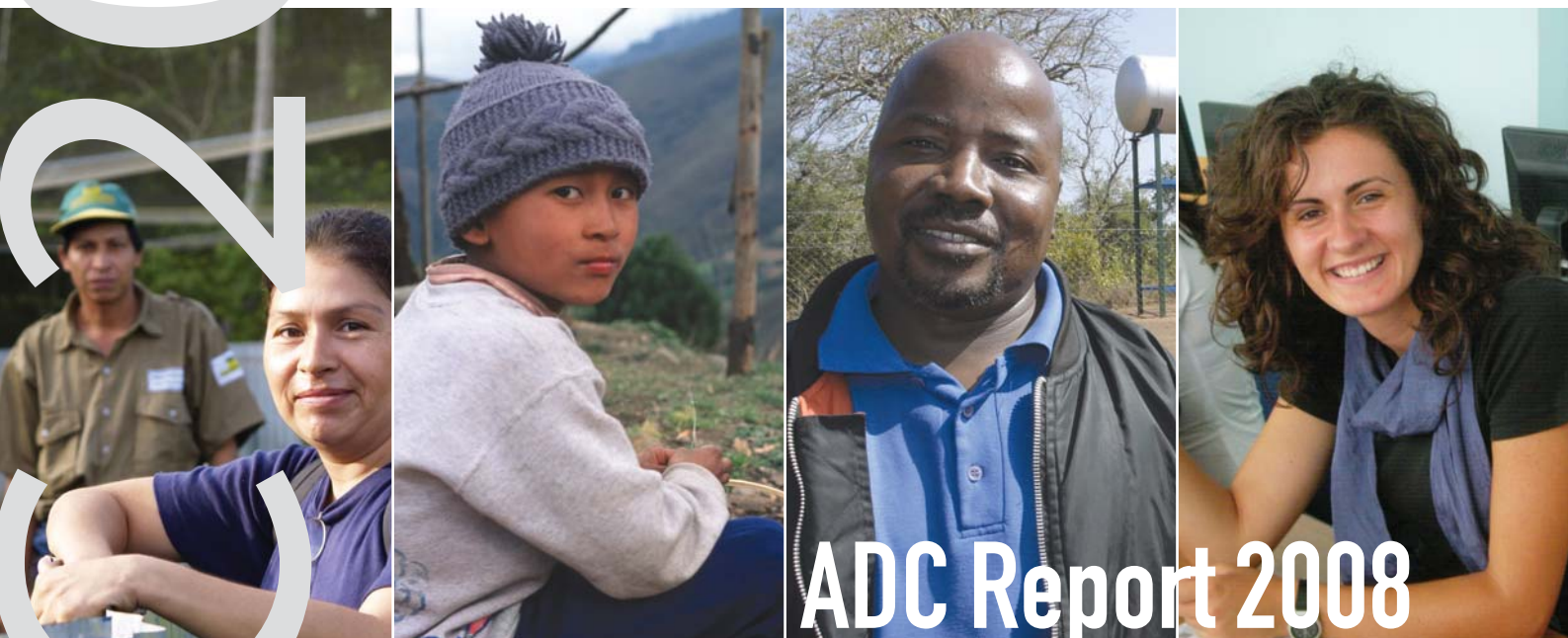


2008
AD



ADC Report 2008

*Regions and
priority countries*



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Austrian
= Development Cooperation



Imprint

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Contents

List of abbreviations	2
Foreword	4
About the report	5
DEVELOPMENT POLICY 2008	6
REGIONS AND PRIORITY COUNTRIES	8
Central America and Caribbean key region	10
Nicaragua	12
West Africa key region	17
Cape Verde	18
Burkina Faso	22
East Africa key region	27
Uganda	28
Ethiopia	32
Southern Africa key region	36
Mozambique	38
Himalayas-Hindu Kush key region	43
Bhutan	44
Palestinian Territories	48
South Eastern Europe/Western Balkans key region	53
Albania	54
Bosnia and Herzegovina	58
Kosovo	62
Macedonia	66
Moldova	70
Montenegro	74
Serbia	78
South Caucasus key region	83

List of abbreviations

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
AU	African Union
AWO	Advantage Austria
CARICOM	Caribbean Community
CREDP	Caribbean Renewable Energy Programme
DAC	Development Assistance Committee
EC	European Commission
EEP	Energy and Environment Partnership with Central America
EFORD	Programme Education et Formation pour un Développement Endogène
ERP	European Recovery Program
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
EUFOR	European Union Force
EUR	Euro
FYROM	Former Yugoslav Republic of Macedonia
GDI	Gender-related Development Index
GDP	Gross domestic product
GNI	Gross national income
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HDI	Human Development Index
HTMTI	Hotel & Tourism Management Training Institute, Bhutan
ICP	International Cooperation Partner
IDA	International Development Association
IDB	Inter-American Development Bank
IDPs	Internally displaced persons
IFIs	International Financial Institutions
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance
IRDP	Integrated Regional Development Programme
IT	Information technology
JPF	Joint Partnership Fund
LRA	Lord's Resistance Army
MIR	Municipal Improvement and Revival Programme
MoU	Memorandum of understanding
NGO	Non-governmental organisation
ODA	Official development assistance

OECD	Organisation for Economic Co-operation and Development
PARPA	Plano de Acção para a Redução da Pobreza Absoluta
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PBS	Protection of Basic Services Programme
PRGF	Poverty Reduction and Growth Facility
RISDP	Regional Indicative Strategic Development Plan
SADC	Southern African Development Community
SAF	Structural Adjustment Facility
SAP	Stabilisation and association process
SICA	Sistema de la Integración Centroamericana
SIPO	Strategic Indicative Plan for the Organ on Peace and Security
SME	Small and medium sized enterprises
SWAp	Sector-wide approach
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
US\$	US dollar
WB	World Bank

Foreword

We saw some drastic changes in 2008. Many people will remember this year as a year of crises with their global repercussions. Although many Austrians are also suffering under the brunt of the economic and financial crisis, these developments have hit the poorest countries of the world the hardest.

Only if it acts in concert will the international community be able to face up to the global challenges, such as the economic or food crisis and climate change, which also poses a particular threat to Africa. This is why Austria is engaged in the EU-Africa Partnership to find new avenues of cooperation for development with its partners. The Conference on Aid Effectiveness in the Ghanaian capital Accra in 2008 marked a milestone on the way to improved cooperation, reaffirming the goals agreed on by many states, including Austria, in the Declaration of Paris in 2005, which include more efficient use of funds and more coordination and cooperation.

A major concern of mine is to continue to help shape development policy and development cooperation in future as well. The latest crises threaten to set back the progress made so far; the number of the poor is growing worldwide. In times like these, it is particularly important to demonstrate solidarity, which is what Austrian Development Cooperation (ADC) is doing.

Dr Michael Spindelegger
Federal Minister for European and International Affairs

About the report

This annual report outlines the regional programmes and countries Austria assisted in implementing development strategies during 2008.

It pinpoints the challenges faced by Austrian cooperation with its partner countries and details developments in selected fields. Complementarity and coherence with the activities of other international donors play an increasing role.

Development policy 2008

Aid Effectiveness – from the Paris Declaration to Accra

The United Nations (UN) Millennium Summit in 2000 set a major development in motion, which led first to the Monterrey Consensus (2002), followed by the Declaration of Rome (2003), the Joint Marrakesh Memorandum (2004) and the Gleneagles commitments (2005).

The Paris Declaration marks a milestone and provides a frame of reference for the efforts to raise aid effectiveness in development cooperation. Along with other donor nations, partner countries and international development agencies, it was adopted by Austria on 2 March 2005. The Declaration sets out the criteria for more effective and hence more successful poverty reduction. Their implementation is binding, measured by indicators and monitored to verify outcomes. One goal is to harmonise the contributions and operational procedures of donors and align these with the partners' national priorities and systems.

An initial review of aid effectiveness was conducted at a conference in Accra, Ghana, from 2 to 4 September 2008. The final document, the Accra Agenda for Action, provides the basis for assessing international progress in implementing measures to raise the efficiency of development aid. The Agenda addresses the mutual commitments of the Paris Declaration in greater depth and lists specific lines of action to enable the partner countries to meet their targets for greater effectiveness by 2011. It also reaffirms the resolve to bring about rapid and effective reforms and implement effective development partnerships. This has given the more technically worded Paris Declaration a much more tangible relevance to policymaking.

The Accra Agenda for Action establishes a new consensus among bilateral donors, the United Nations, the World Bank (WB), International Financial Institutions (IFIs), global funds, new donors, representatives of civil society and recipient states. The involvement of new actors in the decision-making process is evident in the growing role of South-South cooperation, which adds another perspective to the development process. The frequent criticism voiced by the partner countries that donors are mainly interested in quick solutions to problems stands in contrast to the more sustainable approach of Southern actors, who concentrate more on alternative practical answers. South-South cooperation, for example, is primarily concerned with supporting infrastructure measures and promoting production. The Accra Agenda for Action also calls on donor and partner countries to improve predictability, transparency and division of labour to avoid duplication and to make greater efforts in framing development strategies for fragile states.

Africa priority

The Africa priority of Austrian Development Cooperation is aligned with the policy course adopted by the European Union (EU), the foremost aims being poverty reduction and conflict prevention.

The new Africa-EU Strategic Partnership was adopted at the second EU-Africa Summit in Lisbon in December 2007. This marks a political breakthrough, because for the first time it goes well beyond traditional development themes and encompasses all aspects of relations between Africa and the EU – from policy dialogue to global issues, such as climate change.

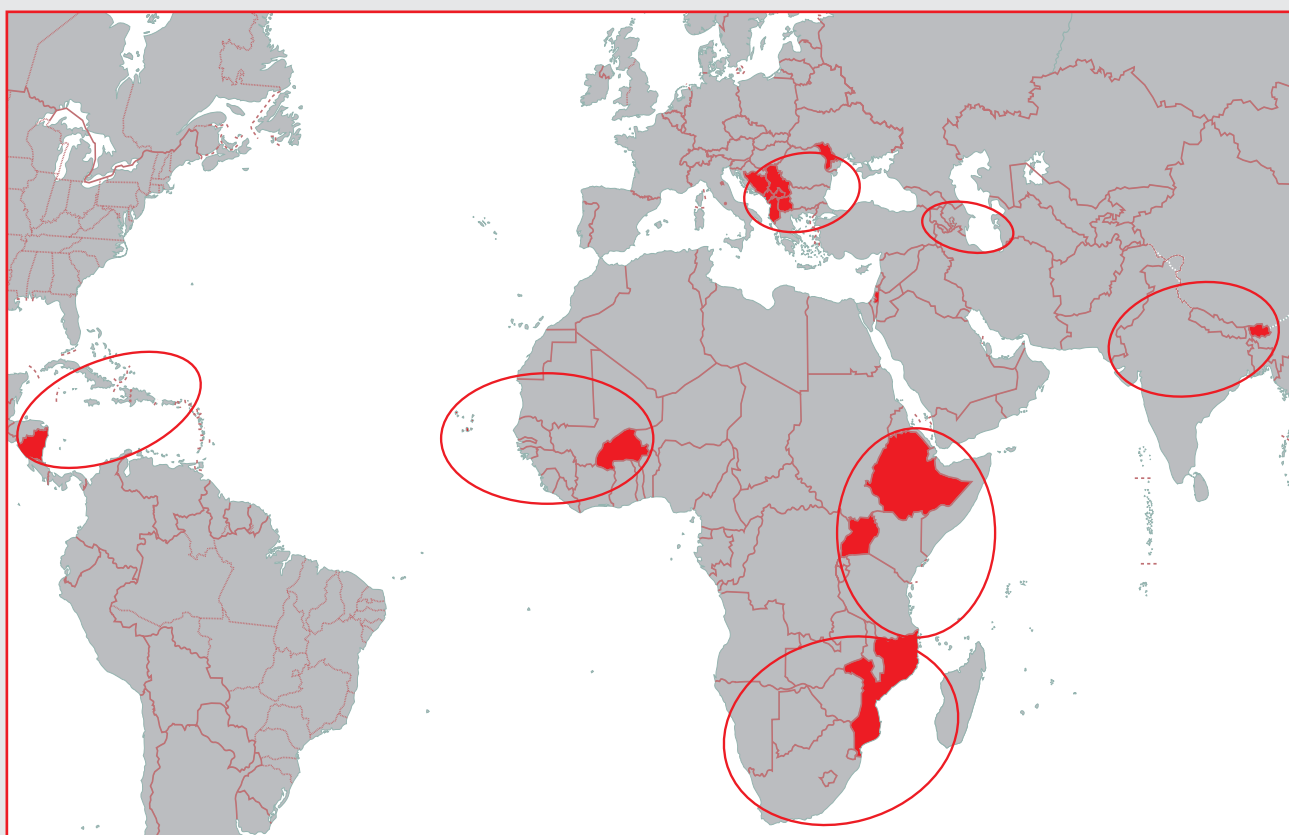
The implementation of the EU-Africa Partnership will have a formative impact on European development cooperation over the next few years as well. Africa issues are also gaining importance at national level, Austrian troop participation in the EUFOR mission in Chad, for example.

ADC will methodically seek greater in-depth cooperation with Africa and make full use of the available economic, scientific and developmental expertise of non-governmental organisations in Austria.

The Action Plan for the EU-Africa Partnership concentrates on peace and security, democratic governance and human rights, trade, regional convergence and infrastructure, the Millennium Development Goals, science/information society/space, climate change, migration/mobility and energy. Together with Germany, Austria has taken up the chairmanship of the EU-Africa Energy Partnership. Furthermore, Austrian Development Cooperation is also engaged in the Peace and Security Partnership.

Safeguarding peace and human security is one of the prime goals of ADC. Southern Africa faces many challenges here. Persistent poverty, the rapid spread of HIV/AIDS and its consequences, crime or natural disasters often fuel violent conflict. Political, economic and social strategies are just as important for remedying problems as peacekeeping measures. This is why together with the Southern African Development Community (SADC) and the Centre for Conflict Resolution in Cape Town, Austrian Development Cooperation held a high-level policy seminar on **Security and Development in Southern Africa** from 8 to 10 June 2008 in Johannesburg, South Africa. The aim of the conference was to strengthen SADC as a regional organisation and to consolidate the peace and security apparatus of the African Union (AU). Major themes discussed included capacity building for peace in Southern Africa, the role and tasks of AU, SADC, EU and UN, the contribution of women to security in the region, the SADC input to peacekeeping missions in Africa and ways for international organisations and donors to provide lasting and sustainable support. State Secretary Dr Hans Winkler headed the Austrian delegation.

Regions and priority countries





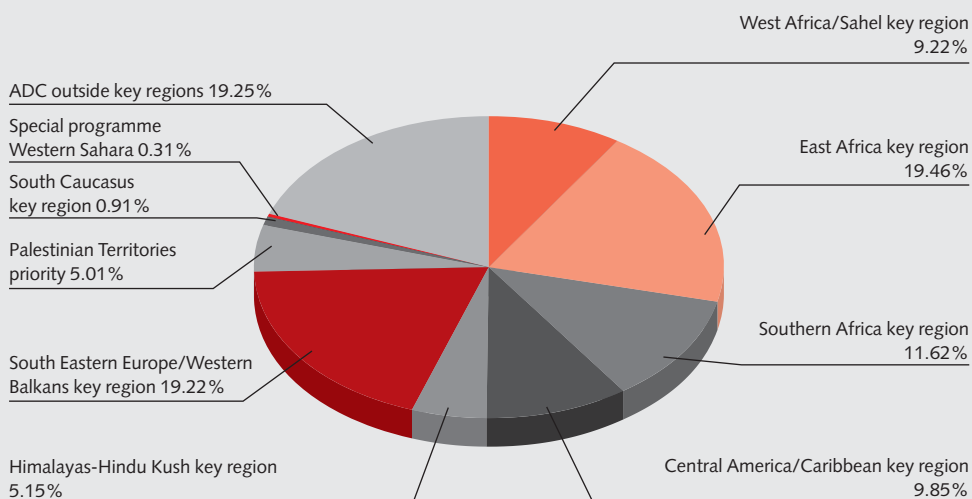
Austrian Development Cooperation continued to work intensively on enhancing the effectiveness of aid in 2008, as evident from the new country strategies. As before, it pursued principles such as harmonisation with other donors and alignment of strategies with the development plans and priorities of partner countries, but also stepped up efforts towards division of labour among donors. Among other things, this has resulted in the reduction of sectors or in taking thematic leadership in a sector.

Increasing use is being made of the capacities and systems of partner countries for administering projects and programmes. Initial experience has been gained with budget support, mostly sectoral.

In regional programmes, ADC has sought closer cooperation with regional organisations. Needed for improved aid effectiveness in the regions, their often rudimentary capacities have to be built up and strengthened.

DISTRIBUTION OF ADC/ADA ASSISTANCE BY KEY REGION 2008

Disbursements in %





Central America and Caribbean key region

Under their regional umbrella organisation, Sistema de la Integración Centroamericana (SICA), the countries of Central America are looking above all to advance economic convergence in the region and cement social cohesion. Some progress has already been made but a general regional development strategy is still lacking.

Growing export rates, remittances from migrants abroad and investments have contributed to economic growth and stability. At the same time, social and economic disparities have, however, widened in the countries and region. About 40 per cent of all Central Americans still live below the poverty line. The majority of the economically active population is engaged in sectors with weak productivity and low income. About 41 per cent is self-employed or engaged in informal activities. Merely 28 per cent of employees can rely on a certain measure of social security in their jobs. The requisite institutional capacity is lacking for implementing such principles as rule of law, transparency and accountability.

Austrian Development Cooperation therefore concentrates its regional engagement on social and economic measures for the sustainable improvement in the conditions of life of underprivileged sections of the population. It seeks to strengthen small businesses in rural and



urban areas and promote their competitiveness. Moreover, ADC supports measures to promote compliance with and implementation of human rights as well as the participation of the population in political decision-making processes. Besides the regional (sectoral) organisations, support is also given to civic institutions with regional operations.

To support energy access and security, Austria participates in the Energy and Environment Partnership with Central America (EEP), a joint initiative of Central American partners and Finnish and Austrian Development Cooperation. This promotes innovative energy approaches in undeveloped areas. ADC has provided EUR 1.8 million for the period between 2007 and 2009 and contributes above all to hydropower, solar thermal energy and biomass.

In the Caribbean, ADC is engaged in personnel and institutional development in the regional Caribbean Community organisation (CARICOM) and its subsidiary agencies. A thematic priority is disaster management. Synergies are also harnessed with the Central American strategy in the energy sector. In November, ADC and the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) signed an agreement finalising joint support for the second phase of the Caribbean Renewable Energy Programme (CREDP), which marks another step towards donor harmonisation.

NICARAGUA



Key data

Type of state:	Republic
Head of state/government:	Daniel Ortega Saavedra
Foreign Minister:	Samuel Santos López
Area:	130,373 km ²
Population*:	5.5 million
Population growth (2005–2015)*:	1.4%
Life expectancy*:	women: 75.4 years; men: 69.4 years
Literacy*:	women: 80.8%; men: 79.3%
HDI*:	0.699; 120th out of 179 countries
GDI*:	0.684; 104th out of 157 countries
GDP**:	US\$ 5.7 billion
Annual GDP growth**:	4.2%
GNI*:	US\$ 5.5 billion
GNI per capita**:	US\$ 980
Poverty*:	45.8% of the population live under the national poverty line.
Access to clean water*:	79% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Nicaragua at a glance (24 Sept. 2008)

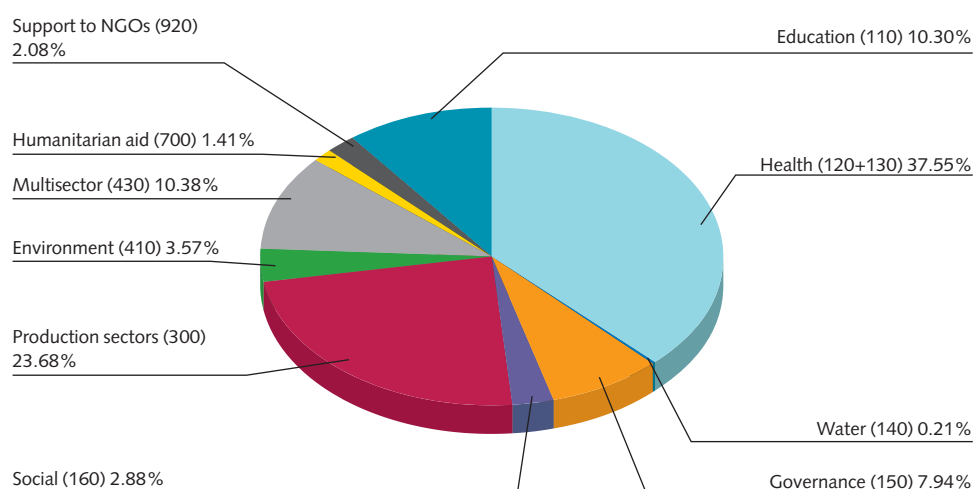


Development policy in context

Nicaragua is the second poorest country in Latin America. The Sandinista government strives to improve the conditions of life for the population with many pro-poor programmes, but faces mounting criticism. The controversial local elections in November 2008 were attended by domestic and foreign policy commotion, which put the Ortega government under pressure, but also bolstered its power. Cuts or suspensions in general budget support as well as the impacts of the global economic crisis forced the government in Managua to adopt an austerity package for 2009, which will also have a severe effect on its ambitious social programmes. It can be expected to approach Western donors.

Cooperation priorities

- Promotion of rural development
- Private-sector development, promotion of small and medium-sized enterprises
- Social sector measures (focusing on health)



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO NICARAGUA 2008

Disbursements as %

'Production sectors' subsumes measures in the 'industry/trade' and 'agriculture' sector.

Rural development sector

The Nicaraguan government promotes food production, provided the producers adopt practices for natural resource conservation. The aim is to secure food for the population, reduce food imports and then enable exports of agricultural products. At the same time, it seeks to generate income for smallholder families and enlarge the range of products on the local market by providing livestock, such as cattle or pigs, as well as seeds and technical assistance.

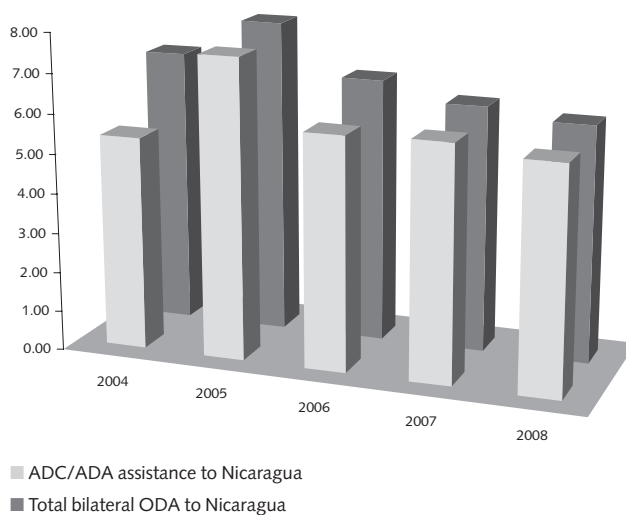
ADC seeks to diversify income opportunities, develop production capacities and integrate these into supply chains. Support is given to poor producers to help them improve output. Assistance is also provided via further training, advice, information and the development of mutual cooperatives. The specific promotion of women is indispensable for sustainable poverty reduction and social development.



A better life in the rainforest reserve

Ecological sustainability and poverty reduction are closely interconnected. This is why sustainable resource management by self-organised farmers in the El Castillo municipality in the Indio Maíz Biological Reserve in southern Nicaragua is so important. To improve the conditions of life for the largely smallholder population, ADC takes an inclusive approach comprising the expansion of forestry, the improvement of farming methods, microlending and the promotion of women in the business and social sector along with grants for school education and/or vocational training. Project partners include both government institutions and civil society.

The measures have succeeded in stabilising the farmland boundary in Indio Maíz. Estimated per capita income has increased by 47 per cent since 2005 and the illiteracy rate has declined by 8.9 per cent in the same period. The project forms part of a comprehensive programme which has been running for five years and received a total of EUR 600,000 of support in 2008.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO NICARAGUA

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

Official Development Assistance

- Austrian ODA to Nicaragua 1995–2008: EUR 94.12 million
- Austrian ADC/ADA assistance to Nicaragua 1995–2008: EUR 85.64 million

Austrian ODA to Nicaragua in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Nicaragua	6.96	7.92	6.66	6.21	5.95
as % of total bilateral ODA	2.45	0.80	0.77	0.64	0.70
ADC/ADA assistance to Nicaragua in EUR millions	5.38	7.56	5.88	5.92	5.68
ADC/ADA assistance to Nicaragua as % of total ADC/ADA assistance (ODA)	7.38	8.93	6.20	6.44	5.53

International ODA to Nicaragua in US\$ millions *

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	763.0	732.0	834.0
as % of GNI approx.	16.1	14.1	15.1
of which Austrian ODA (in US\$ millions)	9.8	8.4	8.5

* Source: OECD Recipient Aid Chart Nicaragua (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Nicaragua: main donors in US\$ millions *

Average 2006–2007

IDB Special Fund	709
IDA	545
IMF (SAF, ESAF, PRGF)	143
European Commission	87
Spain	77

* Source: OECD Recipient Aid Chart Nicaragua (www.oecd.org, as at October 2009)







West Africa

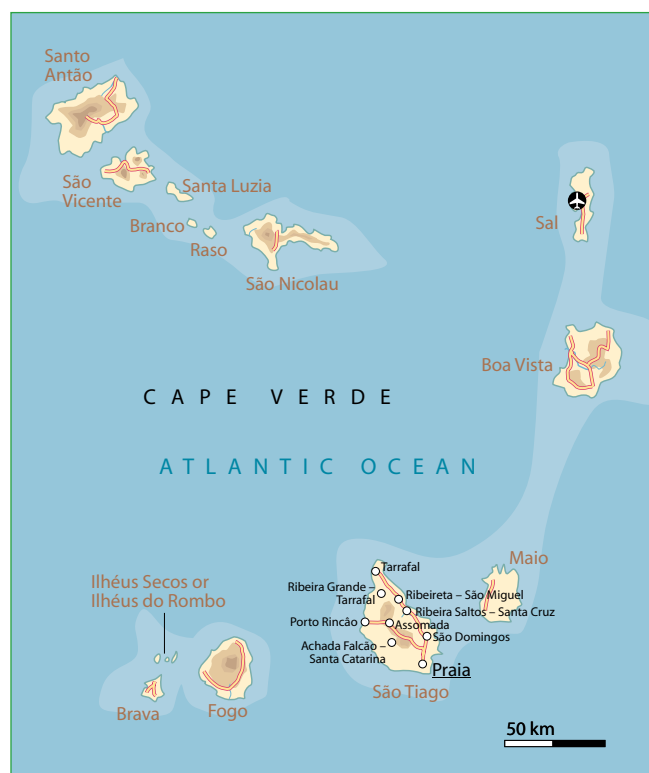
key region

West Africa has a large share of very poor countries with unevenly distributed resources over territory and fragile conditions of life and environment. Due to high indebtedness, low foreign trade and dependence on oil as a source of energy, the region is hardly able to cope with the challenges of globalisation. Despite favourable economic data, there has been no sustainable reduction of poverty over the last few years. To be able to address the pressing problems in poverty and environment at local and national level, there is a need for regional political and economic convergence, but also for social equity.

Prolonged conflicts remain unsettled. The promotion of rule of law and security is essential for lasting peacebuilding and regional stabilisation. Major challenges facing the region are growing demand for electricity and energy security and lack of access to modern energy services.

The prime aim of Austrian Development Cooperation in West Africa is therefore regional convergence, focusing on energy and conflict prevention.

CAPE VERDE



Key data

Type of state:	Republic
Head of state:	Pedro Verona Pires
Head of government:	José Maria Pereira Neves
Foreign Minister:	Victor Manuel Barbosa Borges
Area:	4,030 km ²
Population*:	0.5 million
Population growth (2005–2015)*:	2.1 %
Life expectancy*:	women: 74.1 years; men: 67.8 years
Literacy*:	women: 77.8%; men: 88.9 %
HDI*:	0.705; 118th out of 179 countries
GDI*:	0.692; 101st out of 157 countries
GDP**:	US\$ 1.4 billion
Annual GDP growth**:	6.9 %
GNI**:	US\$ 1.3 billion
GNI per capita**:	US\$ 2,430
Poverty*:	40.2 % of the population live on US\$ 2 a day.
Access to clean water*:	80 % of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Cape Verde at a glance (24 Sept. 2008)



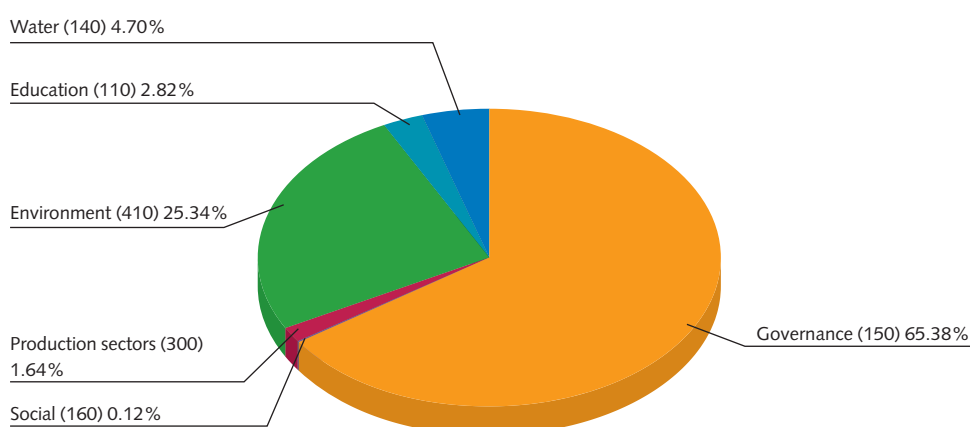
Development policy in context

Cape Verde is regarded as a stable country with good governance. Since its advancement to a middle-income country in 2008, government policy pursues a transition agenda aimed at catching up with globalisation. To enable the country to cope with economic competition, measures are needed for job creation, investments in infrastructure and social cohesion. The government, however, faces enormous challenges – widespread poverty and an increasing income gap.

The special partnership with Cape Verde adopted by the European Union in November 2007 places relations on a new external policy footing. The six pillars of the special partnership are good governance, security and stability, regional integration, technological standards, knowledge society, poverty reduction and development.

Cooperation priorities

- Decentralisation and regional development
- Integrated resource management



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO CAPE VERDE 2008

Disbursements as %

'Production sectors' comprises all measures to promote small enterprises ('industry/trade' sector).

Integrated resource management sector

Due to the arid Sahel climate, water is a scarce resource in Cape Verde. Improper land use causes soil erosion and desertification, which also depletes and salinates water reserves.

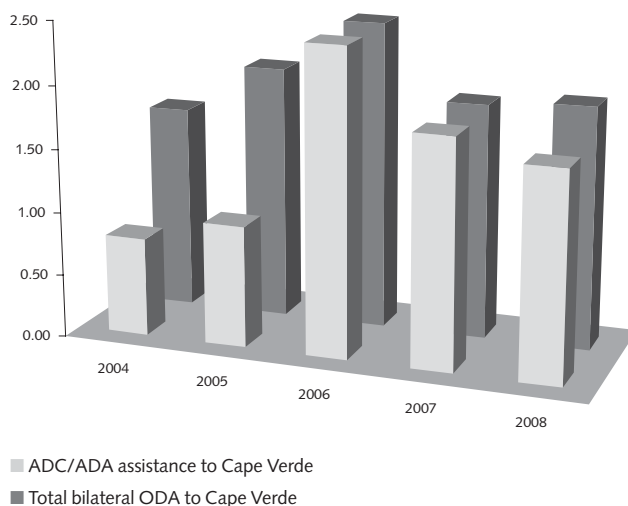
Additional problems are the exploitation of marine resources, environmental destruction and the inappropriate use of pesticides. The rapid development of tourism poses the country with additional challenges for lack of basic planning, such as zoning and building plans or urban development and land use schemes. Basic sanitation facilities and waste disposal systems are also lacking. There is hardly any environmental awareness among the population. ADC assists the government in coping with these problems by promoting the sustainable management of natural resources.



Sectoral budget support for the environment

Cape Verde's Environment Action Plan combines the rational use of natural resources with the sustainable management of economic activities. Its aims include raising environmental awareness in the population, improving environmental legislation and investments in spatial development and land use planning.

Austria supports the island state in implementing the plan of action via sectoral budget support, thus helping to mainstream environmental protection and resource conservation in national development planning. Moreover, strengthening municipal authorities and promoting spatial development planning harness synergies with other ADC activities on Cape Verde.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO CAPE VERDE

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

Official Development Assistance

- Austrian ODA to Cape Verde 1995–2008: EUR 39.22 million
- Austrian ADC/ADA assistance to Cape Verde 1995–2008: EUR 29.23 million

Austrian ODA to Cape Verde in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Cape Verde	1.62	2.01	2.43	1.86	1.91
as % of total bilateral ODA	0.57	0.20	0.28	0.19	0.22
ADC/ADA assistance to Cape Verde in EUR millions	0.78	0.96	2.41	1.81	1.64
ADC/ADA assistance to Cape Verde as % of total ADC/ADA assistance (ODA)	1.07	1.13	2.54	1.96	1.60

International ODA to Cape Verde in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	162.0	138.0	163.0
as % of GNI approx.	16.7	12.2	11.8
of which Austrian ODA (in US\$ millions)	2.5	3.1	2.5

*Source: OECD Recipient Aid Chart Cape Verde (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Cape Verde: main donors in US\$ millions*

Average 2006–2007

Portugal	52
IDA	22
Luxembourg	15
Spain	13
European Commission	13

*Source: OECD Recipient Aid Chart Cape Verde (www.oecd.org, as at October 2009)



BURKINA FASO



Key data

Type of state:	Republic
Head of state:	Blaise Compaoré
Head of government:	Tertius Zongo
Foreign Minister:	Djibril Bassolé
Area:	274,000 km ²
Population*:	13.9 million
Population growth (2005–2015)*:	2.8%
Life expectancy*:	women: 53.2 years; men: 50.1 years
Literacy*:	women: 17.9%; men: 34.3%
HDI*:	0.372; 173rd out of 179 countries
GDI*:	0.364; 151st out of 157 countries
GDP**:	US\$ 6.8 billion
Annual GDP growth**:	4%
GNI**:	US\$ 6.4 billion
GNI per capita**:	US\$ 430
Poverty*:	46.4% of the population live below the national poverty line.
Access to clean water*:	72% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Burkina Faso at a glance (24 Sept. 2008)



Development policy in context

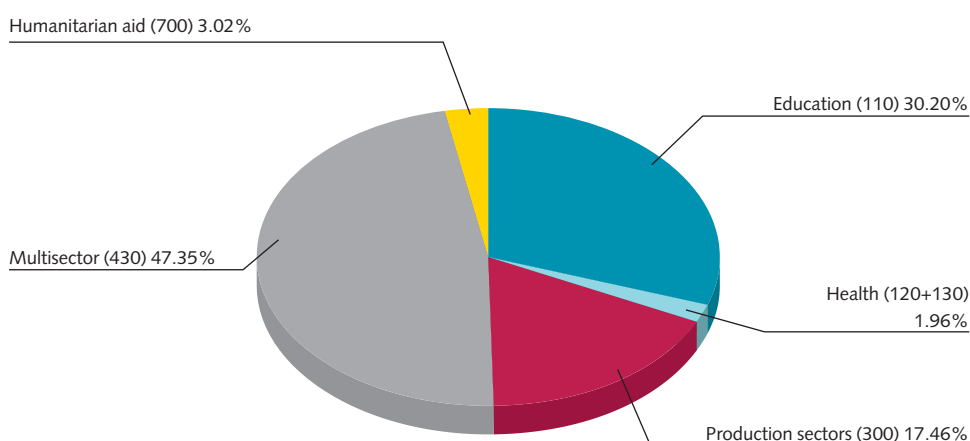
Due to the bad harvest in 2007 in Burkina Faso along with the high oil price and hence more costly imports, there was a drastic rise in prices for food, building materials and fuel as well as for basic requisites, such as soap. Despite the good harvest in 2008 and the decline in the oil price, consumer prices, however, only fell by a very small amount in the second half-year.

Half the population in Burkina Faso lives on the poverty line. Price increases have serious consequences for them. To be able to afford food, children are taken from school and spending on medical care is reduced. Petty crime is also on the rise.

As in several countries of the region, protests and in part violent riots occurred in Burkina Faso. At least five people were killed and serious damage was caused to property.

Cooperation priorities

- Technical and vocational education and training
- Support for craftspeople as well as micro and small enterprises
- Sustainable rural development



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO BURKINA FASO 2008

Disbursements as %

'Production sectors' largely comprises measures to promote small enterprises ('industry/trade' sector). 'Multisector' mainly includes rural development projects.

Technical and vocational education and training sector

A milestone in the education sector in Burkina Faso was the adoption of a national strategy for vocational training by the government in 2008, which was largely drafted with Austrian assistance. The strategy comprises formal and non-formal vocational training, including lifelong learning. It is looking to expand education and training streams, primarily in rural regions. Interfaces will also link streams, which are frequently strictly separated. This will enable youth to switch between training streams or also obtain training without having completed a regular school education.

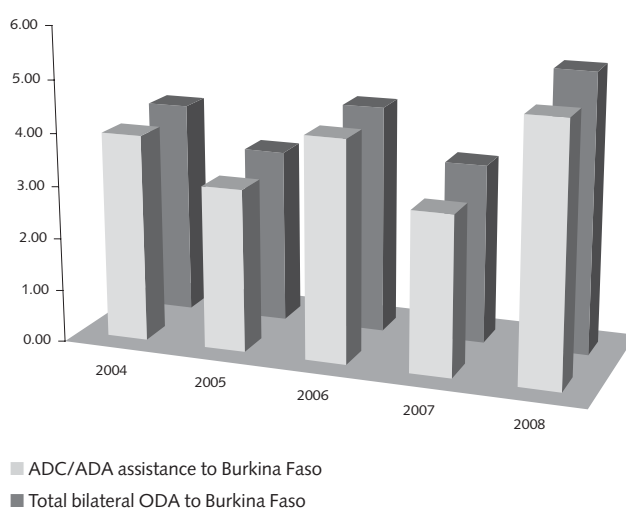
With its 40 years of know-how, Austria is the leading agency in Burkina Faso for vocational training. Over the last few years, it has devoted particular efforts to the recognition and improvement of non-formal education.



EFORD – education and training for endogenous development

Austria supports the second phase of the EFORD project, which seeks to strengthen economic, cultural and social development in underprivileged regions of Burkina Faso. The non-formal education scheme offers alternative government-approved training in their native African language to children and youth unable to attend state schools in remote rural regions.

The curricula are geared to the current economic, ecological, social and cultural potential in the respective project area. Besides elementary skills such as writing, reading and arithmetic, knowledge is imparted on health, environment, peace culture and related topics. The project also seeks to instil leadership and entrepreneurial skills as well as social competence and the ability for critical reflection.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO BURKINA FASO

Net disbursements in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

Official Development Assistance

- Austrian ODA to Burkina Faso 1995–2008: EUR 50.55 million
- Austrian ADC/ADA assistance to Burkina Faso 1995–2008: EUR 40.95 million

Austrian ODA to Burkina Faso in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Burkina Faso	4.07	3.32	4.35	3.42	5.31
as % of total bilateral ODA	1.43	0.33	0.50	0.35	0.62
ADC/ADA assistance to Burkina Faso in EUR millions	3.93	3.10	4.21	3.03	4.91
ADC/ADA assistance to Burkina Faso as % of total ADC/ADA assistance (ODA)	5.40	3.66	4.44	3.30	4.78

International ODA to Burkina Faso in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	696.0	870.0	930.0
as % of GNI approx.	12.9	15.1	13.8
of which Austrian ODA (in US\$ millions)	4.1	5.5	4.7

*Source: OECD Recipient Aid Chart Burkina Faso (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Burkina Faso: main donors in US\$ millions*

Average 2006–2007

IDA	579
African Development Fund	202
European Commission	171
France	139
Netherlands	60

*Source: OECD Recipient Aid Chart Burkina Faso (www.oecd.org, as at October 2009)







East Africa

key region

The ADC East Africa key region comprises the countries Uganda, Kenya, Tanzania, Rwanda, Burundi and Ethiopia. Between 35 and 60 per cent of the population lives under the respective national poverty line.

These countries are increasingly seeking regional convergence. At the same time, they face a number of challenges with conflict potential. These include control over water and land resources, the impacts of population growth, climate change and the attendant pressure on natural resources as well as the large number of refugees, also inside the countries.

Reconciliation and peacebuilding are therefore priorities of Austrian Development Cooperation in East Africa. Moreover, ADC supports regional projects in water supply and sanitation, such as the World Bank's Water and Sanitation Programme.

UGANDA



Key data

Type of state:	Presidential republic
Head of state:	Yoweri Kaguta Museveni
Prime Minister:	Apolo Nsibambi
Foreign Minister:	Sam Kutesa
Area:	241,139 km ²
Population*:	28.9 million
Population growth (2005–2015)*:	3.2%
Life expectancy*:	women: 51.0 years; men: 49.8 years
Literacy*:	women: 64.1%; men: 81.2%
HDI*:	0.493; 156th out of 179 countries
GDI*:	0.489; 134th out of 157 countries
GDP**:	US\$ 11.2 billion
Annual GDP growth**:	6.5%
GNI**:	US\$ 10.5 billion
GNI per capita**:	US\$ 340
Poverty*:	37.7% live below the national poverty line.
Access to clean water*:	64% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Uganda at a glance (24 Sept. 2008)



Development policy in context

In March 2008, the Ugandan Government completed peace talks with the Lord's Resistance Army (LRA). A final settlement of the conflict failed, however, due to the refusal of the LRA leader Joseph Kony to sign the peace agreement.

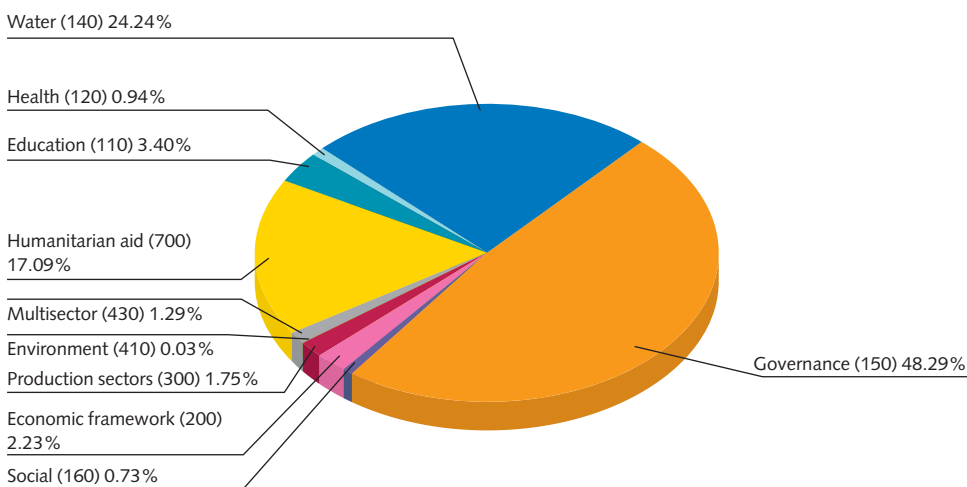
The peace process improved security in North Uganda, prompting a wave of internally displaced persons (IDPs) to return to their villages, 60 per cent by the end of 2008.

The world economic crisis has also had a severe impact on Uganda. Economic growth in 2007 still exceeded 8 per cent but fell to under 7 per cent in 2008. Inflation was also very high at more than 10 per cent.

Donor countries are engaged in close dialogue with Uganda. Cooperation is based on the national Poverty Eradication Action Plan and the Joint Assistance Strategy of 13 donors, including Austria. ADC measures in Uganda are therefore aligned with a clear strategic framework.

Cooperation priorities

- Water and sanitation
- Rule of law and justice
- Reconstruction and peacebuilding in North Uganda



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO UGANDA 2008

Disbursements as %

The 'economic framework' item comprises 'energy', 'financial system' and 'promotion of the private sector framework'. 'Production sectors' contains the sectors 'agriculture' and 'SME promotion' ('industry/trade').

Water supply and sanitation sector

Since the establishment of the Water and Sanitation Joint Partnership Fund (JPF) in 2003, Uganda has adopted the sector-wide approach (SWAp) with great success. Under the leadership of the public administration and with the involvement of all actors, this aims at improving an entire sector through coherent policy and an agreed programme. This approach was stepped up in 2008 with the new Joint Water and Sanitation Sector Programme Support financed by Austria together with other donors. Through this, the Ugandan government seeks to accomplish the following goals:

- Improved access to clean drinking water in close proximity
- Provision of water for production purposes, primarily farming
- Sustainable water resource conservation and access for all user groups

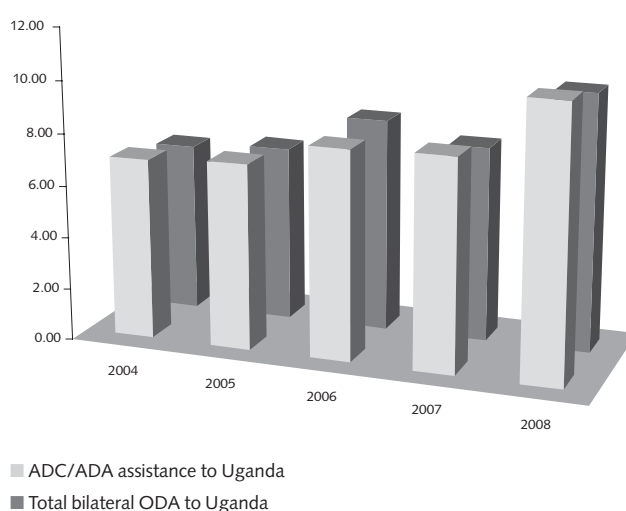
In keeping with its geographical priority, ADC pays special attention in programme monitoring to North Uganda. Supplementary finance is earmarked specifically for the new joint programme in this region in 2009.



Sectoral finance for water supply and sanitation

Since 2004, Austria has contributed to JPF, whose first phase came to an end in 2008, its stake amounting to about 15 per cent of the total of some US\$ 45 million. This contribution was earmarked for setting up umbrella organisations of water suppliers and financing the South Western Towns Water and Sanitation Project under the Water and Sanitation Development Facility.

Thanks to JPF, the supply of the rural population with clean drinking water rose from 55 per cent in 2003 to 63 per cent in 2008. The water authority responsible for the coordination and monitoring of water utilities in small towns reaches almost 1.5 million people and has founded three umbrella organisations that advise the water suppliers and assist them in the operation and maintenance of infrastructure. This fosters user ownership.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO UGANDA

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

In 2004–2005 and 2007–2008, total Austrian ODA to Uganda is lower than the sub-item of ADC/ADA assistance. This is due to repayments for a World Bank cofinance loan in the water sector. In these years, loan repayments were booked that had to be deducted from ODA in line with the OECD/DAC statistical guidelines (net principle of ODA).

Official Development Assistance

- Austrian ODA to Uganda 1995–2008: EUR 106.44 million
- Austrian ADC/ADA assistance to Uganda 1995–2008: EUR 100.52 million

Austrian ODA to Uganda in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Uganda	6.54	6.78	8.20	7.49	9.86
as % of total bilateral ODA	2.31	0.68	0.94	0.77	1.15
ADC/ADA assistance to Uganda in EUR millions	6.96	7.14	8.04	8.13	10.42
ADC/ADA assistance to Uganda as % of total ADC/ADA assistance (ODA)	9.56	8.43	8.48	8.83	10.14

In 2004–2005 and 2007–2008, total Austrian ODA to Uganda is lower than ADC/ADA assistance. This is due to repayments for a World Bank cofinance loan in the water sector. In these years, loan repayments were booked that had to be deducted from ODA in line with the OECD/DAC statistical guidelines (net principle of ODA).

International ODA to Uganda in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	1,195.0	1,549.0	1,728.0
as % of GNI approx.	14.1	16.7	15.7
of which Austrian ODA (in US\$ millions)	8.4	10.3	10.3

*Source: OECD Recipient Aid Chart Uganda (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Uganda: main donors in US\$ millions*

Average 2006–2007

IDA	1,796
African Development Fund	279
United States	274
United Kingdom	191
European Commission	147

*Source: OECD Recipient Aid Chart Uganda (www.oecd.org, as at October 2009)



ETHIOPIA



Key data

Type of state:	Federal republic
Head of state:	Girma Woldegiorgis
Head of government:	Zenawi Meles
Foreign Minister:	Seyoum Mesfin
Area:	1,127,127 km ²
Population*:	79.0 million
Population growth (2005–2015)*:	2.5%
Life expectancy*:	women: 53.5 years; men: 50.9 years
Literacy*:	women: 22.8%; men: 50%
HDI*:	0.389; 169th out of 179 countries
GDI*:	0.377; 148th out of 157 countries
GDP**:	US\$ 15.17 billion
Annual GDP growth**:	10.9%
GNI**:	US\$ 14.3 billion
GNI per capita**:	US\$ 200
Poverty*:	44.2% of the population live below the national poverty line.
Access to clean water*:	42% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Ethiopia at a glance (24 Sept. 2008)



Development policy in context

Ethiopia has recorded average economic growth of 11 per cent in recent years, but local demand well surpassed economic capacity. Together with external factors of influence, such as drought and global price increases, this has led to high inflation, a shortage of foreign currency reserves and a widening trade deficit. Forecasts by the International Monetary Fund anticipate economic growth declining to about 6 per cent in coming years.

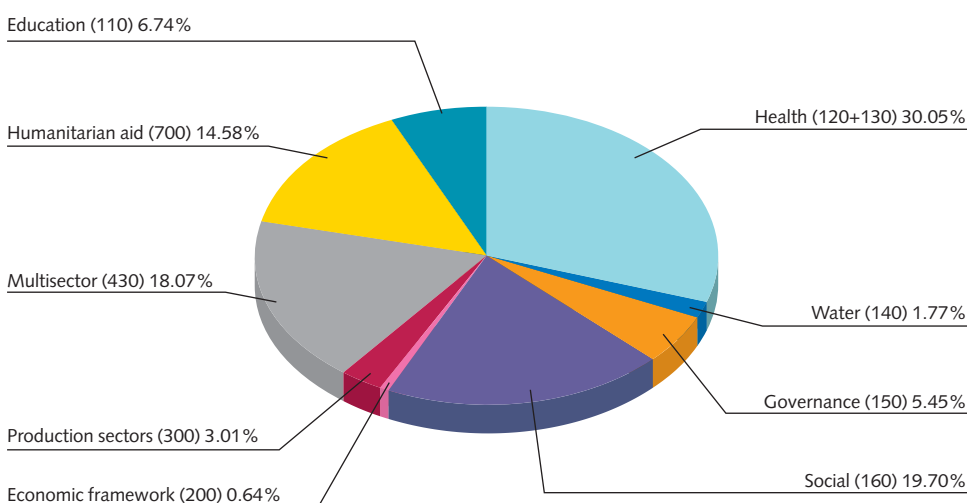
The Ethiopian government has repeatedly requested increased funds for development cooperation. The decision of the donors is contingent on progress in governance, district capacity building and solutions for specific issues, such as family planning, private-sector development, chronic food insecurity, gender equality and environment.

Cooperation with Ethiopia is based on the national poverty reduction strategy (Plan for Accelerated and Sustained Development to End Poverty/PASDEP 2006–2011).

Cooperation priorities

- Health
- Rural development and food security
- Support for the Protection of Basic Services Programme (PBS)

Complementary support is given to measures in gender, energy and governance.



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO ETHIOPIA 2008

Disbursements as %

The 'economic framework' heading comprises the 'energy' and 'communications' sectors. 'Production sectors' is made up solely of assistance in the 'agriculture' sector.

Health sector

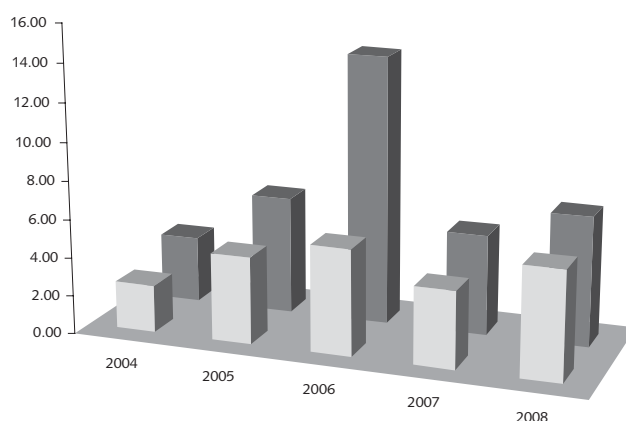
The geographical focus of ADC in health is located in the Somali region in the Southeast of the country, one of the least developed areas in Ethiopia. Three-quarters of the population are nomads without access to public facilities, such as schools or infirmaries. Health care is insufficient and child mortality very high. Medical care before, during or after birth is only available to a very small percentage of women.

In other areas of Ethiopia, ADC supports projects for HIV/AIDS control and the eradication of traditional harmful practices such as female genital mutilation. Priority is attached to educational measures as well as cooperation with civil society, local authorities and religious leaders in the community.



Health programme in Somali

The programme ongoing since 2007 supports the Somali Regional Health Bureau in implementing the national health plan of the Ethiopian government to improve medical care for the population in the regional state. Among other things, the programme entails extending health stations, appointing health committees in villages and upgrading the professional competence of health personnel through training courses. In the long term, the regional health authority will be enabled to perform its tasks without foreign assistance. Since the beginning of the programme, the ratio of patients attending basic health care has increased to 43 per cent. Altogether, the programme has already benefited more than 1.2 million people.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO ETHIOPIA

Net disbursements in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

■ ADC/ADA assistance to Ethiopia
■ Total bilateral ODA to Ethiopia

Official Development Assistance

- Austrian ODA to Ethiopia 1995–2008: EUR 71.96 million
- Austrian ADC/ADA assistance to Ethiopia 1995–2008: EUR 47.04 million

Austrian ODA to Ethiopia in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Ethiopia	3.46	6.15	14.01	5.25	6.76
as % of total bilateral ODA	1.22	0.62	1.61	0.54	0.79
ADC/ADA assistance to Ethiopia in EUR millions	2.46	4.54	5.52	4.02	5.67
ADC/ADA assistance to Ethiopia as % of total ADC/ADA assistance (ODA)	3.38	5.36	5.83	4.37	5.52

International ODA to Ethiopia in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	1,916.0	1,948.0	2,422.0
as % of GNI approx.	15.6	12.9	12.5
of which Austrian ODA (in US\$ millions)	7.6	17.6	7.2

*Source: OECD Recipient Aid Chart Ethiopia (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Ethiopia: main donors in US\$ millions*

Average 2006–2007

IDA	1,877
African Development Fund	441
United States	344
European Commission	284
United Kingdom	228

*Source: OECD Recipient Aid Chart Ethiopia (www.oecd.org, as at October 2009)





Southern Africa

key region

In Southern Africa, Austrian Development Cooperation is engaged in the priority country Mozambique and in the SADC region with the partner countries Namibia, South Africa and Zimbabwe. Account is also taken of the rest of the Southern African Development Community. The country measures in the three partner countries are approaching orderly closure and will be transferred to the regional ADC programme.

Poverty in the SADC region has many facets, which is why Austria pursues a broader approach for its reduction, including the promotion of rule of law and the implementation of human rights. Human security and peace are closely interconnected and essential for the elimination of political, social and economic inequalities. For continued democratisation, economic growth and sustainable poverty reduction, land issues must be settled and resources made available in the region.

The concern in the energy sector is to provide access to energy services for the low-income population in the SADC region. An operational infrastructure mobilises underprivileged sections of the population and enables them to take part in decision-making processes. Promoting affordable and high-quality energy and transport services is therefore an essential aspect of the broad ADC approach to poverty reduction.



Austrian activities form part of the Regional Indicative Programme 2008–2013 of the European Commission (EC) and the EU member states in collaboration with SADC. For the first time, ADC is cited as an international cooperation partner (ICP) of SADC in this programme with its regional profile. The EC programme is based on the SADC regional development plans, the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ on Peace and Security (SIPO). All SADC member states recognise that political intolerance, ineffectual rule of law, corruption, civilian conflicts and hostilities thwart economic growth and development.

The Windhoek Declaration on a New SADC-ICP Partnership of 2006 sets out the framework for cooperation between SADC and the international cooperation partners, including Austria. Donors collaborate with SADC in the Joint SADC ICP Task Force, which facilitates consultation on the implementation of regional development plans. ADC is represented here via the Austrian embassy in Pretoria and involved in the energy sector. A new working group on peace and security is being prepared by SADC and ADC is scheduled to chair donor coordination.

ADC and SADC signed a cooperation agreement in October 2008 setting out the substantive priorities and the financial framework for 2008 to 2010. ADC cooperates with SADC and its partners in implementation.

MOZAMBIQUE



Key data

Type of state:	Presidential republic
Head of state:	Armando Emilio Guebuza
Head of government:	Luisa Dias Diogo
Foreign Minister:	Alcinda Abreu
Area:	801,590 km ²
Population*:	20.5 million
Population growth (2005–2015)*:	1.8%
Life expectancy*:	women: 43.1 years; men: 41.8 years
Literacy*:	women: 32%; men: 57%
HDI*:	0.366; 175th out of 179 countries
GDI*:	0.358; 152nd out of 157 countries
GDP**:	US\$ 7.8 billion
Annual GDP growth**:	7.3%
GNI**:	US\$ 7.1 billion
GNI per capita**:	US\$ 330
Poverty*:	54.1% of the population live below the national poverty line.
Access to clean water*:	42% of population

* UNDP, Human Development Report 2007/2008, Statistical Update 2008

** World Bank, Mozambique at a glance (24 Sept. 2008)



Development policy in context

A hurricane caused flooding and devastation in central Mozambique in the first quarter of 2008. The ADC priority province, Sofala, was also affected. Happily, fewer flood victims were recorded than before thanks to better early warning systems and resettlement programmes in higher lying areas. Austria took emergency measures.

Donor coordination in Mozambique is well advanced. Besides discussions on implementing the Code of Conduct – Division of Labour at EU level, work is being done on a streamlined local development architecture for as many donors as possible. For the first time, the consultative procedure on the new memorandum of understanding (MoU) of the budget support donor group provides for the involvement of partners, such as the USA, Japan or the United Nations, for example, which do not make any contribution to general budget support, but are nevertheless important for harmonisation and alignment in the donor community.

Mozambique is the first priority country where Austrian Development Cooperation now provides general as well as sectoral budget support. Grants are allocated directly to the national budget. Providing budget support makes for more effective and efficient use of ADC funds as called for in the Paris Declaration. Sectoral budget support goes to the Mozambican Ministry of Agriculture for the national agricultural development strategy, ProAgri and the Austrian contribution is earmarked for Sofala Province.

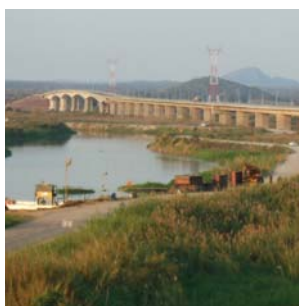
Cooperation priorities

The new draft country strategy for 2009–2013 is based on and aligned with the current Mozambican government programme and the Action Plan for the Reduction of Absolute Poverty (PARPA II). In agreement with the government in Maputo, Sofala Province remains the key region of ADC. The focus lies on promoting national decentralisation measures bearing on the following themes:

- Rural drinking water supply and sanitation
- Smallholder farming
- Small-scale but strategically important infrastructure measures in districts and municipalities

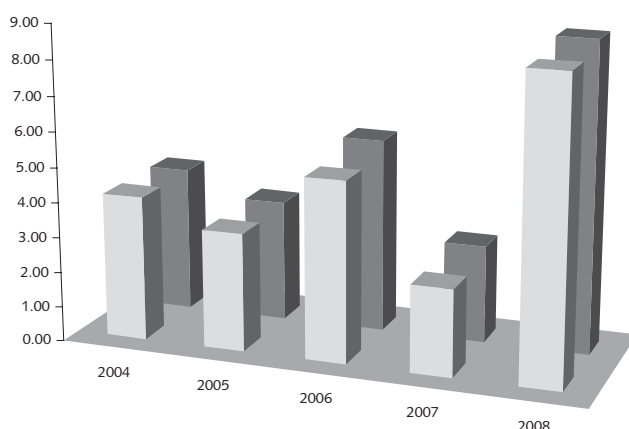
Decentralisation sector

The promotion of democracy and decentralisation and the separation of state powers are priorities of the national government. A new law adopted in 2005 paved the way for greater involvement of district authorities in development. ADC supports this process in Sofala Province. The measures comprise building up institutional capacity and educational capital, such as planning and management training, but also activities at technical and operational level, such as public service management or urban development planning. Municipalities with autonomous status are also supported through a joint project with two other donors and finance is provided for smaller-scale basic infrastructure measures. At national level, ADC is involved in designing a common fund for supporting the government decentralisation programme.



District and municipal development in Caia

A bridge is being built over the Zambesi River and migration to Caia District is expected to increase. ADC thus supports efforts to set up an efficient administration and well organised infrastructure for this district. At the end of the project, civil servants will be able to provide citizen-friendly services and hold hearings. Systematic district planning will improve the area around the city of Caia. Finally, the multipurpose building, Facility Centre Casa Velha, will be renovated and a land registry and assembly building erected.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO MOZAMBIQUE

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

■ ADC/ADA assistance to Mozambique
■ Total bilateral ODA to Mozambique

Official Development Assistance

- Austrian ODA to Mozambique 1995–2008: EUR 76.88 million
- Austrian ADC/ADA assistance to Mozambique 1995–2008: EUR 51.15 million

Austrian ODA to Mozambique in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Mozambique	4.16	3.47	5.54	2.78	8.80
as % of total bilateral ODA	1.47	0.35	0.64	0.29	1.03
ADC/ADA assistance to Mozambique in EUR millions	4.12	3.38	5.14	2.47	8.52
ADC/ADA assistance to Mozambique as % of total ADC/ADA assistance (ODA)	5.65	3.99	5.42	2.69	8.29

International ODA to Mozambique in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	1,290.0	1,605.0	1,777.0
as % of GNI approx.	21.2	26.1	26.3
of which Austrian ODA (in US\$ millions)	4.3	7.0	3.8

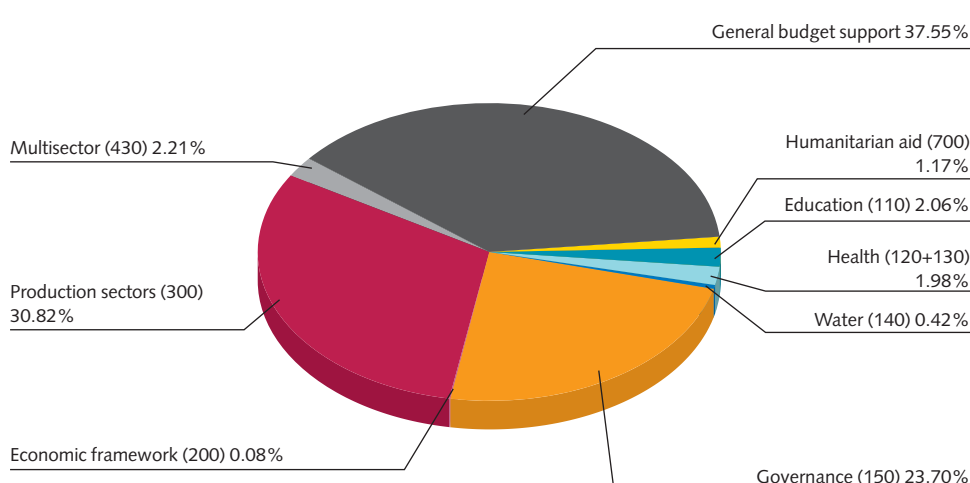
* Source: OECD Recipient Aid Chart Mozambique (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Mozambique: main donors in US\$ millions*

Average 2006–2007

IDA	849
African Development Fund	284
European Commission	212
United States	131
United Kingdom	108

* Source: OECD Recipient Aid Chart Mozambique (www.oecd.org, as at October 2009)



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO MOZAMBIQUE 2008

Disbursements as %

'Economic framework' wholly comprises funding in the 'communications' sector. 'Production sectors' largely comprises funding in 'agriculture' and, to a small extent, the 'tourism' sector.





Himalayas–Hindu Kush

key region

The population of the remote mountain villages in the Himalaya-Hindu Kush region face various problems. Low agricultural productivity and inaccessible markets impede sustainable income growth for the semi-nomads and mountain farming families. Additional risks are posed by erosion, mudslides and the threat of flooding due to glacial lake outbreaks as a result of climate change.

Support by Austrian Development Cooperation concentrates on applied research for the sustainable use of pastoral ranges, the generation of additional income through beekeeping and honey production as well as the development of solar power to meet regional needs.

BHUTAN



Key data

Type of state:	Constitutional monarchy
Head of state:	King Jigme Khesar Namgyel Wangchuck
Head of government:	Jigme Y. Thinley
Foreign Minister:	Ugyen Tshering
Area:	47,000 km ²
Population*:	0.6 million
Population growth (2005–2015)*:	1.5%
Life expectancy*:	women: 67 years; men: 63.6 years
Literacy*:	women: 40.5%; men: 66.2%
HDI*:	0.613; 131st out of 179 countries
GDI*:	0.604; 114th out of 157 countries
GDP**:	US\$ 1.1 billion
Annual GDP growth**:	19.1%
GNI**:	US\$ 1.2 billion
GNI per capita**:	US\$ 1,770
Poverty*:	49.5% of the population live on US\$ 2 a day.
Access to clean water*:	81% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Bhutan at a glance (24 Sept. 2008)



Development policy in context

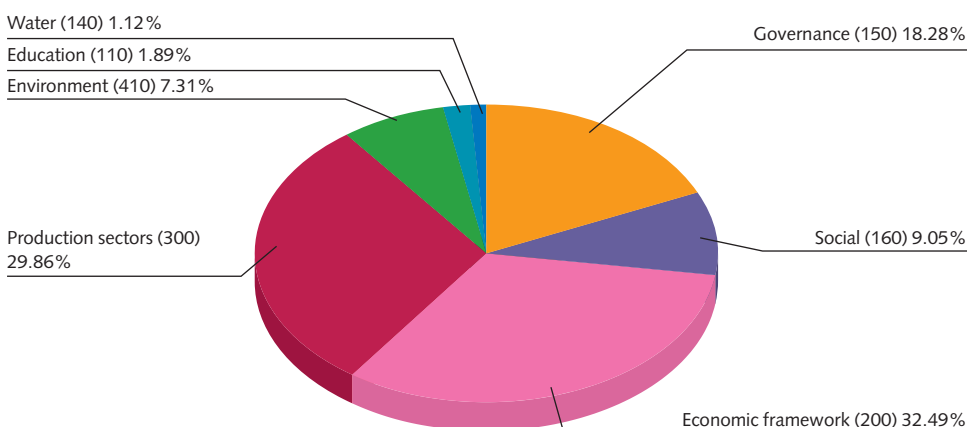
The first democratic elections in 2008, the constitution of parliament and the formation of the new government marked political milestones in the history of Bhutan. Other key developments in the social transformation of the Himalayan kingdom into a modern democracy include the signing of a new constitution and the coronation of the fifth king, Jigmi Khesar Namgyel Wangchuck, under the new constitutional monarchy. Decentralisation and strengthening regional administration aim at consolidating the young democracy and ensuring the participation of the population in future political and social development.

The prime aim of the new government's strategic planning is the reduction of poverty from 23 per cent to less than 15 per cent by 2013. The development of agriculture and the private sector with the focus on tourism will generate new economic opportunities for the population. The development of infrastructure, above all roads, electricity, drinking water supply, schools, health stations and communication technologies, will help ensure fair development prospects for the remote mountain villages.

Cooperation priorities

The themes in development cooperation between Bhutan and Austria conform with the strategies of the Bhutanese government for national development. These are set out in the current five-year plan and are being pursued with a great determination.

- Tourism
- Energy
- Governance



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO BHUTAN 2008

Disbursements as %

'Economic framework' wholly comprises funding in 'energy'.
'Production sectors' comprises the 'tourism' sector and, to a lesser extent, 'agriculture and forestry'.

Sustainable tourism sector

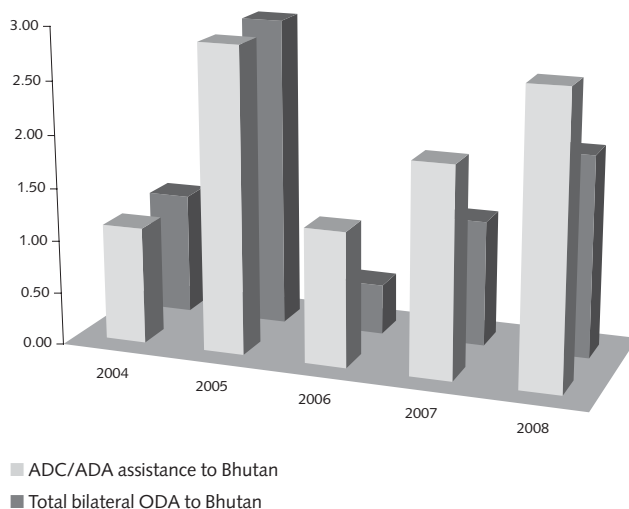
Tourism is one of the main sources of income for the country and holds prospects for raising employment. The Bhutanese government has adopted a strategy of controlled growth in sustainable tourism with a view to preserving cultural values and natural resources. It mainly targets tourists who are prepared to pay more for an exclusive holiday destination. This means raising the quality of services and creating training facilities to an international standard. The rural population will also be increasingly involved in developing regional touristic services to create new income opportunities in villages as well. The new Tourism Council of Bhutan, also a project partner of ADC, is responsible for implementing the development strategies.



Hotel & Tourism Management Training Institute

Austrian Development Cooperation helped to draft a masterplan for tourism in Bhutan, which provides for a cautious approach to developing the country for holidaymakers and raising the quality of touristic services. The new Hotel & Tourism Management Training Institute (HTMTI) is part of this scheme.

The design of the institute combines energy-saving elements with traditional Bhutanese architecture. Bhutan bears the main costs of construction, with ADC providing modern technical equipment for the kitchen, IT technology and energy-saving components for ventilation, heating, hot water and sewage. As the first high-quality training centre in the tourism sector in Bhutan, HTMTI will offer an internationally approved two-year tourism course as well as professional further training for personnel already working in the tourism sector. HTMTI will also serve the neighbouring South-East Asia region as a centre of excellence for tourism.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO BHUTAN

Net disbursements
in EUR millions

As of the year 2006, total Austrian ODA to Bhutan is lower than ADC funding by ADA. The reason for this is the repayment of an ERP loan in the energy sector. In these years, loan repayments were booked that had to be deducted from ODA in line with the OECD/DAC statistical guidelines (net principle of ODA).

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

Official Development Assistance

- Austrian ODA to Bhutan 1995–2008: EUR 57.94 million
- Austrian ADC/ADA assistance to Bhutan 1995–2008: EUR 42.83 million

Austrian ODA to Bhutan in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Bhutan	1.16	2.94	0.48	1.19	1.91
as % of total bilateral ODA	0.41	0.30	0.05	0.12	0.22
ADC/ADA assistance to Bhutan in EUR millions	1.11	2.89	1.28	1.98	2.74
ADC/ADA assistance to Bhutan as % of total ADC/ADA assistance (ODA)	1.52	3.41	1.35	2.15	2.66

In 2006–2008, total bilateral ODA is below that of ADC/ADA due to repayment instalments for an ERP loan, which have to be deducted from total ODA in line with the ODA net principle.

International ODA to Bhutan in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	90.0	94.0	89.0
as % of GNI approx.	11.0	10.1	7.9
of which Austrian ODA (in US\$ millions)	3.7	0.6	1.6

*Source: OECD Recipient Aid Chart Bhutan (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Bhutan: main donors in US\$ millions*

Average 2006–2007

IDA	26
Japan	19
Denmark	13
Asian Development Fund	7
Switzerland	6

*Source: OECD Recipient Aid Chart Bhutan (www.oecd.org, as at October 2009)



PALESTINIAN TERRITORIES



Key data

Type of state:	Partial autonomy under Israeli occupation
Head of the Palestinian National Authority:	Mahmoud Abbas
Head of government:	Salam Fayyad
Foreign Minister:	Riyad al-Malki
Area:	total: 6,020 km ² West Bank: 5,655 km ² ; Gaza Strip: 365 km ²
Population*:	3.8 million
Population growth (2005–2015)*:	3%
Literacy*:	women: 87.9%; men: 96.7%
Life expectancy*:	women: 74.7 years; men: 71.5 years
HDI*:	0.731; 106th out of 179 countries
GDI*:	0.678; 107th out of 157 countries
GDP**:	US\$ 4.28 billion
Annual GDP growth***:	-2.5%
GNI****:	no figures
GNI per capita****:	no figures
GDP per capita**:	US\$ 1,230
Poverty*****:	58% of the population live in poverty on less than US\$ 2.8 a day.
Access to clean water*:	89% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** AWO, country profiles (as at December 2008) (http://portal.wko.at/wk/startseite_ch.wk?dstid=0&chid=5)

*** World Development Indicators database, September 2008 (www.worldbank.org)

**** World Bank, West Bank and Gaza at a glance (17 September 2008)

***** Poverty in the occupied Palestinian territory in 2007, Development Times Issue No. 1, July 2007, UNDP/PAPP



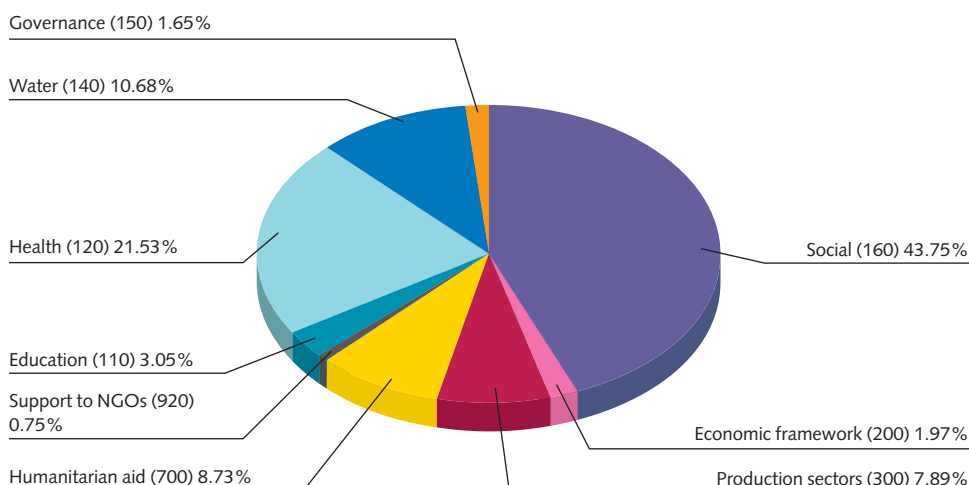
Development policy in context

Attempts at a peace settlement after the Annapolis conference in 2007 failed. Israel launched a military campaign on 27 December 2008, which exacerbated the Gaza crisis. The population in the occupied territories suffer under increasing impoverishment: 58 per cent of all Palestinians live on less than US\$ 2.8 a day. Unemployment is 32 per cent in the Gaza Strip and 22 per cent in the West Bank. Almost half the population depends on food aid, as much as two-thirds in the Gaza Strip. Youth unemployment is at 60 per cent and only 12.5 per cent of women are engaged in some form of employment. The main concern of Austrian Development Cooperation in the Palestinian Territories is to advance the Middle East peace process. In agreement with the international community, Austria subscribes to the goal of a two-state solution. In keeping with the Roadmap and the EU Action Plan, ADC supports the Palestinian National Authority in building efficient, democratically legitimate and controlled institutions for a future cohesive, sovereign, democratic state. Cooperation is based on the Palestinian Reform and Development Plan 2008–2010. ADC collaborates with multilateral organisations in humanitarian aid, particularly the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), but also Palestinian state institutions and non-governmental organisations.

Cooperation priorities

- Water
- Health
- Capacity development for good governance and human rights

Another focus is gender equality and the empowerment of women.



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO THE PALESTINIAN TERRITORIES 2008

Disbursements as %

'Economic framework' wholly comprises funding in 'communications', 'production sectors', that in the 'agriculture' sector.

Water sector

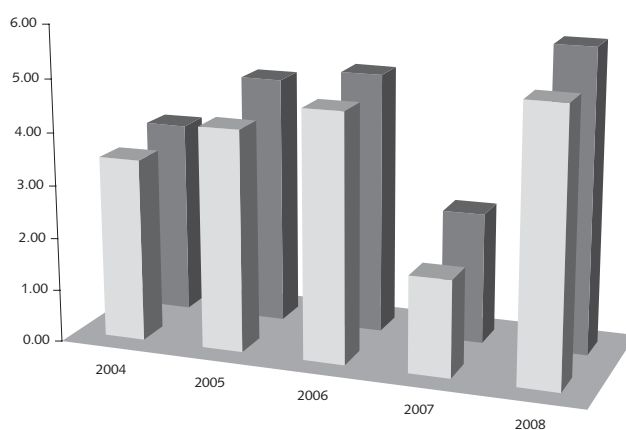
Water shortage has worsened dramatically in the West Bank and in the Gaza Strip, not just due to climate warming but above all to the inequitable distribution of water resources between Israel and the Palestinian Territories. Groundwater resources are heavily overused in Gaza, especially by farmers, with the level having dropped sharply over the last few years. Because saltwater flows in from the Mediterranean, the water taps in Gaza frequently only discharge brackish water, which is also contaminated with untreated sewage, which often causes fatal illnesses, especially among children.



Wastewater use and rainwater harvesting

Since 2008, ADC has been sponsoring a project that makes a decisive contribution to the use of non-conventional water resources in the Gaza Strip. It provides technical assistance in the reuse of treated sewage and urban rainwater for agricultural irrigation as a way to raise the groundwater level again. The project design provides for building institutions to help distribute recyclable water resources in agriculture. Farmers are trained on how to handle the treated sewage. Tariff systems are also drawn up and pilot projects carried out.

The Austrian programme is aligned with various large-scale projects receiving international funding. Despite the blockade, a sewage plant is expected to be commissioned in the Gaza Strip in the next few years.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO THE PALESTINIAN TERRITORIES

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

■ ADC/ADA assistance to the Palestinian Territories
■ Total bilateral ODA to the Palestinian Territories

Official Development Assistance

- Austrian ODA to the Palestinian Territories 1995–2008: EUR 50.44 million
- Austrian ADC/ADA assistance to the Palestinian Territories 1995–2008: EUR 38.46 million

Austrian ODA to the Palestinian Territories in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to the Palestinian Territories	3.66	4.70	4.95	2.48	5.74
as % of total bilateral ODA	1.29	0.47	0.57	0.26	0.67
ADC/ADA assistance to the Palestinian Territories in EUR millions	3.46	4.20	4.69	1.83	5.15
ADC/ADA assistance to the Palestinian Territories as % of total ADC/ADA assistance (ODA)	4.75	4.96	4.95	1.99	5.01

International ODA to the Palestinian Territories in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	1,117.0	1,450.0	1,868.0
as % of GNI approx.	25.3	34.6	44.6
of which Austrian ODA (in US\$ millions)	5.8	6.2	3.4

*Source: OECD Recipient Aid Chart Palestinian Adm. Areas (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to the Palestinian Territories: main donors in US\$ millions*

Average 2006–2007

UNRWA	433
European Commission	397
United States	209
Norway	97
Germany	72

*Source: OECD Recipient Aid Chart Palestinian Adm. Areas (www.oecd.org, as at October 2009)







South Eastern Europe/ Western Balkans key region

South Eastern Europe is a key region for both Austrian foreign and development policy. The economic development and political stability of the region are not just of special interest to Austria because of a common history and diverse neighbour country relations but also because of increasing activities by Austrian industry in this region.

South Eastern Europe also occupies a special position in EU policy. The Stabilisation and Association Process (SAP) for the countries of the Western Balkans envisages systematic convergence with the European Union and ultimate accession. Austria supports these countries in this process.

The priorities of regional cooperation include education, particularly vocational training and higher education, economic development and job creation, water supply and sanitation and good governance with the focus on conflict prevention, institution building, support for media and civil society, combating organised crime, particularly human trafficking, and gender equality.

ALBANIA



Key data

Type of state:	Republic
Head of state:	Bamir Topi
Head of government:	Sali Berisha
Foreign Minister:	Lulzim Basha
Area:	28,750 km ²
Population*:	3.2 million
Population growth (2005–2015)*:	0.6%
Life expectancy*:	women: 79.7 years; men: 73.3 years
Literacy*:	women: 98.4%; men: 99%
HDI*:	0.807; 69th out of 179 countries
GDI*:	0.804; 64th out of 157 countries
GDP**:	US\$ 10.6 billion
Annual GDP growth**:	6%
GNI**:	US\$ 10.5 billion
GNI per capita**:	US\$ 3,290
Poverty*:	18.5% of the population live below the national poverty line.
Access to clean water*:	97% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Albania at a glance (24 Sept. 2008)



Development policy in context

After the ratification of the Stabilisation and Association Treaty with the European Commission, the Albanian government declared its intention as early as spring 2009 to apply for EU candidate status.

Due to high average economic growth of 7.1 per cent during the last ten years, salaries, income and pensions have also increased and the poverty rate fell from 25.4 per cent in 2002 to 12.4 per cent in 2008.

Despite this favourable development, rule of law, environmental pollution, property relations and social security still pose large challenges. The Commissioner on Human Rights of the Council of Europe, Thomas Hammarberg, for example, has voiced concern about the situation of the Romanies and gender equality has suffered setbacks despite the adoption of relevant legislation in July 2008.

Austrian Development Cooperation supports Albania in its efforts towards social modernisation and sustainable, socially equitable economic development. In 2008, ADC sponsored projects worth EUR 2.23 million. Albania and Austria signed a framework agreement on technical cooperation as well as a soft loan agreement in June.

In line with the Paris Declaration, ADC took active part in setting up institutionalised donor and government coordination platforms, took up the chair in the Sector Working Group on Water Supply and Sanitation together with the Albanian Ministry of Public Works, Transport and Telecommunications and will implement two projects financed by the EC under the Indirect Centralised Management Mechanism. ADC has also positioned itself in the application of new modes of finance, such as joint programming.

Cooperation priorities

- Water, sanitation, environment
- Vocational training
- Governance, including gender equality and combating human trafficking

Water supply and sanitation sector

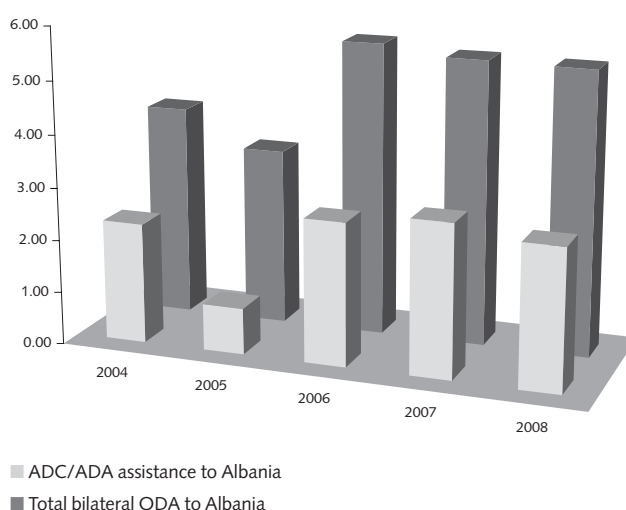
Albania has sufficient water, but the quality of drinking and coastal waters is classified as hazardous to health. Services in the water sector are inefficient. There are hardly any integrated water management schemes; only 40 per cent of consumers have water meters and more than three quarters of the population is supplied by a poor mains grid in need of repair. Only 0.2 per cent of Albanians are connected to water treatment plants. Despite the high water production of 333 litres per person, supply fluctuates from twenty-fours to as little as two hours a day. At about 74 per cent, the high rate of water loss is measure of the large backlog demand in this sector. The responsible utilities owned by the local authorities as of the beginning of 2008 lack the necessary resources and the technical and organisational capacities. Government subsidises 40 per cent of the operating costs in the sector.

Based on the national strategy for meeting EU standards and national goals in water management, the water sector is due for reform. The government is engaged in dialogue with international partners on this. The Sector Working Group on Water Supply provides a major platform for exchange on technical questions, strategic approaches and quality assurance.



Water supply in Shkodra

Today, twenty-four-hour tapwater supply is taken for granted by more than 70 per cent of the 110,000 population in the northern Albanian city of Shkodra. In 1995, water supply was assured for only three hours a day. At project start, ADC concentrated on the rapid improvement of water supply and sanitation, which was in a disastrous state. From this, an integral project approach emerged, which brought about a sustainable improvement in the situation of the population, strengthened the management capacities of the water utility and helped raise awareness in the population of the need to conserve water resources. A reservoir was built, equipped with the latest technology. Special attention was paid to the inclusion and supply of marginalised groups, such as the Romanies.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO ALBANIA

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

Official Development Assistance

- Austrian ODA to Albania 1995–2008: EUR 67.21 million
- Austrian ADC/ADA assistance to Albania 1995–2008: EUR 28.69 million

Austrian ODA to Albania in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Albania	4.03	3.37	5.57	5.40	5.37
as % of total bilateral ODA	1.42	0.34	0.64	0.56	0.63
ADC/ADA assistance to Albania in EUR millions	2.28	0.88	2.72	2.91	2.68
ADC/ADA assistance to Albania as % of total ADC/ADA assistance (ODA)	3.13	1.04	2.87	3.16	2.61

International ODA to Albania in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	319.0	321.0	305.0
as % of GNI approx.	3.7	3.4	2.8
of which Austrian ODA (in US\$ millions)	4.2	7.0	7.4

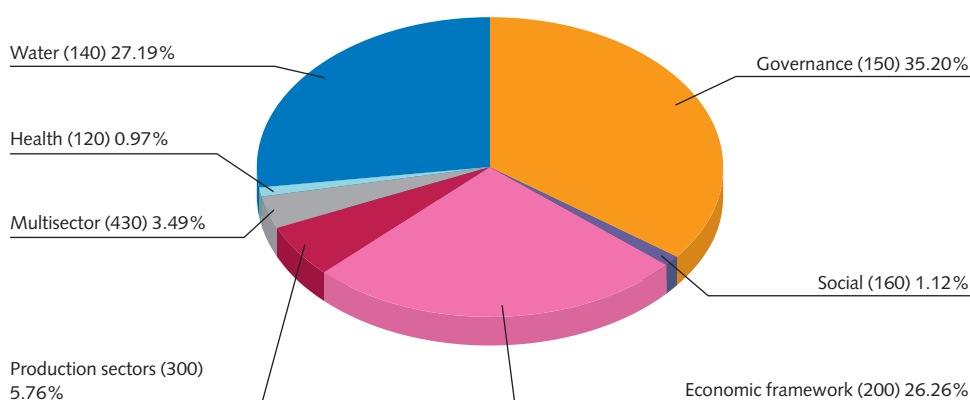
* Source: OECD Recipient Aid Chart Albania (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Albania: main donors in US\$ millions*

Average 2006–2007

European Commission	61
IDA	47
Germany	39
United States	36
Italy	30

* Source: OECD Recipient Aid Chart Albania (www.oecd.org, as at October 2009)



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO ALBANIA 2008

Disbursements as %

'Economic framework' wholly comprises funding in 'energy'.
'Production sectors' contains funding in the 'agriculture' sector.

BOSNIA AND HERZEGOVINA



Key data

Type of state:	Democratic federal state
Presidency (Chair):	Zeljko Kosmsic
Members of Presidency:	Nebojša Radmanović, Haris Silajdžić
Chairman of the Council of Ministers:	Nikola Špirić
Area:	51,129 km ²
Population*:	3.9 million
Population growth (2005–2015)*:	no figures
Life expectancy*:	women: 77.2 years; men: 71.9 years
Literacy*:	women: 94.3%; men: 99%
HDI*:	0.802; 75th out of 179 countries
GDI*:	no figures
GDP**:	US\$ 15.1 billion
Annual GDP growth**:	6.8%
GNI**:	US\$ 14.3 billion
GNI per capita**:	US\$ 3,790
Poverty*:	19.5% of the population live below the national poverty line.
Access to clean water*:	99% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Bosnia and Herzegovina at a glance (24 Sept. 2008)



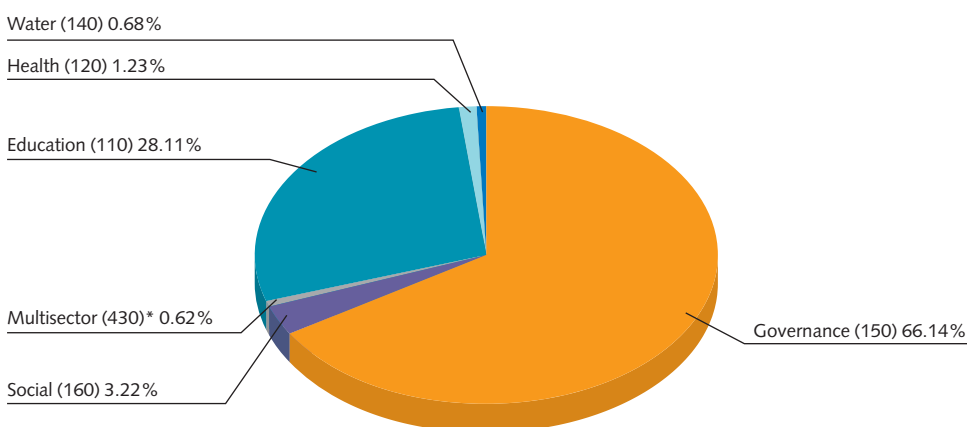
Development policy in context

Overall responsibility for the political-civilian implementation of the peace agreement in Bosnia and Herzegovina continues to lie with the UN High Representative and the EU Special Representative, who in turn are answerable to the Peace Implementation Council, which is made up of representatives from 55 countries and authorities.

A professed aim of all governments and the population of Bosnia and Herzegovina is accession to the European Union, which is clearly the most important mobilising factor in the country. The Stabilisation and Association Treaty was signed between Bosnia and Herzegovina and the EU in June 2008.

Cooperation priorities

- Modernisation of the education system
- Economic development and employment promotion
- Governance: strengthening central government institutions



DISTRIBUTION OF ADC/ADA BY SECTOR TO BOSNIA AND HERZEGOVINA 2008

Disbursements as %

* 'Economic framework' in 2008 included repayments in the energy sector amounting to approx. EUR 84,000. Since negative amounts are difficult to depict in pie charts, this amount was deducted under 'multisector' (EUR 100,000 or almost 4%).

Economic development and employment promotion sector

With a view to national economic development, Austrian Development Cooperation supports projects to offer income opportunities for youth and young entrepreneurs, improve access to financing facilities and the (commercial) financial market and to set up an enabling framework.

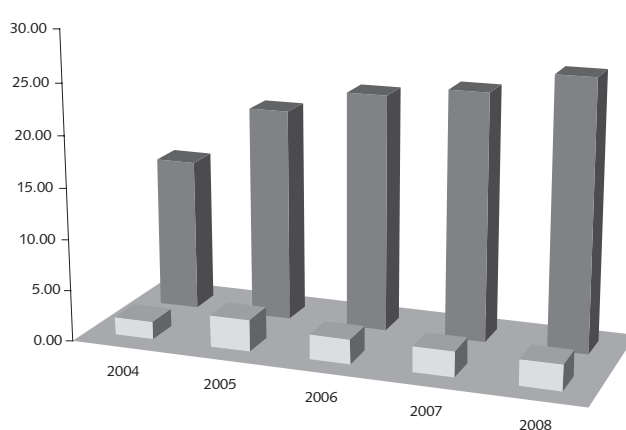
The geographical focus of the ADC programmes lies in northern and central Bosnia and southwards near Mostar. Thanks to their favourable geographical location, these areas hold great economic potential.



Job placement for youth

In Bosnia and Herzegovina, 58 per cent of young people are unemployed. Social problems, such as marginalisation, demotivation, antisocial behaviour and even crime are the consequence. Together with Switzerland, ADC has therefore been financing a project since 2008 to curb youth unemployment. The prime concern is to make a lasting improvement in the placement of young jobseekers on the labour market.

A service is provided for new entrants onto the labour market comprising occupational information and counselling as well as help with self presentation and jobseeking. Unemployed people between 16 and 35 are given advice and support in looking for work with a view to improving placement. A mobile career resource unit also provides this service in remote regions. Public employment offices are merged with private employment agencies. Through cooperation with local partners, supply and demand on the labour market are better matched to facilitate placement. With a view to long-term reforms in youth employment policy, regular dialogue is sought with relevant institutions, such as ministries, the donor community, the private sector and trade unions.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO BOSNIA AND HERZEGOVINA

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

■ ADC/ADA assistance to Bosnia and Herzegovina
■ Total bilateral ODA to Bosnia and Herzegovina

Official Development Assistance

- Austrian ODA to Bosnia and Herzegovina 1995–2008: EUR 429.46 million
- Austrian ADC/ADA assistance to Bosnia and Herzegovina 1995–2008: EUR 59.38 million

Austrian ODA to Bosnia and Herzegovina in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Bosnia and Herzegovina	14.97	20.87	23.16	24.17	26.35
as % of total bilateral ODA	5.27	2.10	2.66	2.50	3.08
ADC/ADA assistance to Bosnia and Herzegovina	1.76	3.10	2.41	2.50	2.55
ADC/ADA assistance to Bosnia and Herzegovina as % of total ADC/ADA assistance (ODA)	2.41	3.66	2.54	2.72	2.49

International ODA to Bosnia and Herzegovina in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	554.0	494.0	443.0
as % of GNI approx.	4.9	3.9	2.8
of which Austrian ODA (in US\$ millions)	25.9	29.1	33.1

* Source: OECD Recipient Aid Chart Bosnia-Herzegovina (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Bosnia and Herzegovina: main donors in US\$ millions*

	Average 2006–2007
European Commission	81
United States	49
IDA	42
Sweden	39
Spain	35

* Source: OECD Recipient Aid Chart Bosnia-Herzegovina (www.oecd.org, as at October 2009)



KOSOVO



Key data

Type of state:	Republic
Head of state:	Fatmir Sejdiu
Head of government:	Hashim Thaci
Foreign Minister:	Skender Hyseni
Area:	10,887 km ²
Population*:	1.9 million
Population growth (2000–2006)*:	1.5%
Life expectancy*:	74 years
Literacy*:	94%
GDP*:	US\$ 2.9 billion
Annual GDP growth (2006)*:	4.2%
GNI*:	US\$ 3.3 billion
GNI per capita*:	US\$ 1,383
Poverty*:	37% of the population live below the national poverty line.
Access to clean water*:	no figures

* World Bank, Kosovo at a glance (14 Sept. 2007)



Development policy in context

The Republic of Kosovo declared its independence on 17 February 2008. Riots by the Serbian minority and rejection of the Kosovan state in the Serbian majority areas caused political turmoil. The hoped-for upswing through foreign direct investments also failed to materialise for the most part.

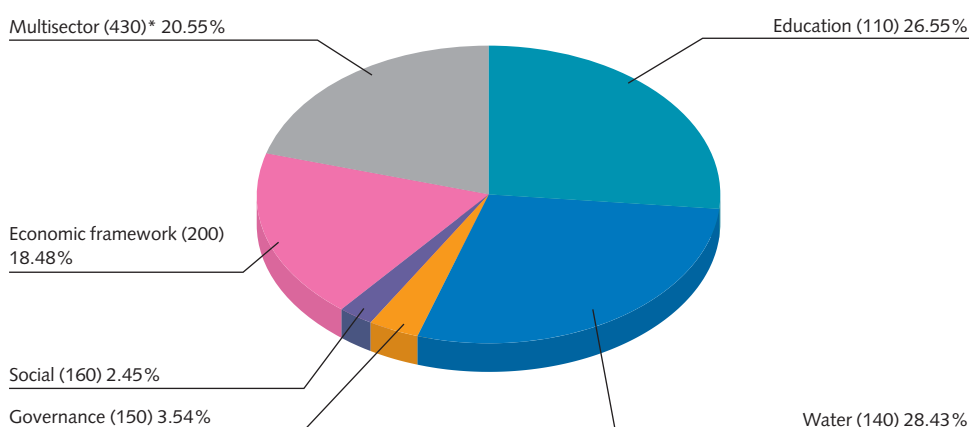
Austria recognised the independence of Kosovo on 28 February 2008. Previously a liaison office of Belgrade, the local office in Pristina was made autonomous in May. The main activities are described in the Kosovo country programme for 2008-2011. Cross-cutting issues include interethnic cooperation, gender and sustainable institutional development.

The constitution of the Republic of Kosovo, which guarantees full protection for minorities and sets out the essential features of the Ahtisaari Plan, entered force on 15 July. Many political obstacles still stand in the way of a viable multiethnic society, however. An international donor conference in July decided to support Kosovo with EUR 1.2 billion.

The Agency for Coordination of Development and European Integration was founded to improve donor coordination and a memorandum of understanding on bilateral economic relations with Kosovo was signed.

Cooperation priorities

- Education with focus on higher education
- Rural development, attaching priority to productivity and employment, with the regional focus on Suhareka/Suva Reka
- Private-sector development with focus on small and medium-sized enterprises as well as investment promotion



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO KOSOVO 2008

Disbursements as %

'Economic framework' includes funds in the sectors 'transport and storage', 'communications' and 'promotion of the private sector framework'.

*'Production sectors' in 2008 included a very small repayment in 'industry and trade'. Since negative amounts are difficult to depict in pie charts, this amount was deducted under 'multisector', but was not large enough to result in any significant changes.

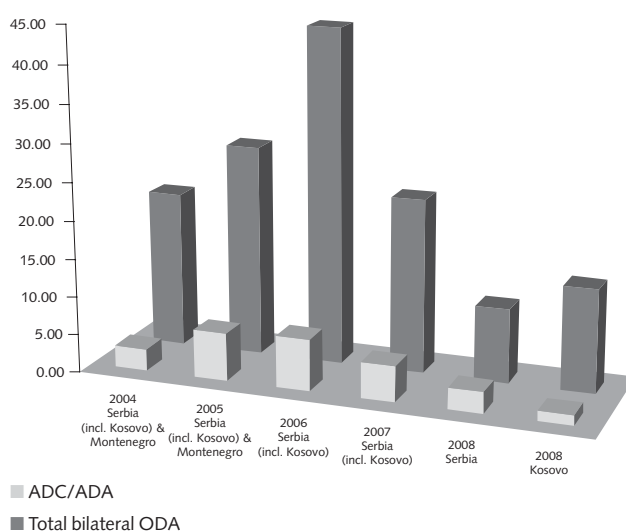
Higher education sector

Kosovo has by far the youngest population in Europe. The logistics and institutional capacities in the education sector are completely overstretched. Considering the age structure of the population and the economic options open to Kosovo, improvements are needed at all levels. Especially in internationalised higher education and research, there is a need to stem the flood of private and often purely commercial facilities. Both public and private higher education institutions must be brought up to European standards to ensure a sustainable framework for graduates and researchers.



Higher education reform

Austria is the leading international actor in higher education reform in Kosovo. Two mutually complementary multifaceted projects aim to integrate higher education into the European education process at all relevant levels. Interaction is also promoted between industry and higher education and/or research. Diverse activities are underway, ranging from university accreditations, setting up a research council and a technology transfer centre, the development of teaching curricula and Masters courses of study as well as issuing grants and running repatriation programmes for Kosovan researchers from foreign countries and sector programming in the higher education sector.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO SERBIA (INCL. KOSOVO) AND MONTENEGRO 2004–2005, TO SERBIA (INCL. KOSOVO) 2006–2007 AND/OR SERBIA AND KOSOVO 2008

Net disbursements in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

ODA flows to Serbia and Montenegro are itemised separately in the DAC statistics as of 2006, when Montenegro declared independence, while figures for Serbia in 2006 and 2007 also include funding for Kosovo. Austrian flows of finance to Serbia and Kosovo could not be fully separated until 2008. Aid for Kosovo cannot be itemised in an international DAC framework for 2008 either, because it was not yet included in the DAC List of ODA Recipients at that time.

Official Development Assistance

- Austrian ODA to Serbia and Kosovo 2006–2007: EUR 66.91 million
- ADC/ADA assistance to Serbia and Kosovo 2006–2007: EUR 11.51 million
- Austrian ODA to Kosovo 2008: EUR 13.60 million
- ADC/ADA assistance to Kosovo 2008: EUR 1.31 million

Austrian ODA to Serbia, Kosovo in EUR millions

	2006	of which Kosovo	2007	of which Kosovo	2008	
					Serbia	Kosovo
Total bilateral ODA in EUR millions to Serbia and Kosovo	44.03	13.68	22.88	12.45	9.75	13.60
as % of total bilateral ODA	5.06	1.57	2.37	1.29	1.14	1.59
ADC/ADA assistance to Serbia and Kosovo	6.80	3.06	4.71	1.25	2.80	1.31
ADC/ADA assistance to Serbia and Kosovo as % of total ADC/ADA assistance (ODA)	7.17	3.23	5.12	1.35	2.73	1.27

Austrian assistance for Kosovo could not be itemised separately from Serbia in full until the 2008 reporting year. This was not yet possible for some of the assistance in previous years, such as imputed students' costs, which is why only the assistance specified in the Kosovo column could be given a clear geographic assignment for 2006 and 2007. Aid for Kosovo cannot be itemised in an international framework for 2008 either, because it was not yet included in the DAC List of ODA Recipients at that time.

International ODA to Serbia (incl. Kosovo) in US\$ millions*

	2006	2007
Total net ODA receipts (in US\$ millions)	1,585.00	834.00
as % of GNI approx.	5.00	2.00
of which Austrian ODA (in US\$ millions)	55.26	31.33

*Source: OECD Recipient Aid Chart Serbia (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Serbia (incl. Kosovo): main donors in US\$ millions*

Average 2006–2007

European Commission	303
Germany	149
United States	126
United Kingdom	98
Italy	76

*Source: OECD Recipient Aid Chart Serbia (www.oecd.org, as at October 2009)

MACEDONIA



Key data

Type of state:	Republic
Head of state:	Branko Crvenkovski
Head of government:	Nikola Gruevski
Foreign Minister:	Antonio Milososki
Area:	25,710 km ²
Population*:	2 million
Population growth*:	no figures
Life expectancy*:	women: 76.4 years; men: 71.6 years
Literacy*:	women: 95.2%; men: 98.5%
HDI*:	0.808; 68th out of 179 countries
GDI*:	0.803; 65th out of 157 countries
GDP**:	US\$ 7.6 billion
Annual GDP growth**:	5.1%
GNI**:	US\$ 7.1 billion
GNI per capita**:	US\$ 3,460
Poverty*:	21.7% of the population live below the national poverty line.
Access to clean water*:	100% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Macedonia at a glance (24 Sept. 2008)



Development policy in context

At the beginning of June 2008, the party of Prime Minister Nikola Gruevski won the early parliamentary elections, which were overshadowed by violence, and formed a coalition government with the Albanian party, Democratic Union for Integration.

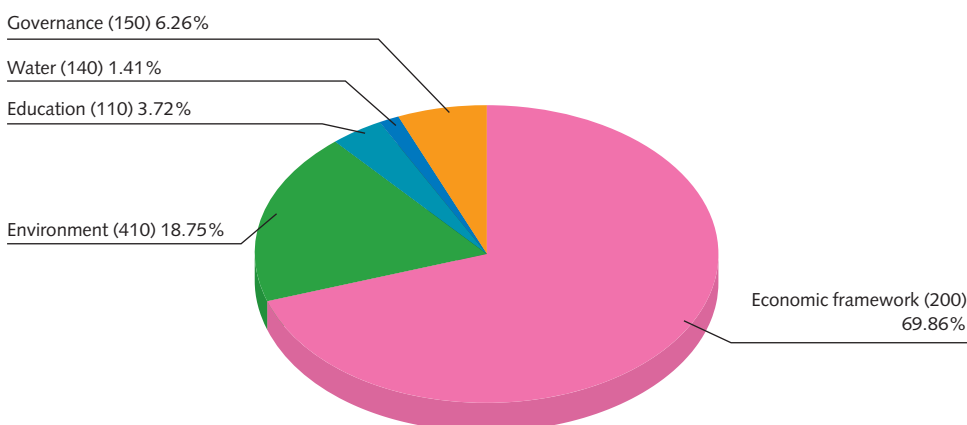
Since December 2005, Macedonia holds the status of an EU accession candidate. Rapid and full European integration is the professed aim of the government and population. No recommendation has been made in the latest EU progress report for opening accession negotiations, as the ongoing high unemployment, particularly among youth, and the considerable institutional problems still give cause for concern. Administrative deficits and lack of legal certainty impede efforts to create an attractive environment for businesses. Council of Europe Commissioner on Human Rights Thomas Hammarberg urged the government to provide for the full participation of the Romanies in political and social life and their equal treatment as citizens.

In October, the local office in Skopje celebrated its 10th anniversary and presented the progress made by Austrian Development Cooperation in Macedonia in a poster exhibition and a leaflet.

Cooperation priorities

- Energy, primarily renewable energy, energy efficiency
- Environment and water infrastructure
- Economic development and employment promotion

In 2008, seven projects worth a total of about EUR 4 million were successfully completed in the priority areas. Major cross-cutting issues were gender equality and governance.



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO MACEDONIA 2008

Disbursements as %

'Economic framework' wholly comprises funding in 'energy'.

Energy sector

About two-thirds of all CO₂ emissions in Macedonia come from the energy sector. Power generation is largely based on non-renewable natural resources, 60 per cent on coal. Private households are mainly heated with electricity.

The Ministry of Economy and the Academy of Sciences in Macedonia agreed to prepare a study on potential in renewable energies, also taking account of the EU target of generating at least 20 per cent of total national energy output from renewable energy by 2020.

To help cope with the complex challenges in the energy sector, ADC supports the Macedonian government with projects and programmes in environmental education, improving energy efficiency in buildings, using thermal water for district heating systems and know-how transfer in solar technology.

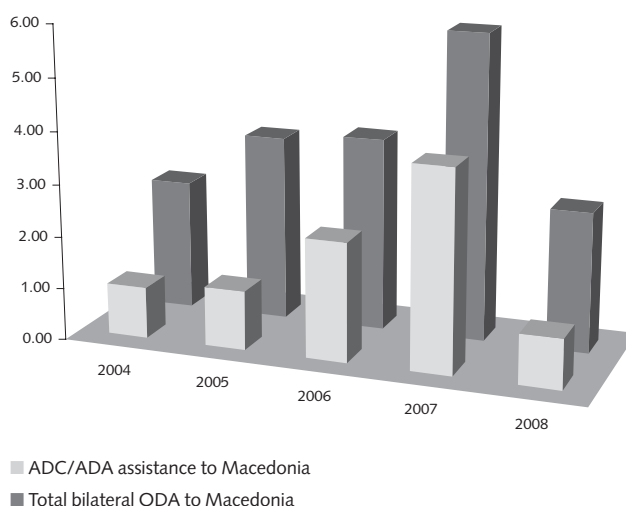


Green Pack for multimedia environmental education

Environmental protection and the conservation of vital natural resources are pillars of sustainable development. The teaching material, Green Pack, was prepared with ADC funds for the introduction of environmental education in all primary schools in Macedonia.

The multimedia package imparts basic knowledge in ecology. The pupils learn about and assess different lifestyles and value systems. The main object is to get them to discuss environmental problems, but also law and order, social rules and the need to plan habitats.

Green Pack was prepared in close cooperation with the Regional Environmental Centre and the Macedonian education and environment ministries. More than 350 primary school teachers took part in the training. There is keen demand in schools. The material is also available in Braille.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO MACEDONIA

Net disbursements
in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

Official Development Assistance

- Austrian ODA to Macedonia 1995–2008: EUR 33.62 million
- Austrian ADC/ADA assistance to Macedonia 1995–2008: EUR 18.2 million

Austrian ODA to Macedonia in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Macedonia	2.50	3.56	3.70	5.84	2.68
as % of total bilateral ODA	0.88	0.36	0.43	0.60	0.31
ADC/ADA assistance to Macedonia in EUR millions	0.98	1.13	2.28	3.85	0.96
ADC/ADA assistance to Macedonia as % of total ADC/ADA assistance (ODA)	1.35	1.34	2.40	4.18	0.93

International ODA to Macedonia in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	229.0	200.0	213.0
as % of GNI approx.	4.0	3.2	2.8
of which Austrian ODA (in US\$ millions)	4.4	4.6	8.0

* Source: OECD Recipient Aid Chart FYROM (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Macedonia: main donors in US\$ millions*

Average 2006–2007

European Commission	73
United States	35
Germany	24
Japan	15
Sweden	14

* Source: OECD Recipient Aid Chart FYROM (www.oecd.org, as at October 2009)



MOLDOVA



Key data

Type of state:	Republic
Head of state:	Vladimir Voronin
Head of government:	Vasile Tarlev
Foreign Minister:	Andrei Stratan
Area:	33,840 km ²
Population*:	3.9 million
Population growth (2005–2015)*:	-0.6%
Life expectancy*:	women: 72.2 years; men: 64.9 years
Literacy*:	women: 98.2%; men: 99.0%
HDI*:	0.719; 113th out of 179 countries
GDI*:	0.715; 97th out of 157 countries
GDP**:	US\$ 4.4 billion
Annual GDP growth**:	3%
GNI**:	US\$ 4.3 billion
GNI per capita**:	US\$ 1,140
Poverty*:	48.5% of the population live below the national poverty line.
Access to clean water*:	90% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Moldova at a glance (24 Sept. 2008)



Development policy in context

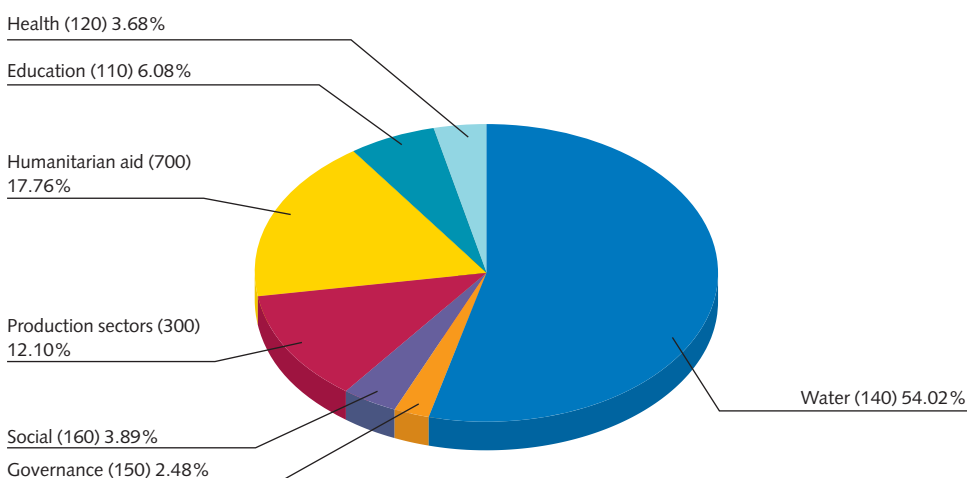
With an estimated average income of US\$ 150, the Republic of Moldova ranks as the poorest country in Europe. According to unofficial figures, approximately a quarter of the population has left the country in search of well-paid work. About 40 per cent of Moldovians are dependent on foreign remittances, which make up about 30 per cent of gross domestic product. Human trafficking has spread further. Women are forced to work as prostitutes abroad, men primarily as cheap labour in farming.

The population is regarded as pro-EU. The government is seeking closer relations with the EU in anticipation of subsequent membership. The ongoing unsettled conflict with the Transnistrian Republic, whose population almost unanimously voted for independence in 2006, however, detracts from EU accession prospects.

ADC supports Moldova in reducing national poverty and improving opportunities in rural areas. Geographically, the measures concentrate on the Cantemir District in the Southwest of the country. Austria and Moldova signed a framework agreement on development cooperation in October 2008. By the end of 2008, ADC had implemented projects worth a total of about EUR 6 million.

Cooperation priorities

- Economically, socially and ecologically sustainable water management
- Economic and regional development through vocational training geared to the labour market



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO MOLDOVA 2008

Disbursements as %

'Production sectors' contains funding in the 'agriculture' sector.

Water supply sector

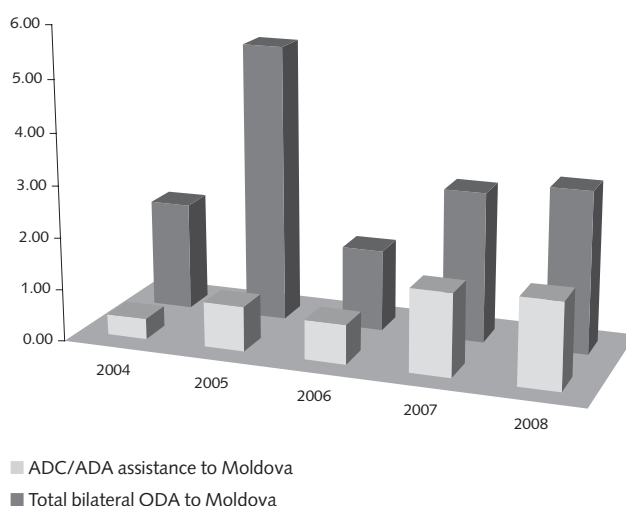
The conditions of life and prospects for the local population depend on access to clean drinking water. Quality and quantity of water affect people's health and economic and industrial development in a region. Only 43 per cent of the urban and 40 per cent of the rural population have access to running water. Besides Switzerland, Austria was the only donor in 2008 to finance infrastructure measures in water supply and sanitation.



Water supply in the city of Cantemir

Already in 2006, ADC started with the restoration of the waterworks for the city of Cantemir. The first project phase concentrated on the rehabilitation of the pumping systems, the erection of a filter station, laying new pipes and improving the technical and administrative management of the local municipal utility. A new water treatment facility was installed in the second phase and the clean water tanks were rehabilitated. The large water loss due to the poor condition of the water tanks incurred large financial deficits. To ensure the cost-effective operation of water supply to Cantemir, the local grid was renewed in a third project phase.

At the beginning of 2009, the plant will be handed over to the city of Cantemir and the municipal enterprise Apa Canal to ensure sustainable water supply to the population at socially affordable prices. At project start, water was only available to the 7,000 inhabitants and the few business operators for four hours a day at most. After handover, full supply with high-quality drinking water will be assured.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO MOLDOVA

Net disbursements in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

Official Development Assistance

- Austrian ODA to Moldova 1997–2008: EUR 18.15 million
- Austrian ADC/ADA assistance to Moldova 1997–2008: EUR 5.35 million

Austrian ODA to Moldova in EUR millions

	2004	2005	2006	2007	2008
Total bilateral ODA in EUR millions to Moldova	2.08	5.35	1.56	2.89	3.12
as % of total bilateral ODA	0.73	0.54	0.18	0.30	0.36
ADC/ADA assistance to Moldova in EUR millions	0.40	0.86	0.76	1.59	1.67
ADC/ADA assistance to Moldova as % of total ADC/ADA assistance (ODA)	0.55	1.02	0.80	1.72	1.62

International ODA to Moldova in US\$ millions*

	2005	2006	2007
Total net ODA receipts (in US\$ millions)	191.0	224.0	269.0
as % of GNI approx.	5.7	5.9	5.4
of which Austrian ODA (in US\$ millions)	6.7	2.0	4.0

* Source: OECD Recipient Aid Chart Moldova (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Moldova: main donors in US\$ millions*

Average 2006–2007

IMF (SAF, ESAF, PRGF)	49
European Commission	46
IDA	36
United States	24
Sweden	14

*Source: OECD Recipient Aid Chart Moldova (www.oecd.org), as at October 2009)



MONTENEGRO



Key data

Type of state:	Republic
Head of state:	Filip Vujanović
Head of government:	Milo Đukanović
Foreign Minister:	Milan Rocen
Area:	13,812 km ²
Population*:	0.6 million
Population growth (2005–2015)*:	-0.1
Life expectancy*:	women: 76.5 years; men: 72.1 years
Literacy*:	women: 94.1%; men: 98.9%
HDI*:	0.822; 64th out of 179 countries
GDI*:	0.819; 55th out of 157 countries
GDP**:	US\$ 3.6 billion
Annual GDP growth**:	7.5%
GNI**:	US\$ 3.1 billion
GNI per capita**:	US\$ 5,180
Poverty*:	no figures
Access to clean water*:	98% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Montenegro at a glance (24 Sept. 2008)



Development policy in context

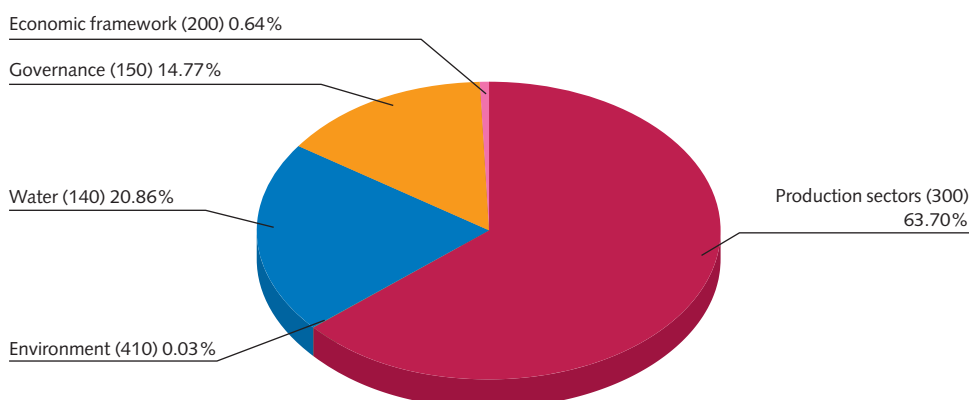
The global economic crisis has also impacted Montenegro. The trade deficit rose to about 34 per cent in 2008, exports declined by 26 per cent on 2007 and economic performance for 2009 is forecast to decline further.

In the first quarter of 2008, the cabinet was reshuffled in Montenegro, which, however, brought no major changes in domestic and development policy. EU convergence remains a major foreign policy priority. At the end of 2007, the European Commission's Delegation began its duties in Podgorica.

Austrian Development Cooperation has been engaged in Montenegro for ten years. Geographical priority is attached to the Northeast of the country, where ADC promotes sustainable tourism and regional development. Along with the USA and Germany, Austria is a major bilateral donor in higher education and vocational training. Partnerships were officially concluded between five Montenegrin faculties and Austrian, Slovenian and German universities in 2008. In governance, ADC concentrates on strengthening the capacities of the Montenegrin parliament, the foreign ministry and other ministries with a view to the EU convergence process. A sewerage plant was opened in the Bay of Kotor, which contributes to improving water quality and hence to safeguarding tourism development.

Cooperation priorities

- Economic development with the focus on tourism and regional development
- Higher education and vocational training
- Governance with the focus on capacity development



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO MONTENEGRO 2008

Disbursements as %

'Economic framework' wholly comprises funding in 'energy'.
'Production sectors' includes funding in the 'tourism' sector and small repayments in 'industry and trade'.

Tourism and regional development sector

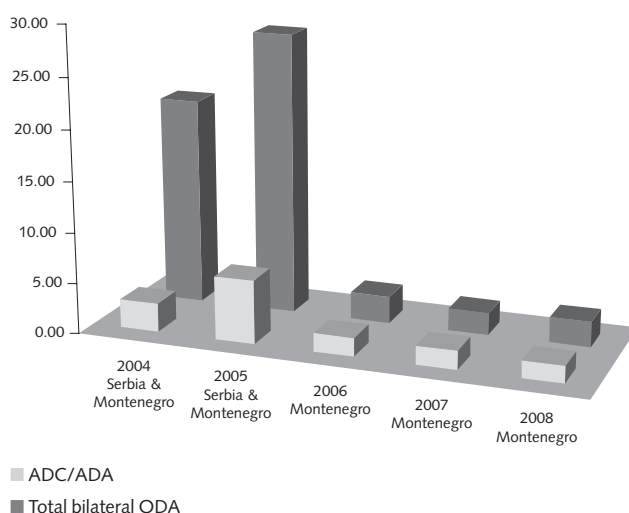
Sustainable tourism and regional development around Bjelasica and Komovi in the Northeast is the largest ADC programme in Montenegro. The region, as well as the towns of Plav and Rozaje, are defined as a cluster in the new masterplan for tourism and in the government's national zoning plan. This will play a major role for future regional development. The municipality of Plav has now joined the regional tourism organisation, which had been founded in the course of the project supported by ADC.

The European Commission also concentrates on rural and regional development. Increased funds from the EU are expected as soon as Montenegro is assigned candidate status. This will place particular demands on the Montenegrin government to set up the necessary capacities.



Tourism as an economic factor

By earning foreign currency, creating jobs and securing incomes, tourism consolidates economic development in an entire region. The municipalities around the Biogradska Gora National Park have founded a tourism association. With the help of ADC, capacities are strengthened in the municipalities for the benefit of both tourism and other (economic) sectors as well as nature and environmental protection. This is done through advisory services. A fund for small-scale projects is also available to make the area more attractive for tourists. Successful measures, such as setting up information centres, drawing up trail maps or signposting, have already been adopted by other regions.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO SERBIA AND MONTENEGRO 2004–2005 AND MONTENEGRO 2006–2008

Net disbursements in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum applicants is subsumed in the statistics as of 2006 under costs in donor country.

ODA flows for Serbia and Montenegro are itemised separately in the DAC statistics as of 2006, when Montenegro declared independence. For better comparison, the disbursements in 2006 are set in the time series against the joint disbursements to Serbia and Montenegro from 2004 to 2005.

Official Development Assistance

- Austrian ODA to Montenegro 2006–2008: EUR 7.31 million
- Austrian ADC/ADA assistance to Montenegro 2006–2008: 5.38 million

Austrian ODA to Montenegro in EUR millions

	2006	2007	2008
Total bilateral ODA in EUR millions to Montenegro	2.66	2.17	2.48
as % of total bilateral ODA	0.31	0.22	0.29
ADC/ADA assistance to Montenegro in EUR millions	1.84	1.85	1.69
ADC/ADA assistance to Montenegro as % of total ADC/ADA assistance (ODA)	1.94	2.01	1.65

International ODA to Montenegro in US\$ millions*

	2006	2007
Total net ODA receipts (in US\$ millions)	96.0	106.0
as % of GNI approx.	3.5	3.0
of which Austrian ODA (in US\$ millions)	3.3	3.0

* Source: OECD Recipient Aid Chart Montenegro (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Montenegro: main donors in US\$ millions*

Average 2006–2007

European Commission	25
United States	17
Italy	13
IDA	11
Poland	7

*Source: OECD Recipient Aid Chart Montenegro (www.oecd.org, as at October 2009)



SERBIA

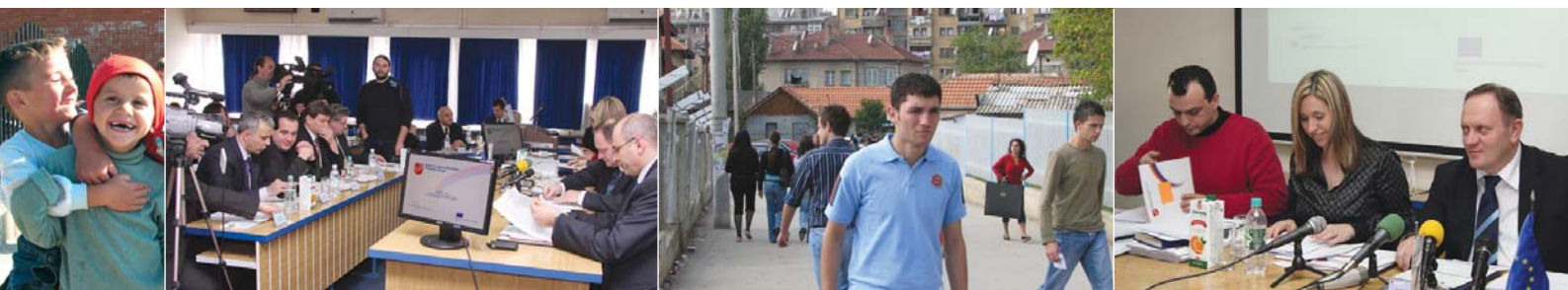


Key data

Type of state:	Republic
Head of state:	Boris Tadic
Head of government:	Vojislav Kostunica
Foreign Minister:	Vuk Jeremic
Area:	88,361 km ²
Population*:	9.9 million
Population growth (2005–2015)*:	0.1%
Life expectancy*:	women: 76.1 years; men: 71.5 years
Literacy*:	women: 94.1%; men: 98.9%
HDI*:	0.821; 65th out of 179 countries
GDI*:	0.818; 56th out of 157 countries
GDP**:	US\$ 41.6 billion
Annual GDP growth**:	6.6%
GNI**:	US\$ 35 billion
GNI per capita**:	US\$ 4,730
Poverty*:	no figures
Access to clean water*:	99% of population

* UNDP, Human Development Report 2007/2008 and Statistical Update 2008

** World Bank, Serbia at a glance (24 Sept. 2008)



Development policy in context

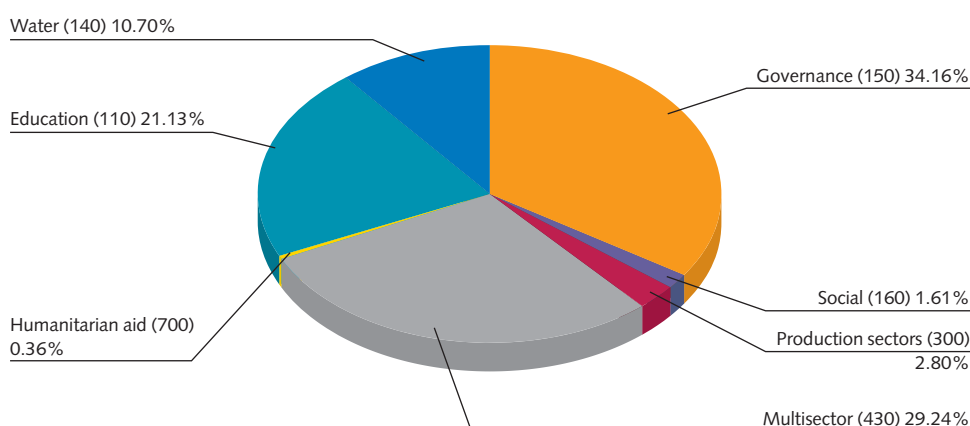
The main political developments in Serbia in 2008 were two elections and a prolonged process of government formation. Kosovo's unilateral declaration of independence prompted a government crisis in Belgrade. The political events also affected the work of Austrian Development Cooperation. Numerous project activities could not be implemented on schedule due to confusion about ministerial competencies. ADC was, however, able to carry on with its programmes despite this political setback. In September, the integrated regional development programme, Municipal Improvement and Revival Programme (MIR II), came to an end. Following this, ADC then started a project to improve the socio-economic conditions in the southern Serbian districts of Pcinja and Jablanica. It also supports the Integrated Regional Development Programme (IRDP) by the provincial government in Vojvodina.

In the assessment of the International Monetary Fund, Serbia pursues an unbalanced economic policy. The population suffers above all from rising food prices. Lack of foreign investments due to the economic crisis is one reason for the poor national economic performance. This is having an increasingly adverse effect on the labour market with forecasts for 2009 predicting a spike in unemployment. The ADC project, Severance to Jobs, which helped 1,614 employees to find work by the end of 2008, provides a major impetus for developing a more responsive approach to changes on the Serbian labour market.

Cooperation priorities

- Private sector and development, especially regional development
- Higher education
- Social sector

The geographical focus of the programmes is on southern Serbia and Vojvodina.



DISTRIBUTION OF ADC/ADA ASSISTANCE BY SECTOR TO SERBIA 2008

Disbursements as %

'Production sectors' comprises assistance in the 'agriculture' sector.

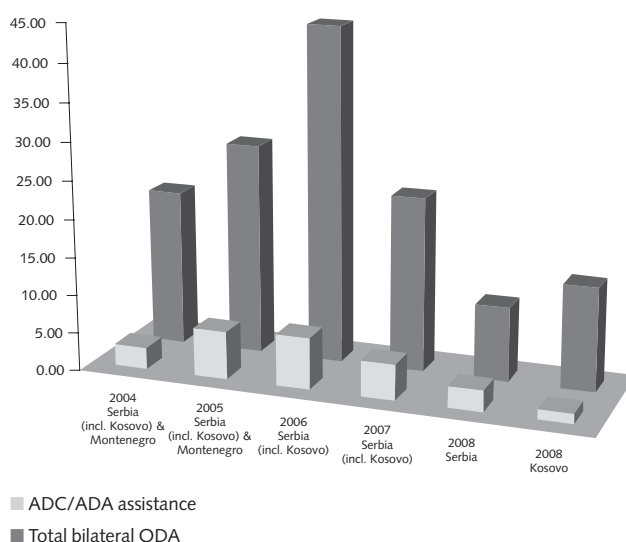
Integrated regional development sector

Southern Serbia will remain the focus of Austrian Development Cooperation for the next few years. Another project started at the end of 2008 contributes to improving the socio-economic conditions in the southern Serbian districts of Pcinja and Jablanica and supports EU convergence. It follows up on an integrated regional development programme already completed with Austrian participation and draws on its capacities for project development and implementation. The planned measures were agreed on with the responsible Ministry of Economy and Regional Development and the European Commission. Special importance has been attached to synergies with ongoing and planned programmes under the EU Instrument for Pre-Accession Assistance (IPA).



Strong capacities for better networking

The Centre for Development of Jablanica and Pcinja Districts is a regional development agency which is already operating successfully and is owned by 13 municipalities, private enterprises and NGOs. With Austrian support, the agency has adequate premises at its disposal, can recruit qualified staff and train personnel. Civil society in the member municipalities is promoted through further training, regional conferences and external expertise. A regional development database is also being built up and measures taken to facilitate networking between the municipalities and the national database for infrastructure. A regional project pipeline will then be set up for Jablanica and Pcinja Districts. Specific business partnerships with Austrian enterprises are also planned. Austrian Development Cooperation is supporting the programme for a term of three years with EUR 1.95 million. It is coordinated with other donors in southern Serbia and complements their activities.



ADC/ADA ASSISTANCE AND BILATERAL AUSTRIAN ODA TO SERBIA (INCL. KOSOVO) AND MONTENEGRO 2004–2005, TO SERBIA (INCL. KOSOVO) 2006–2007 AND SERBIA AND KOSOVO 2008

Net disbursements in EUR millions

The year 2006 marks a break in the time series of total bilateral ODA: Instead of being assigned to the country of origin, expenditure for asylum seekers is subsumed in the statistics as of 2006 under costs in donor country.

ODA flows to Serbia and Montenegro are itemised separately in the DAC statistics as of 2006, when Montenegro declared independence, while figures for Serbia in 2006 and 2007 also include funding for Kosovo. Austrian flows of finance to Serbia and Kosovo could not be fully separated until 2008. Aid for Kosovo cannot be itemised in an international DAC framework for 2008 either, because it was not yet included in the DAC List of ODA Recipients at that time.

Official Development Assistance

- Austrian ODA to Serbia and Kosovo 2006–2007: EUR 66.91 million
- ADC/ADA assistance to Serbia and Kosovo 2006–2007: EUR 11.51 million
- Austrian ODA to Serbia 2008: EUR 9.75 million
- ADC/ADA assistance to Serbia 2008: EUR 2.80 million

Austrian ODA to Serbia, Kosovo in EUR millions

	2006	of which Kosovo	2007	of which Kosovo	2008 Serbia	2008 Kosovo
Total bilateral ODA in EUR millions to Serbia and Kosovo	44.03	13.68	22.88	12.45	9.75	13.60
as % of total bilateral ODA	5.06	1.57	2.37	1.29	1.14	1.59
ADC/ADA assistance to Serbia and Kosovo in EUR millions	6.80	3.06	4.71	1.25	2.80	1.31
ADC/ADA assistance to Serbia and Kosovo as % of total ADC/ADA assistance (ODA)	7.17	3.23	5.12	1.35	2.73	1.27

Austrian assistance for Kosovo could not be itemised separately from Serbia in full until the 2008 reporting year. This was not yet possible for some of the assistance in previous years, such as imputed students' costs, which is why only the assistance specified in the Kosovo column could be given a clear geographic assignment for 2006 and 2007. Aid for Kosovo cannot be itemised in an international framework for 2008 either, because it was not yet included in the DAC List of ODA Recipients at that time.

International ODA to Serbia (incl. Kosovo) in US\$ millions*

	2006	2007
Total net ODA receipts (in US\$ millions)	1,585.00	834.00
as % of GNI approx.	5.00	2.00
of which Austrian ODA (in US\$ millions)	55.26	31.33

*Source: OECD Recipient Aid Chart Serbia (www.oecd.org) and ADC statistics
The figures are as at October 2009 and replace those previously published.

ODA to Serbia (incl. Kosovo): main donors in US\$ millions*

Average 2006–2007

European Commission	303
Germany	149
United States	126
United Kingdom	98
Italy	76

*Source: OECD Recipient Aid Chart Serbia (www.oecd.org), as at October 2009)





South Caucasus

key region

Armenia, Azerbaijan and Georgia make up the South Caucasus key region of Austrian Development Cooperation. These countries face complex internal and external ethnic and territorial conflicts, have to contend with more or less substantial political, economic and social problems and are undergoing radical reform processes.

ADC's involvement in South Caucasus concentrates on conflict prevention and management as well as on strengthening the security and judicial systems. The Austrian activities are aligned with the EU Neighbourhood Policy, which attaches high priority to human security.

Bordering on Central Asia, the South Caucasus region is also of interest to Austrian business and industry. Armenia, Azerbaijan and Georgia afford great scope for private enterprise as production locations as well as procurement and sales markets. The so-called business partnerships provide a suitable startup financing instrument.

In response to the appeal by the UN International Emergency Children's Fund (UNICEF) after the war between Georgia and Russia in the summer of 2008, ADC provided humanitarian aid for psychosocial support to children from the war-zones and for preventing mine accidents.



