Helgason.



The most likely area of involvement will be in the establishment of conventional marine training for Fishing Vessel operators in compliance with the requirements of the International Maritime Organisation (IMO), and possibly the re-construction of the Fisheries Training College in Batticaloa on the East Coast of Sri Lanka, that was destroyed by the tsunami.



ICEIDA and the UNU-FTP, with professional support from the Fisheries Research Institute in Iceland, joined forces with the National Aquatic Research and Development Agency (NARA) and the MFAR to develop and execute a four day training course in safety and quality management for harbour managers in Sri Lanka. The rationale for this is the known level of quality problems facing the fishing harbours in Sri Lanka and that considerable reconstruction was being planned in the fishing harbours after the tsunami destruction, and this was seen as an opportunity to introduce stronger focus on safety and quality issues in the planning of such work. A team of two experts from Iceland and three experts from Sri Lanka were responsible for the development of the course material. All the material was prepared in English, but translated into both Sinhalese and Tamil, and published in quality folders with all the material printed in full colour in all three languages. A DVD with examples of quality related problems from fishing harbours was made by a professional media company in Sri Lanka, and distributed to the participants with the folders. A set of 12 posters with various quality related messages were also printed and distributed to fishing harbours and anchorages in Sri Lanka. The Coastal Conservation Department of the MFAR assisted with the graphic design of the course material and posters.



The course ran twice in September and October 2006, and was delivered to 80 managers from the fishing harbours and various fisheries institutions and agencies. The reaction from participants on the course was very positive and suggests that the course was successful in delivering deeper understanding of safety and quality management for fisheries harbours to decision makers and managers in the fisheries sector.

The course may be offered again at management level, both in the public and the private sector, if requested. There are also plans to develop a simplified version of the course to use in awareness campaigns targeting various stakeholders and communities in the fisheries sector.

ICEIDA continued to explore means of improving the existing fisheries data collection system in the fisheries sector in order to strengthen the capacity of MFAR and its agencies in the planning and management of the fisheries. An expert mission from Iceland, in collaboration with national experts, was in Sri Lanka in May 2006 to do an in-depth study of the existing data collection system and to develop proposals for improvement.

A detailed report from the study was presented by the mission including proposals for improvements and outlining strategies for changes. The concept was approved by MFAR and relevant agencies, but final development of a project proposal was not completed during the year. This development work will continue in 2007.

Towards the end of 2006, the MFAR decided to carry out a census of fishing vessels in Sri Lanka in order to take stock of the current situation and to introduce a new registration numbering system for fishing vessels at the same time. ICEIDA and FAO agreed to provide technical and financial support to the project. A Fisheries Statistics Expert travelled to Sri Lanka to assist with the planning of the census, and to secure that information collected would be transferable to a dynamic fishing vessel registry at a later date.

Photo from the landing site at Kandakutiya. On page 50: Three generations of fishermen, photo taken in Negombo Harbour. Photos: Geir Oddsson.



The collection of Fishing Vessel Census data was completed in December, but entry into a computerised database and processing will continue in 2007. A database will be developed to store the census data, and it will be designed in such a way that it can deliver the data directly into a dynamic fishing vessel registry, when this is ultimately established.

Post-harvest losses remain a serious problem in the Sri Lanka fisheries sector, and substantial economic and nutritional gains can be achieved by improvements in this area. The replacement of laboratory equipment damaged by the tsunami in the NARA Post Harvest Divisions Laboratory continued in 2006 and was completed by the end of the year.

The experimental kitchen or processing facility of the NARA Post Harvest Division was also upgraded, and all machinery damaged by the tsunami were either repaired or replaced. The facilities were completely renovated; new air-condition units installed and a walk-in freezer upgraded in 2006. The processing facility has already been put to use through conducting training and awareness courses in fish processing and handling.

A project investigating the quality of water and ice used in the fishing industry was approved in 2005. Two quality experts from Iceland arrived in Sri Lanka in March 2006 and collaborated with colleagues from NARA and MFAR to develop a research plan to collect baseline information and establish the quality of water and ice used in the Sri Lanka fisheries. This has long been a problem in the sector, which was further aggravated by the tsunami. Fourteen harbours and ice plants were selected for sampling, and bacteriological and chemical data was systematically collected from these sites during the year. Chemical and bacteriological analysis was carried out in the newly renovated NARA PHD laboratory.



Preliminary results indicate that there are contamination and pollution problems at all the sites sampled, but at different levels and intensity. At the completion of this research in 2007, the Icelandic quality experts will return to Sri Lanka and participate in the interpretation of the results and in the development of a strategy to deal with the problems and constraints found. This is planned as Phase II of the project and ICEIDA expects to continue financial and technical support.

In April 2006, the MFAR adopted the “Strategy and Programme for Post-tsunami Reconstruction and Development of the Marine Fisheries Sector”, which is the roadmap for coordinated efforts for recovery in the fisheries sector after the devastation of the tsunami. ICEIDA had been waiting for such a plan to emerge in order to focus its efforts in line with the priorities of the GoSL.

A local civil engineer with vast experience and know-how from the fisheries sector joined ICEIDA in May 2006 to take charge of the coordination and management of the ICEIDA intervention in re-habilitating infrastructure at landing centres in Sri Lanka. The MFAR was requested to provide ICEIDA with a list of sites recommended for infrastructure reconstruction, and on the basis if this seven landing centres were selected in four districts on the west and south coast of Sri Lanka.

Fishing market in Dodanduwa. Photo: Árni Helgason. On page 53: The new auction hall at Kandakutiya (top) and cheerful school children visiting the rock temples at Dambulla. Photos: Geir Oddsson.





At that point in time, it was not possible to select sites on the east and northern coasts of Sri Lanka due to the on-going conflict in those areas and difficult security situation. In total, 11 buildings were tendered at the seven landing centres, including fishers facility complexes or general service centres for the communities, auction halls, radio room, community halls and hygienic facilities.



Construction work commenced at six of the seven sites before the end of 2006, but all structures will be handed over to fishing communities in 2007 through fishers associations or co-operatives. An important component of this project is to strengthen or create the capacity within the local fishers associations or co-operatives to receive the buildings and operate and maintain them in future for the benefit of the whole community.

A local partner, with expertise in community development work, will be sought to assist with this part of the project.



NICARAGUA





Introduction

Nicaragua is a constitutional democracy, with directly elected president, vice president, and unicameral legislature. In 2001, voters elected Enrique Bolaños, of the PLC, as president, whose term expires in January 2007. The Bolaños era has been dominated by an anti-corruption stance, which has deprived the president of much needed legislative support.

The tough stance on corruption led to the indictments against officials from the Arnoldo Alemán era (1997-2001) and conviction of Alemán himself. As a result, the PLC, on whose platform Bolaños was elected, turned its back on the president as Alemán managed to maintain control over the party. A political pact entered into in 2000 between Alemán and former president Daniel Ortega, leader of the FSLN, blocked many of the economic and political agendas of the Bolaños government and triggered a constitutional crisis.

Political maneuverings, leading up to the 5 November presidential and National Assembly elections, were predominant on the national agenda during 2006. This resulted in a fragile institutional framework and a turbulent political situation. As the year progressed, it became clear that the main contenders for the presidency would be Daniel Ortega, the leader of the left-wing FSLN, and the dissident Liberal Eduardo Montealegre of the center-right ALN-PC. The presidential election was by many considered the most important since 1990, as splits on both the left and the right resulted in an unprecedented five-way race, which also included the dissident Sandinistas Edmundo Jarquin of the MRS and Eden Pastora, as well as José Rizo of the traditionally dominant center-right PLC.

NICARAGUA



Nicaragua - Key Figures

Land area	121,428 km ²
Population	5,14 million
Population growth rate	1,9%
GDP per capita	850 US\$
GDP per capita PPP	2,715 US\$
GDP growth rate	3,7%
Life expectancy at birth	70 years
Adult literacy rate (age 15 and above)	76,7%
HIV/AIDS prevalence	0,2%
ICEIDA AID 2006	1.019.712 US\$

Statistical Sources: Economist Intelligence Unit; Country Profile Nicaragua 2007 and Human Development Report 2006, Published by the United Nations Development Programme

The main contenders, Ortega and Montealegre, varied greatly in their outlook on economic and social issues, and proposed adopting dissimilar styles of leadership, hence taking the country in opposite directions.

The electoral process, resulting in the election of Daniel Ortega as the next president of Nicaragua, was hotly contested, but generally considered free and fair by various international observers. With a 75 percent of those eligible participating, Ortega won by 38 percent compared to 29 percent for Montealegre, thus avoiding a runoff vote by gaining more than 35 percent and a margin of more than 5 percentage points. As for the National Assembly the distribution of seats was: FSLN, 38; PLC, 25; ALN, 22 and MRS, 5, thus governability might become complicated as the FSLN does not have a majority and will have to rely on the alliance with Alemán and the PLC. The initial signals from the president-elect were received favorably by the international donor community, but there are expectation that significant policy shifts will be introduced when the Sandinista 'government of reconciliation and national unity' takes power, which is cause for considerable uncertainty. Daniel Ortega will be sworn in as president on 10 January 2007.

In the last few days leading up to the November elections, the National Assembly approved by 52 votes to none a sweeping new law banning abortions – even in cases of rape and where the mother's life is at risk. The law overturned a 130-year-old policy permitting abortions in exceptional cases. Nicaragua became only the third country in the western hemisphere to ban abortion without exception. The timing of the vote was challenged by domestic and international opponents, who warned that the debate had become politicized ahead of the elections and that it deprived women of basic human rights.

Real GDP grew to 3.7 percent in 2006, compared to 4 percent in 2005. Despite surging to over 10 percent between June and October, twelve-month inflation ended 2006 at 9.5%, virtually unchanged on 2005 when it reached 9.6%. The crawling peg has been kept at a 5% depreciation rate and despite the high rate of inflation, Nicaragua's real trade-weighted exchange rate has been undervalued since 2002.



Nicaragua is still the poorest country in Latin America after Haiti, Bolivia and Honduras. Eighty per cent of its population lives on less than 2 USD a day and 46% per cent on less than 1 USD a day. According to the UN's Human Development Report 2006, Nicaragua is in the same place on the Human Development Index (HDI) as in 2005, or the 112th out of the 177 countries covered by the report. Nicaragua ranks in the 40th place out of 102 developing countries according to the HDR 2006. Both maternal mortality and infant mortality is still increasing and that is the sector which ICEIDA has been supporting by building Women Centres where they are most needed. In June 2006 Nicaragua got a debt relief under the Heavily Indebted Poor Countries Initiative (HIPC).

ICEIDA's Development Co-operation

Coinciding with the increased level of Icelandic development co-operation, the Icelandic authorities decided in 2004 to add to the number of partner countries. One of these was Nicaragua. After a favorable assessment of the possibilities for co-operation and prospects of successful operation, the Board of ICEIDA decided that preparations for development co-operation with Nicaragua should begin in 2005. After fruitful preparations throughout 2005, ICEIDA opened its first office in Latin America at the beginning of 2006. Logistical, legal and

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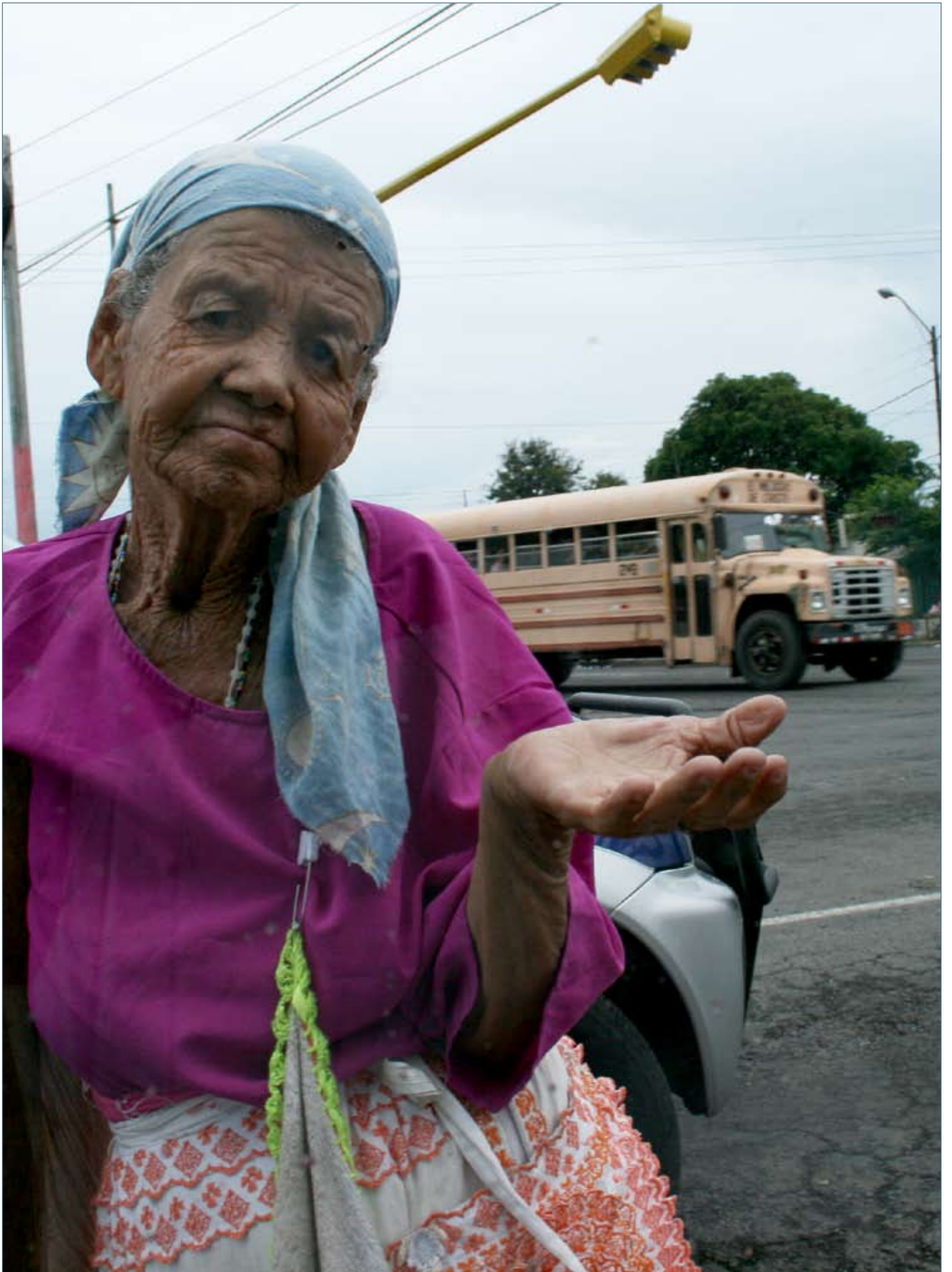
financial arrangements, as well as recruitment of local staff, were completed by mid-May and by the end of the year the office was operating in a smooth and efficient manner, being able to support current and future activities.

Negotiations between the Icelandic and the Nicaraguan authorities for a General Agreement on Bilateral Development Co-operation commenced in 2005. A General Agreement lays out the general rules and procedures under which the various cooperation projects are implemented, and forms the legal foundation for ICEIDA's presence in any partner country.

There had been expectations that the Agreement with Nicaragua could have been completed by the end of 2005, but due to various unforeseeable difficulties a few details still remained to be ironed out at the beginning of 2006.

As a consequence, the ICEIDA office in Nicaragua commenced operating under the auspices of the Embassy of Iceland in Managua, since it had been decided that the ICEIDA office would also serve as the Embassy of Iceland in Managua. Hence, all legal obligations were from the outset carried out in the name of the Embassy. The final few outstanding issues concerning the Agreement were eventually settled in early June and the General Agreement was signed on 26 June. However, in order for the Agreement to enter into force, both countries will have to complete a ratification process. On the Icelandic side, ratification is an executive decision, which in this case was completed on 6 November 2006. On the Nicaraguan side, ratification requires approval by the National Assembly.

Girl from Managua. Smiling girl with red roses in her hair from Bluefields on the Atlantic coast on page 55. Photos: Erla Sigurlaug Sigurðardóttir.



Due to the referred to political complications between the executive and legislative branches of government, this process had not yet been completed at the end of the year. As a consequence, ICEIDA does still not exist as a legal entity in Nicaragua. All legal commitments and activities have thus been carried out in the name of the Embassy of Iceland in Managua, and will continue to be until the ratification process has been completed.



Support to the Social and Health Sector

An assessment of Nicaragua's vast social sector, health, education and social affairs, was carried out in July and a final report was presented in August. The assessment's main purpose was to conduct an overall evaluation of the sector, with the appropriateness for Icelandic involvement in mind, and, if considered appropriate, to identify possible projects in the sector. The assessment was developed in consultation with government representatives, experts from the international donor community and delegates from civil society. The overall objectives for the Icelandic development cooperation on poverty reduction and social equality were kept in mind. The report recommended ICEIDA's active involvement within the Nicaraguan social sector already from the year 2006 given the unequal access to basic services in Nicaragua, the great income disparity apparent in all fields of society, together with the immediate urgency for financial contributions and specialized expert attributes. The following sectors and programs were identified as priority:

- The health sector and the Casas Maternas (CM) program, a program focusing on health care of expecting mothers, with an educational component
- The education sector and the PAEBANIC program, program of adult education for people 15-30 years of age
- Alternative projects within the social sector, such as the programs and activities of the NGO Instituto Centroamericano de Salud, were also recommended as a choice of action while the above mentioned projects are prepared and transferred through the local infrastructure of ministerial budgeting

The report furthermore recommends, and emphasizes the importance of, a re-assessment of the report to be conducted at the beginning of 2007 to evaluate the impact of the change in government. In accordance with the evaluation report's recommendations, preparations for support to the CM program began in September. In coordination and cooperation with the Ministry for Health (MINSAs), four departments and five localities within them were identified as a priority and it was decided to support the necessary construction work for the houses to be operative and their furnishing.



The departments elected all present high maternal and infant mortality rates. In early October, an agreement between MINSAs and ICEIDA was signed. As the CM program is operated by local communities and due to complications by the Financial Administration and Budgeting Law, the Ministry then signed sub-agreements with each of the local authorities in question, and ICEIDA's support was delivered directly to local authorities later that month. Construction work is scheduled to come to an end in March 2007. The Casas Maternas project, as described above, is considered to be a pilot project, on whose results future involvement will be built. However, a change in the penal code, passed by the National Assembly in late October, that put a total ban on abortion, including therapeutic abortions when the life of the mother and child are in grave danger, might influence future decisions regarding Casas Maternas. The timing of the abortion ban was very unfortunate, as the Icelandic CM project had just recently been launched.

Women at Casas Maternas. On page 58: Begging woman in Managua. Photos: Erla Sigurlaug Sigurðardóttir.



Support to the Energy Sector

The Nicaraguan energy sector was highly volatile throughout 2006. Nicaragua is a net oil importer, and record high oil prices caused economic hardship for businesses and consumers. 72 percent of Nicaragua's total average electricity consumption of some 400 MW per hour is thermal, i.e. produced by oil burning power plants. At the same time, Nicaragua was for large portions of the year facing between 100 and 120 MW electricity deficit. Prolonged power cuts during the summer months, resulted in street protests as cuts also lead to reduced water supply. The blackouts, furthermore, affected the health sector as programmed surgeries had to be cancelled and vaccinations and blood supplies decomposed. Hundreds of Nicaraguan university and high school students, protesting increased cost of public transport, fought with riot police over several weeks, resulting in scores of injured as stones and home-made powder mortars were used against police rubber bullets and tear gas.

Against this volatile background, Nicaragua has the possibility to turn to a brighter future as the country has considerable unused renewable energy resources. The economic potential of the Total Integrated Systems (SIN) is 3,100 MW, where 1,700 MW is hydropower, 1,000 MW is geothermal, 200 MW biomass-based power and other 200 MW wind energy. As per 2005, only about 16 percent and 6 percent of the effective installed capacity is hydro and geothermal power respectively. Whether or not the turn towards the future is made, depends largely on political processes.

For Iceland to assist in the development of geothermal resources in Nicaragua can be an exciting and rewarding endeavor. However, if the energy sector continues to be the chosen setting for political mêlées, then the planned cooperation could become difficult. The first steps in the preparation for co-operation in the geothermal sub-sector were taken in 2005. The preparatory work continued in early 2006, leading to a geothermal workshop, with the participation of



all stakeholders in the future co-operation. The main objective of the geothermal workshop, held in Nicaragua 26 – 29 June 2006, was to bring together technicians from Iceland and Nicaragua, in order for the Icelandic participants to understand better the challenges facing the Nicaraguan energy sector in general and the geothermal energy sub-sector in particular.

At the same time, their Nicaraguan colleagues would get a glimpse of Icelandic capabilities in the same sector. The main result of the workshop was a set of recommendations, based on Nicaraguan needs, coupled with Icelandic experience and know-how.

This technical appraisal was then presented to the Icelandic and Nicaraguan authorities in the form of a Project Identification Document (PID), formulating concrete activities to be carried out under the planned geothermal cooperation project. After joint considerations, the PID was approved by both the Icelandic and Nicaraguan authorities as the basis for the project.

It is the policy of the Government of Nicaragua to increase the use of renewable energy resources in the production of electricity. The geothermal sub-sector has been identified as a key component to this end, as Nicaragua has abundant and under-utilized geothermal potential. The government structure is, however, lacking in human capacity to oversee and administer the planned increase in geothermal exploitation.

The concept of the project is, therefore, for ICEIDA to assist with building local capacity, with the aim of making Nicaragua self-sufficient in managing the geothermal sub-sector at the

Field study as a preparation for cooperation in the geothermal sub-sector. Photo: Harpa Elín Haraldsdóttir. On page 61: Women dancing in Managua (top) and boys swimming in a lake. Photos: Erla Sigurlaug Sigurðardóttir





governmental level, in accordance with national legislation. As human resource development takes time, the project does also make provisions for expatriate technical assistance, especially early on in the project cycle. The lifetime of the project is expected to be five years.

The geothermal co-operation project will contain four main integrated project components, which tackle some of the human capacity constraints facing the Government of Nicaragua in its strive for increased geothermal utilization. The components are: Training and education; Institutional Support; Equipment and Materials; and Workshops and Seminars.

The head of the Engineering Department of Iceland GeoSurvey (ÍSOR) travelled to Nicaragua to review material and take part in discussions together with experts of the Geothermal Department at Instituto Nicaragüense de Energia (INE) in Managua, during the period 23-29 August 2006. The main objective of the consultancy was to: (1) assess the integrity of geothermal well SJ-4 at San Jacinto powerplant; and, (2) evaluate the selection of turbines for the planned 66 mw expansion. The consultancy was successfully implemented as planned with a final report presented to the stakeholders.

The first student for the United Nations University's Geothermal Training Program, sponsored by the cooperation with Nicaragua, commenced studies in April and completed the program successfully in November. The student, who came from the University UNAN-León, was the first student from Nicaragua attending the program for a decade, while before several Nicaraguans had made good use of the training. It is foreseen that two to three Nicaraguans will attend the program each year under the auspices of the geothermal cooperation project between Iceland and Nicaragua.

Support to the Fisheries Sector

A fisheries expert from ICEIDA's head office arrived in Nicaragua in March, in order to carry out an assessment of the status of fisheries in the country with the aim of identifying possible cooperation projects between Iceland and Nicaragua in this field. In his final report, the expert highlighted the following:

- It is not advisable to create development projects with the industry, as it is already commercial and can finance its own activities, including education and research.
- Gap-filling is not recommended, as experience shows that such projects are not efficient and often lack momentum for follow-ups.
- Local agencies lack funds for the running of their daily operations, and are thus restrained from hiring new people to work on development projects.
- Current political instability makes it difficult to go into long-term projects.
- Fisheries do not seem to be high on the current government's agenda, although lower level institutions in the public sector are willing and able to take part in projects.
- Other donors are not engaged in fisheries projects at all, with the exception of Norway and the EU who are engaged in some smaller projects and Japan in infrastructure.

The expert identified some areas worth considering as possible cooperation projects, given the general conditions being right. The assessment was reflected by the prevailing political and economic situation, and underlined that upcoming elections might change the landscape. It was considered quite possible that a new government would put more emphasis on fishing due to the significant importance of the fishing industry, especially in poor rural areas. The expert thus suggested that ICEIDA should use the time until the elections to look further into this sector.

ICEIDA Administration and Employees in 2006

Board of Directors

Six Members of the Board and alternate members are elected by the Parliament for a term of four years. The Chairperson is appointed by the Minister for Foreign Affairs. The present Board was last elected in May 2005 and will serve until May 2009.

Members of the Board

Mr. Sigurður Helgason, Chairman, appointed by the Minister for Foreign Affairs
Ms. Bryndís Friðgeirsdóttir, Project Manager, The Social Democratic Alliance
Mr. Haukur Már Haraldsson, Teacher, The Social Democratic Alliance
Rev. Hjálmar Jónsson, Minister, Independence Party
Dr. Jón Skaptason, General Manager, Independence Party
Ms. Katrín Ásgrímsdóttir, General Manager, Progressive Party
Mr. Sigfús Ólafsson, Project Manager, The Left-Green Movement

Observer

Mr. Hermann Örn Ingólfsson, Minister Counsellor, Ministry for Foreign Affairs

ICEIDA - Head Office

Mr. Sighvatur Björgvinsson, Director General
Ms. Þórdís Sigurðardóttir, Deputy Director General
Ms. Elín Rósa Sigurðardóttir, Publication and Information Manager, until December
Mr. Geir Oddsson, Desk Officer, Fisheries, from August
Mr. Gunnar Haraldsson, Project Manager, until August
Mr. Gunnar Salvarsson, Public Relations Manager, from August
Ms. Gunnhildur Guðbrandsdóttir, Administrative Coordinator, from June
Ms. Gunvør Balle, Exchange Programme, in February
Mr. Hannes Hauksson, Finance Manager, from December
Ms. Helga Sigurðardóttir, Finance Manager, until December
Ms. Lilja Jónsdóttir, Receptionist
Mr. Reynir Hjálmarsson, Press Officer, until June
Ms. Valgerður B. Gunnarsdóttir, Head Archivist
Ms. Þóra Kristín Ásgeirsdóttir, Receptionist, March-June

ICEIDA - Malawi

Ms. Margrét Einarisdóttir, Country Director
Mr. Ársæll Kristófer Ársælsson, Project Manager, Fisheries
Ms. Barbara Ryder, Receptionist, from March
Mr. Blackson Banda, Driver
Ms. Catherine Mandala, Office Assistant
Mr. Davie Kumwembe, Driver, from February
Mr. Idrisa Anusa, Driver
Ms. Jolly Kazembe, Accountant
Mr. Joseph Izaya, Caretaker
Mr. Jo Tore Berg, Intern, July-December
Mr. Kadelela Phiri, Maintenance Officer
Ms. Kristina Djurhuus Christiansen, Intern, September-December
Mr. Levi Graham Soko, Coordinator
Mr. Levison G. Fulundewe, Fisheries Assistant
Ms. Linley Magwira, Office Manager
Ms. Lovísa Leifsdóttir, Project Manager, Health Sector, until November
Ms. Ragnhildur Rós Indriðadóttir, Adviser, Health Sector, until June
Ms. Sigfríður Gunnlaugsdóttir, Project Manager, Social Sector
Ms. Sigríður Snæbjörnsdóttir, Project Manager, Health Sector, from October
Mr. Sigurður Guðmundsson, Adviser, Health Sector, from October
Ms. Stella Samúelsdóttir, Administrative Co-ordinator

ICEIDA – Namibia

Capt. Vilmundur Víðir Sigurðsson, Country Director
Ms. Elizabeth Swartbooi, Office Assistant
Ms. Hulda Guðrún Gunnarsdóttir, Intern, July-December
Ms. Jenny van der Walt, Office Administrator
Ms. Kristina Djurhuus Christiansen, Intern, July-September
Mr. Phillip Shilongo, Driver
Dr. Vilhjálmur Wiium, Project Manager

ICEIDA – Mozambique

Mr. Jóhann Pálsson, Country Director
Mr. Albazino Manjoge, Driver, from February
Mr. Franklín Georgsson, Project Manager, Fisheries
Ms. Gilda Lopes, Administration Officer
Mr. Joao Martins, Driver
Mr. Jóhann Þorsteinsson, Technical Adviser, from February
Ms. Madalena Humbane, Receptionist
Ms. Marta Einarsdóttir, Project Manager, Social Sector
Ms. Olinda Tina Manuel, Office Assistant
Mr. Rafael Chovela, Driver
Ms. Þóra Kristín Ásgeirsdóttir, Intern, July-December

ICEIDA – Uganda

Ms. Ágústa Gísladóttir, Country Director
Ms. Drífa Hrönn Kristjánsdóttir, Project Manager, from November
Ms. Dögg Guðmundsdóttir, Intern, July-December
Mr. Edward Kabongoya, Project Officer
Mr. Ivan Kasumbi, Office Assistant
Mr. Lawrence Kiraza, Senior Driver
Ms. Lilian Asaba, Project Officer
Ms. Lilja Dóra Kolbeinsdóttir, Project Manager, Social Sector
Mr. Kristinn Kristinsson, Fisheries Advisor, until July
Mr. Peter Baguma, Driver, from September
Mr. Pius Ichariat, Senior Project Officer, from November
Ms. Sylvia Namuddu, Secretary

ICEIDA – Sri Lanka

Mr. Árni Helgason, Country Director
Mr. C. Kumara, Driver
Mr. Haukur Þór Þorvarðarson, Intern, July-December
Mr. Ingólfur Arnarson, Fisheries Adviser, from February
Mr. M. E. de Costa, Driver, from October
Mr. M. S. Dias, Driver
Ms. N. Gamage, Office Assistant
Mr. N. S. R. Dias, Assistant
Mr. Sarath Bandara, Engineering Consultant, from May
Ms. T.T. Pillai, Office Coordinator, from February

ICEIDA – Nicaragua

Mr. Gísli Pálsson, Country Director
Mr. Curzio Fiaschi, Conductor
Mr. Ernesto Fuentes, Gardener
Ms. Gioconda Guevara, Project Manager, Geothermal Sector, from February
Ms. Harpa Elín Haraldsdóttir, Intern, July-December
Mr. Leonel García, Gardener
Ms. Sharon Ponder, Personal Assistant
Ms. Yamileth Fuentes, Office Assistant

List of Short-term Consultants

Malawi

Mr. C.N.Z. Zana provided short-term consultancy for ICEIDA in connection with the preparation of the Water and Sanitation Project in Monkey Bay in January.

Dr. Geir Gunnlaugsson provided short-term consultancy services for ICEIDA in connection with the ICEIDA funded Project "Monkey Bay Health Care" in February.

Mr. Guðni Eiríksson provided short-term consultancy services in connection with the ICEIDA support to the Regional Aquaculture Training Programme at the Fisheries Science Department (AFSD) at Bunda College of Agriculture in February.

Mr. Ólafur Ingólfsson provided short-term consultancy services in connection with ICEIDA supported Fisheries Project in Monkey Bay in October.

Namibia

Mr. Arngrímur Sigurdórsson, Computer Scientist in the Ministry for Foreign Affairs, assisted on the computer system, in November.

Mr. Davíð Ólafsson, Chess FIDE Master, provided chess lessons in schools, March - April.

Ms. Halldóra Traustadóttir was hired as specialist in the ICEIDA office, January-March.

Mr. Henrik Danielsen, Chess Grand Master, offered chess courses to schools as well as training of the Namibian national chess team in preparation for the Chess Olympiad. He visited twice, first in March and April and then September-October.

Mr. Jón Þórðarson provided consultancy services to the Directorate of Resource Management in the Ministry of Fisheries and Marine Resources, February-December.

Ms. Júlía G. Hreinsdóttir taught Sign Language courses in July.

Mr. Omar Salama provided chess courses to schools and chess arbiters, September-October.

Ms. Valgerður Stefánsdóttir provided consultancy services relating to Sign Language teaching during February-March, as well as in July.

Mr. Þorsteinn Þorbergsson provided consultant services on IT to the Development Bank of Namibia, September-October.

Mr. Þorsteinn Örn Andrésson worked as instructor in the Navigation Department at NAMFI, January-December.

Mozambique

Mr. Arngrímur Sigurdórsson, Computer Scientist in the Ministry for Foreign Affairs, assisted on the computer system, in November.

Ms. Dórothea Jóhannsdóttir, Ministry of Finance in Iceland, provided technical assistance in matters concerning finance and administration at the Fish Inspection Institute February-July.

Ms. Fatima Macaba, local short-term consultant for compiling a project proposal for the training component, report delivered in March.

Mr. Halldór Zoega, Directorate of Fisheries in Iceland, advised for review of the fish inspection regulation, in April.

Ms. Hlín Baldvinsdóttir, Delegate Icelandic Red Cross, worked with the Mozambique Red Cross society until June.

Mr. Jeremias Langa, Adviser to Social Project Preparation, until December.

Mr. Margeir Gissurarson, advised on the implementation of the Fish Inspection Manual, January-March.

Mr. Pétur Bjarnason, Fisheries Association of Iceland, advised on assessing the possibility of establishing an educational programme within the fishery school that addresses fish quality and fish processing, in May.

Mr. Reynir Þrastarsson, Syn Inspection Service, advised on the implementation of a database for inspection data.

Mr. Þórður Ásgeirsson, Directorate of Fisheries in Iceland, advised for review of the fish inspection regulation, in April.

Uganda

Prof. Alan Rogers provided expert advice on adult education for the Process Review of FALP, in November.

Mr. Anthony Okech et.al conducted a Process Review of the Functional Adult Literacy Programme, October-December.

Ms. Dóra S. Gunnarsdóttir, Food Scientist, worked as a fisheries expert on an assessment of the Competent Authority in April.

Ms. Gertrude Namyalo Mukooli et.al provided auditing services for the internal audit of the support to FALP in Kalangala and Mukono in February.

Ms. Gertrude Rose et. al provided expert advice on local government issues during four Logical Framework Workshops in preparation of ICEIDA support to the Kalangala District Development Programme, in January and February.

Mr. Guðjón Gunnarsson, Food Scientist, worked as a fisheries expert on an assessment of the Competent Authority in April.

Dr. Hjörleifur Einarsson carried out Quality Assurance training at the Uganda Fisheries Laboratory in April.

Mr. John Bosco Asiimwe, Statistician and Computer expert, developed a National Adult Literacy Management and Information System (NALMIS), June-December.

Dr. Knútur Árnason worked as a geophysicist on the Geothermal Pre-feasibility study in January.

Mr. Mubaraq Mubaya conducted four Logical Framework Workshops in preparation of ICEIDA support to the Kalangala District Development Programme, in January and February. Mr. Mubaraq also conducted a Logical Framework Workshop in preparation of ICEIDA support to the Entrepreneurship Training Programmes in March.

Dr. Philip Petit worked as a fisheries expert on preparations for a new fisheries project from September to December.

Mr. Stephen Kibuuka provided services as a civil engineer during the construction of the district office facilities in Mukono from October to December.

Dr. Þórólfur Hafstað worked as a hydrogeologist on the Geothermal Pre-feasibility study in January.

Sri Lanka

Ms. Brynhildur Benediktsdóttir, Statistics Consultant, was the Team Leader and Fisheries Statistics Consultant in the Project Development Study for the Fisheries Statistics Project in Sri Lanka from February to March.

Ms. Guðmunda Birna Guðbjörnsdóttir, Fish Quality Expert, provided consultancy regarding participating in the development of a short training course in safety and quality for harbour managers in Sri Lanka Fisheries sector. The project was implemented in collaboration with UNU-FTP in Iceland and MFAR in Sri Lanka from April to June.

Mr. Hróbjartur Árnason, Education Consultant, was a Team Leader and provided external consultancy regarding a Need Assessment Study for the National Institute for Fisheries and Nautical Engineering (NIFNE) in Sri Lanka from February to March.

Mr. Hrólfur Sigurðsson, Water Quality Expert, provided consultancy regarding the planning and implementation of a project studying the chemical and bacteriological status of water and ice quality in the Sri Lanka Fisheries Sector from April to May.

Mr. Leslie Joseph, National Fisheries Expert was the national counterpart to Ms. Benediktsdóttir and Mr. Tómasson in the Project Development Study for Fisheries Statistics Project in Sri Lanka from March to April.

Ms. Lilja Jónsdóttir provided assistance regarding accountancy in February.

Mr. Sveinn Víkingur Árnason, Fish Quality Expert, provided consultancy regarding participating in the development of a short training course in safety and quality for harbour managers in Sri Lanka Fisheries sector. The project was implemented in collaboration with UNU-FTP in Iceland and MFAR in Sri Lanka from April to June.

Mr. Tumi Tómasson, Fisheries Statistics Consultant, provided consultancy in Fisheries Management regarding the Project Development Study for the Fisheries Statistics Project in Sri Lanka in March.

Mr. Viggó Marteinnsson, Water Quality Expert, provided consultancy regarding participating in the planning and implementation of a project studying the chemical and bacteriological status of water and ice quality in the Sri Lanka Fisheries Sector from April to May.

Nicaragua

Mr. Árni Ragnarsson provided short-term consultancy services for ICEIDA, regarding cooperation in geothermal projects in June.

Mr. Benedikt Steingrímsson provided short-term consultancy services for ICEIDA in preparing a cooperation in geothermal projects in February and June.

Mr. Gunnar Haraldsson provided short-term consultancy services for ICEIDA by overviewing Nicaraguan fisheries with regard to possible co-development projects in March.

Ms. Harpa Elín Haraldsdóttir, intern July - Desember, provided short-term consultancy services for ICEIDA in connection with social projects in December.

Ms. Hólmfríður Garðarsdóttir provided short-term consultancy services for ICEIDA, regarding support in social projects in July.

Mr. Sigbór Hilmisson, Computer Scientist in the Ministry for Foreign Affairs, assisted on the computer system in May.

Mr. Sverrir Þórhallsson provided short-term consultancy services for ICEIDA in connection with the San Jasinto geothermal project in August.

Ms. Valgerður B. Gunnarsdóttir provided instructions regarding GoPro in June.

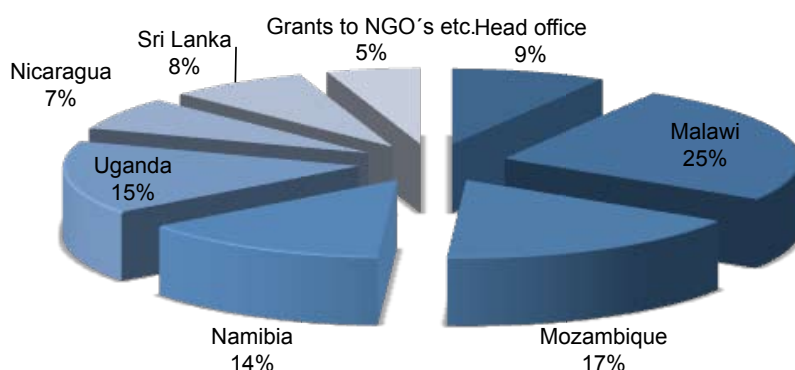
Mr. Þráinn Friðriksson provided short-term consultancy services for ICEIDA in preparing a cooperation in geothermal projects in February and June.

Financial Statement 2006

Icelandic development aid as ratio of GNI (Gross National Income) was 0,27% in 2006 or 41,5 million USD. This is an increase of 50% compared to 2005. Approximately 34% of the total budget went to bilateral cooperation, disbursed by ICEIDA or 14,3 million USD.

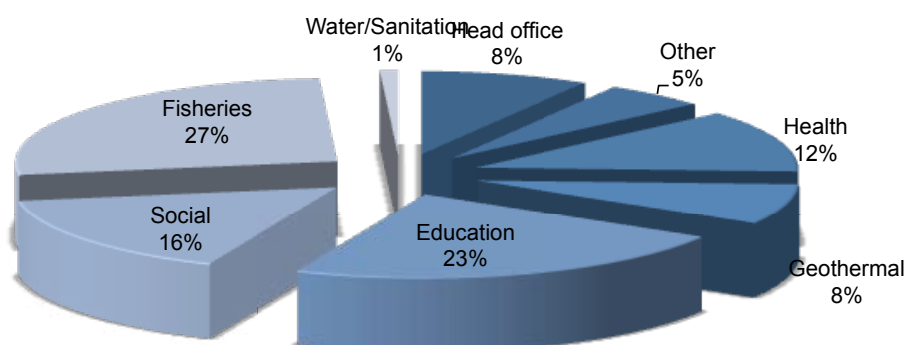
Expenditures – Geographical Distribution USD

Malawi is still the main recipient of ICEIDA support with 25% of overall expenditure, Mozambique is second with 17% and Uganda comes third with 15%.



Expenditures – Sectoral Distribution USD

The Fisheries sector is still the largest sector with 27% of the expenditure. But major change between 2005 and 2006 is that the Educational sector goes from 15% in 2005 to 23% in 2006 and Social sector goes down from 21% in 2005 to 16% in 2006. The Geothermal sector had a steady growth and now stands for 8% of expenditures.



Endorsement of the Annual Accounts


ICEIDA is a government agency subject to the authority of the Foreign Ministry. The Agency operates in accordance with Act No. 43/1981. The Agency has the objective of promoting co-operation between Iceland and the developing countries. The purpose of such co-operation is to support the efforts of the governments of these countries to improve their economies and thereby participate in strengthening their social progress and political independence within the framework of the United Nations Charter. Furthermore, the Agency has the task of promoting mutual understanding and solidarity between Iceland and the developing countries through increased trade and cultural relations.

Revenue balance in 2006 amounted to approximately USD 2,059 thousand in deficit. Year-end assets of the Agency amounted to USD 954 thousand and equity amounted to USD 576 thousand.


The Board of Directors and the Director General endorse the Annual Accounts of the Agency for the year 2006 with their signatures.

Reykjavik, June 29 th 2007

Board of Directors

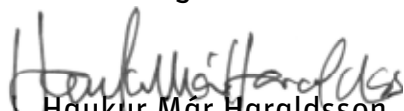

Sigurður Helgason


Hjálmar Jónsson


Bryndís Friðgeirsdóttir


Katrín Ásgrímsdóttir


Jón Skaptason


Haukur Már Haraldsson


Sigfús Ólafsson

Director General


Sighvatur Björgvinsson

Auditor's Report

To the Board of Directors of ICEIDA

We have audited the annual accounts of ICEIDA for the year 2006. The annual accounts consist of the Profit and Loss Account and the Balance Sheet. The annual accounts are submitted by the Director General of ICEIDA and on his responsibility pursuant to law and regulations. Our responsibility is to express an opinion on these financial statements based on our audit.

The audit was performed in accordance with the provisions of the Act on the Icelandic National Audit Office and generally accepted auditing practices which involve, inter alia:

- providing reasonable assurance that the annual accounts are free of material misstatements;
- examining internal controls and assessing whether such controls ensure appropriate results;
- examining whether the accounts are in compliance with the Fiscal Budget, the Supplementary Fiscal Budget Bill and other Acts, lawful instructions, codes of practice and assigned tasks, as appropriate;
- examining and certifying the reliability of key indicators concerning the scope and results of the operation, if such indicators are published with the annual accounts.

The audit includes examining, on a test basis, evidence supporting the amounts and other disclosures in the annual accounts. The audit also includes assessing the accounting principles used and the significant estimates made by management in the preparation of the annual accounts and their overall presentation, as applicable to government agencies falling within the scope of Section A of the State Budget. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual accounts present fairly the performance of ICEIDA in 2006, its financial position as at 31 December 2006 and changes in cash in the year 2006 in accordance with the law, regulations and generally accepted accounting practices for A-Section institutions.

The Icelandic National Audit Office, 2007



Sigurdur Thordarson,
The Auditor General.

Audit Report 2006

Profit and Loss Account for the Year 2006

Income:	2006 USD	2005 USD
Own income	<u>65.586</u>	<u>1.170</u>
	65.586	1.170
Expenses:		
Head Office	1.252.315	1.001.395
Malavi	3.721.791	2.205.301
Mosambik	2.517.397	1.556.624
Namibia	2.016.906	1.354.522
Uganda	2.274.407	1.602.651
Nicaragua	1.019.712	135.953
Sri Lanka	1.125.485	303.048
Other Development Assistance	<u>751.850</u>	<u>621.455</u>
	14.679.863	8.780.949
Deficit before cost of financing	(14.614.277)	(8.779.779)
Interest income, (financial expenses)	<u>351.918</u>	<u>67.136</u>
Earnings (deficit) before State appropriation	(14.262.359)	(8,712,643)
State Appropriation	<u>12.203.317</u>	<u>11,288,684</u>
Revenue Balance (deficit)	<u>2.059.042</u>	<u>2,576,041</u>

Average exchange rate (s) for the year 2006; 69,94 ISK/USD as valuated by Central Bank of Iceland.
Average exchange rate (s) for the year 2005; 63,01 ISK/USD as valuated by Central Bank of Iceland.

Balance Sheet 31 December 2006

Assets:

	2006	2005
	USD	USD
Current assets		
Treasury		2.419
Current debtors	98,742	71.575
Cash	<u>855,208</u>	<u>2.937.202</u>
Total assets	<u>953,951</u>	<u>3.011.196</u>

Equity and Liabilities

Equity

Balance 1 January	2,936,205	376.327
Translation gain/(loss)	(301,453)	(16.163)
Revenue balance	<u>(2.059.042)</u>	<u>2.576.041</u>
Equity	<u>575.710</u>	<u>2.936.205</u>

Liabilities:

Current liabilities

Treasury	50.928	
Overdraft	619	2.281
Unpaid expenses	<u>326.694</u>	<u>72.710</u>
Liabilities	<u>378.241</u>	<u>74.991</u>

Equity and Liabilities

Equity and Liabilities	<u>953.951</u>	<u>3.011.196</u>
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Exchange rate (mid) at the end of the year 2006; 71,83 ISK/USD as valuated by Central Bank of Iceland.
Exchange rate (mid) at the end of the year 2005; 63,13 ISK/USD as valuated by Central Bank of Iceland.

Abbreviations

ABETO	Always Be Tolerant Organisation	IRC	Icelandic Red Cross
AFSD	Aquaculture and Fisheries Science Department, Bunda College, Malawi	ITC	Information and Training Centre, Mozambique
ALP	Adult Literacy Programme Malawi	ÍSOR	Engineering Department of Iceland GeoSurvey, Iceland
ALN-PC	Partido Alianza Liberal Nicaragüense, Nicaraguan Liberal Alliance	JCC	Joint Consultative Council
AIDS	Acquired Immune Deficiency Syndrome	KAFIA	Kalangala FAL Instructors' Association, Uganda
ARV	Anti-Retroviral	LLP	Lüderitz Literacy Project, Namibia
AVIMAS	Associação das Viúvas e Mães Solteiras Association of Widows and Single Mothers, Mozambique	LRA	Lords Resistance Army, Uganda
BCA	Bunda College of Agriculture, Malawi	LTTE	Liberation Tigers of Tamil Eelam, Sri Lanka
BCC	Benguela Community Centre, Namibia	MBCH	Monkey Bay Community Hospital
CA	Competent Authority, Uganda	MDOS	Malawi Department of Survey
CBDAs	Community Based Distribution Agents	MEMD	Ministry of Energy and Mineral Development, Uganda
CCK	Comprehensive College in Kitetika, Uganda	MFAR	Ministry of Fisheries and Aquatic Resources Sri Lanka
CIT	Centro de Informação e Treino Information and Training Centre at the Ministry of Fisheries, Mozambique	MDHS	Malawi Demographic and Health Survey
CLaSH	Association for Children with Language, Speech and Hearing Impairments of Namibia	MDGs	Millennium Development Goals
CLF	Candle Light Foundation, Uganda	MDOS	Malawi Department of Survey
CM	Casas Maternas	MGO	Malawi Government
CVM	Cruz Vermelha de Moçambique Mozambican Red Cross	MICS	Malawi Multiple Indicator Cluster Survey
DBN	Development Bank of Namibia	MINSA	Ministry for Health, Nicaragua
DBS	Direct Budget Support	MJAF	Malawi Journal of Aquaculture and Fisheries
DP	Democratic Party, Uganda	MMAS	Ministry of Women and Social Affairs, Mozambique
DPP	Democratic Progressive Party, Malawi	MFMR	Ministry of Fisheries and Marine Resources, Namibia
DfID	British Department for International Development	MoGCWCS	Ministry of Gender, Child Welfare and Community Services, Malawi
DFR	Department of Fisheries in Uganda	MoH	Malawian Ministry of Health
DIP	Departamento de Inspeção de Pescado Fish Inspection Department, Ministry of Fisheries Mozambique	MoU	Memorandum of Understanding
DNM	Direcção Nacional das Mulheres National Directorate for Women, Mozambique	MRS	Movimiento de Renovación Sandinista, The Sandinista Renovation Movement, Nicaragua
ECD	Early Childhood Development	MVAC	Malawi Vulnerability Assessment Committee
ECO	Fisheries Economic Database, Ministry of Fisheries and Marine Resources, Namibia	NALP	National Adult Literacy Programme, Malawi
ETSIP	Education and Training Sector Improvement Programme	NAMFI	Namibian Maritime and Fisheries Institute
FAO	Food and Agriculture Organizations of the United Nations	NARA	National Aquatic Research and Development Agency, Sri Lanka
FALP	Functional Adult Literacy Program, Uganda	NDF	Nordic Development Fund
FDC	Forum for Democratic Change, Uganda	NGO	Non-Governmental Organisation
FIMS	Fisheries Information Management System, Namibia	NIFNE	National Institute of Fisheries and Nautical Engineering
FRELIMO	Frente de Libertação de Moçambique	NRM	National Resistance Movement, Uganda
FSLN	Frente Sandinista de Liberación Nacional, The Sandinista National Liberation Front, Nicaragua	ODA	Official Development Assistance
GADC	General Agreement on Forms and Procedures for Development Co-operation between the Government of the Republic of Iceland and the Government of the Democratic Socialist Republic of Sri Lanka	OHI	Organisation of Handicapped in Iceland
GAPI	Gabinete para Apoio a Pequenos Projectos de Investimento Office to support small investment projects, Mozambique	OVCs	Mother's Voice Grassroots
GDP	Gross Domestic Product	PAEBANIC	Evaluación de Impacto del Programa de Educación Básica de Jóvenes y Adultos , Impact Evaluation of the Basic Education for Young people and Adults programme, Nicaragua
GF	Global Fund	PARPA	Plano de Acção para a Redução da Pobreza Poverty Reduction Strategy Paper, Mozambique
GNI	Gross National Income	PIAD	Presidential Initiative on Aquaculture Development, Malawi
GoSL	Government of Sri Lanka	PID	Project Identification Document
HDI	Human Development Index	PLC	Partido Liberal Constitucionalista, Constitutionalist Liberal Party, Nicaragua
HIPC	Heavily Indebted Poor Countries	PPP	Purchasing Power Parity
HIV	Human Immunodeficiency Virus	PRGF	Poverty Reduction and Growth Facility
IDP	Internally Displaced People, Sri Lanka	PRSP	Poverty Reduction Strategy Plan
IMF	International Monetary Fund	REFLECT	Regenerated Freirean Literacy through Empowering Community Techniques
IMO	International Maritime Organisation	RENAMO	Resistência Nacional Moçambicana Mozambican National Resistance
IASST	International Association for Safety and Survival Training, Namibia	RUFORUM	The Regional University Forum for Capacity Building in Agriculture
ICC	International Criminal Court	SADC	Southern African Development Community
ICEIDA	Icelandic International Development Agency	SHH	The Icelandic Communication Centre for the Deaf and Hard of Hearing
IDF	Icelandic Directorate of Fisheries	SMEs	Small and Medium-size Enterprises
IDP	Internally Displaced Persons	SWAPO	South-West Africa People's Organisation
IDPPE	Instituto de Desenvolvimento de Pesca de Pequena Escala National Institute of Small Scale Fishing Development	TBA	Traditional Birth Attendant
IMF	International Monetary Fund	UAF	Uganda Australian Foundation
INAHINA	Instituto Nacional de Hidrografia e Navegação The Mozambican Institute for Hydrographic Surveying, Mozambique	UDF	United Democratic Front
INE	Geothermal Department at Instituto Nicaragüense de Energia	UFL	Ugandan Fisheries Laboratory
INIP	Instituto Nacional de Inspeção de Pescado National Institute for Fisheries Inspections, Mozambique	UN	United Nations
		UNDP	United Nations Development Programme
		UNU/FTP	United Nations University Fisheries Training Programme
		UPC	Uganda Peoples Party
		UPDF	Uganda People's Defense Force
		VCT	Volunteer Counselling and Testing Centre, Malawi

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