



ANNUAL REPORT 2009



LUX-DEVELOPMENT
Luxembourg Agency for Development Cooperation

49.66 %

% disbursement for the rural development sector in 2009

75 Mio €

Budget 2009 allocated by the MFA

26.74 %

% disbursement for the education sector in 2009

6

Regional Offices

2.49 %

% disbursement for the microfinance sector in 2009

109

Collaborators in 2009

53

Members of staff in field

68 545 805 €

Total amount disbursed in 2008

56

Staff members at Headquarters

21.11 %

% disbursement for the health sector in 2009

112

Total number of the Agency's projects and programmes

10

Number of privileged partner countries

70 882 043 €

Total amount disbursed in 2009




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A **WORD** FROM THE **CHAIRMAN** AND THE **DIRECTOR**

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While it is acknowledged that developing countries played no role in triggering the financial crisis or in the galloping world economic crisis that has resulted from it, it is clear that nonetheless they are suffering the disastrous consequences, even though the shockwave reached them slightly later. The marked decline in international commercial trade, the collapse in raw materials prices, the fall in international tourism and the reduction in remittances by migrants are all factors with a serious effect on these countries' macroeconomic indicators.

As stressed by the 2009 Millennium Development Goals (MDGs) Report... the Millennium Declaration set 2015 as the target date for achieving most of the MDGs, which established quantitative benchmarks to halve extreme poverty in all its forms. As the date approaches, less than six years away, the world finds itself mired in an economic crisis that is unprecedented in its severity and global dimensions. Progress towards the goals is now threatened by sluggish – or even negative – economic growth, diminished resources, fewer trade opportunities for the developing countries, and possible reductions in aid flows from donor nations. At the same time, the effects of

climate change are becoming increasingly apparent, with a potentially devastating impact on countries rich and poor...'

We should recognise that significant, indisputable factors have come together to herald the subsequent crises, and that although these were not created by the poorest countries either, they will nonetheless have a severe impact on them.

Among these factors, those that seem to us of most concern are of two types:

- climate change and its negative impact, particularly on agriculture, food security and water supplies;
- the depletion of fossil energy resources and its impact on prices, heralding a major energy crisis for countries that have not been able to implement the technological revolution required to tackle it.

As part of its Global Climate Change Alliance (GCCA) initiative, the European Union is stressing that it is the developing countries that will be hardest hit by climate change, since they do not have sufficient resources to mitigate or adapt themselves to the changes underway. According to the Intergovernmental Panel on Climate Change (IPCC), Africa is particularly vulnerable to this challenge. Specifically, Africa



will be exposed to water stress, extreme weather events and food insecurity associated with drought and desertification.

The World Bank estimates that 85% of the cost of climate change will be borne by developing nations and that a total of 400 billion USD per year would be required to mitigate its consequences, in particular through the development of green technologies. Currently, transfers amount on average to 8 billion USD per year under Kyoto's Clean Development Mechanism (CDM).

It has to be acknowledged, however, that the CDM has channelled very few investments towards Africa. Of the 1 500 CDM projects in the world, only about 25 are in Africa, and a study by the UNDP (United Nations Development Programme) points the finger at the disparities: '79% of the population in the least developed countries (LDCs) and 74% in sub-Saharan Africa have no access to electricity, compared with an average of 28% in developing countries'. Currently, less than 3% of residents of Burundi, Chad and Liberia have electricity. In Rwanda, the Central African Republic and in Sierra Leone, the figure is less than 5%.

Our belief as a bilateral agency is that, in order to tackle these new challenges,

which are additional to other challenges that we have not been able to fully resolve within the context of pursuing the MDGs, we must find new relationships between public development aid (PDA) and other financial mechanisms. It is also necessary for the CDM and the mechanisms that replace it in a post-Kyoto context to be appropriate for pursuing the same goal in the LDCs: the eradication of poverty and sustainable development.

Global problems, global solutions?

Yes, of course, but not just global solutions, because behind these global issues and indicators lie unspeakable local difficulties or tragedies: wells that have dried up, grazing land that has been exhausted, empty granaries, difficulties in finding firewood, homework that has to be done by oil-lamp, etc., that remind us that each country must find its own national solutions, as well as local development models that make it possible to withstand globalised impacts.

Luxembourg development cooperation has chosen local development as a sector on which to focus its assistance. It is now covered in detail in the strategy and guideline documents published in 2009, on which our actions are based.



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Lux-Development can only welcome this choice and fully endorse the local development approach proposed, which sets out to be dynamic, focusing on a restricted area, conceiving development as a process giving priority to endogenous resources and which includes geographical, political, social, cultural, environmental and organisational dimensions. The remit of Lux-Development, which '... seeks, in each of its interventions, whatever form they may take, to develop the capacities of those with whom the Agency is cooperating ...' in fact makes a lot of sense in this context, since local adaptation to constraints and the ability to make the most of the opportunities generated by globalisation will become a major issue, as will the resilience of local systems to external shocks.

The central section of our annual report for 2009 highlights the interventions by Lux-Development to support local development as well as the diverse forms our assistance takes. In all cases, strengthening the capacities of local operators is an absolutely indispensable constant: the improvement of individual skills, the strengthening of organisations and the development of institutions are the three levels at which we provide support.

However, our efforts to strengthen capacities for local, cross-cutting and inte-

grated analysis and planning as well as implementation and monitoring capacities should not make us lose sight of the fact that our direct objectives concern:

- better access to basic services, such as health and education, and improved quality in these services;
- efficient, effective and sustainable use of public assets, particularly natural resources such as forests, grazing land and water;
- the creation of conditions allowing local economic development and the generation of wealth and jobs via various partnerships between the public and private sectors, and with civil society.

So, in response to the voices that can be heard questioning the relevance of development cooperation or proposing that we should rely solely upon commerce as a solution to development problems, Lux-Development stands by the challenge of commitment and effectiveness.

We continue to believe that local development stakeholders themselves possess certain vital keys to the eradication of poverty and sustainable development and that they therefore deserve our support and continued commitment.

The adage 'think global, act local' is now more relevant than ever.

Gaston SCHWARTZ
General Director

Jeannot WARINGO
Chairman of the Board of Directors

Significant Events



LUX-DEVELOPMENT OF THE TRAIN4DEV NETWORK



In April 2009 Lux-Development became an active member of the Train4Dev network 'Joint Donors' Competence Development Network', whose aim is to promote aid effectiveness through enhanced donor cooperation to develop their competences and those of their partners.

Lux-Development has thus joined a network that includes, on the basis of a voluntary commitment, the majority of bilateral and multilateral operators involved in public development aid.

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Through the network, resources can be pooled and experiences can be exchanged and shared. By taking a common approach to the development of competences, the network strengthens harmonisation between the donors. Members undertake to ensure that their peers benefit from the training programmes that they organise by publishing them and providing access to them. This also applies to remote training and IT knowledge sharing.

In addition, joint training sessions are organised by working groups who pool their members' resources in order to concentrate on priority issues identified within the framework of the aid effectiveness agenda:

- programme-based approach;
- knowledge management;
- monitoring and evaluation;
- pro-poor growth;
- public financial management;

- results-based management;
- electoral process assistance;
- capacity development.

By signing the network's charter, members of the Train4Dev network confirm that they endorse the international policy framework (the European Consensus on Development, the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action) of which alignment and harmonisation are key elements.

The network is steered by a Core Group, which is similar to a governing body, made up of a troika in which Lux-Development has an active role, since our Agency is to co-organise the 2011 annual meeting together with the BTC (Belgian Development Agency).

In addition, Lux-Development is responsible for the administration of the website www.train4dev.net, which is the main communication tool for the network and its sub-groups.

Joining the Train4Dev network is consistent with the objectives that Lux-Development set itself as part of its Vision 2012, particularly the aim of being able to adopt a variety of development approaches and modalities and that of involving ourselves in international networks that heighten our effectiveness and dialogue between development agencies.



LUX-DEVELOPMENT ELIGIBLE INDIRECT EUROPEAN UNION

The European Commission has declared Lux-Development eligible for the indirect centralised management mode. Specifically, this means that the European Commission may have recourse to Lux-Development to implement an intervention funded by the Commission.

The Commission's decision has been taken following an audit by Ernst & Young that concluded that Lux-Development's mode of operation complied with the requirements.

Indirect centralised management is an instrument developed by the Commission in response to the principles of the Code of Conduct on Complementarity and the Division of Labour in Development Policy. This code of conduct sets out to promote a better division of tasks between the

European Union's donors in developing countries, in order to improve the performance of the EU's development cooperation policy. The code is based on principles designed to reduce bureaucracy, use funds where they are most needed, pool aid and implement a division of labour to provide greater, more effective and faster aid.

Lux-Development is the eighth development agency to meet the criteria set by the Commission as part of the centralised mode of management. It thus joins other organisations such as the Belgian Development Agency (BTC), GTZ (Germany) and the *Agence Française de Développement* (AFD), and will be able to participate in delegated development cooperation arrangements with the Commission.

VOCATIONAL TRAINING WORKSHOP



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In 2009, working together with GTZ (*Deutsche Gesellschaft für Technische Zusammenarbeit*) and the AFD (*Agence Française de Développement*), Lux-Development designed and launched a workshop on Key Issues and Challenges in Assistance for Vocational Training. 80 professionals from the sector participated in the workshop, which was held on 30 June and 1 July 2009 at the *Chambre des Métiers* in Luxembourg. These included officials from the ministries in partner countries with responsibility for vocational training, chief technical advisors and technical assistants from Lux-Development, representatives from international development cooperation agencies and NGOs with vocational training as a priority action area, representatives of multi-lateral institutions involved in the reforms of the vocational training sector, professionals from the sector in Luxembourg, representatives of the Development Cooperation Department at the Ministry of Foreign Affairs in the Grand Duchy of Luxembourg and Lux-Development.

The workshop had set itself the following objectives:

- reviewing the major issues with regard to assistance for the vocational training sector;
- building on the experience that Lux-Development has of providing assistance in the sector, and promoting mutually beneficial cooperation between the stakeholders (partners, development cooperation agencies, other players);

- identifying the lessons learned, best practices to repeat and negative experiences to avoid, as well as recommendations to guide the design and implementation of assistance for vocational training;
- contributing to the preparation of the 2009 Annual Conference on Luxembourg Development Cooperation, especially to a sectoral training workshop.

The debates and discussions over the two days of work related to two specific subjects, derived from the concerns and key issues in the projects and programmes whose implementation Lux-Development supports in the Balkans, Asia, Africa and Latin America. These are:

- diversified, sustainable funding strategies for vocational training;
- institutional reforms, to improve the efficiency of the vocational training sector.

Each day was devoted to one of these subjects and work was structured around presentations by experts, presentations by partner countries, work and discussions in groups and in plenary sessions.

The full version of the presentations and contributions, conclusions and recommendations as well as the programme, a list of participants and a bibliography may be consulted at Lux-Development's website: www.lux-development.lu/workshop/vet/



//// Lux-Development

Mission

Our mission is applicable both in Luxembourg and in the Luxembourg development cooperation partner countries.

In Luxembourg: a reliable partner for the Luxembourg state

In Luxembourg, our mission is to enable the Luxembourg state to implement its proactive and ambitious development cooperation policy, which aims to eradicate poverty and achieve sustainable development, including the social, economic and environmental aspects of development. As a government agency, Lux-Development aims to be the bilateral channel by which the government of the Grand Duchy of Luxembourg expresses its international solidarity that forms the basis for its external affairs. Lux-Development also constitutes a centre of competence available to the Luxembourg state, and particularly the ministry responsible for development cooperation, to help it accomplish its task of setting out political and strategic guidelines, as well as negotiating the Indicative Cooperation Programmes. Lux-Development supplies the ministry responsible for development cooperation with the data required for the

better provision of information and improved accountability to the parliament and to the public.

In the partner countries: capacity-building

In the field, Lux-Development seeks to maximise ownership of development by the partner countries - in other words, their capacity to have genuine control over their development policies and strategies by coordinating the development support provided to them by technical and financial partners. Lux-Development thus seeks, in each of its interventions, whatever form they may take, to develop the capacities of those with whom the Agency is cooperating.

Lux-Development sets out to be a reliable partner and wants to be fully conversant with and adopt various cooperation approaches and procedures that are consistent with the principles of international agreements. The Agency applies them in line with the mandates given to it by the Luxembourg state.

Lux-Development seeks to back up its partners, without taking their places, in making the changes they wish to in complex situations. In order to do



this, the Agency develops its skills in the priority sectors and cross-cutting issues of Luxembourg development cooperation as well as in development cooperation approaches and procedures. In addition, the Agency equips itself with analytical and conception skills which enable it to base its decisions and risk-taking on solid foundations and to position its interventions properly.

Lux-Development considers itself to be mutually responsible, together with its operational partners, for the results obtained. The Agency seeks to develop its management approach so that it is based on results rather than on methods.

On the international stage: an actor recognised by its peers

Internationally, Lux-Development participates in the studies carried out by its peers and is actively involved in international networks, particularly European ones, where its expertise is useful. The Agency makes good use of opportunities for operational collaboration, especially within the framework of the European Union Code of Conduct on Complementarity and the Division of Labour in Development Policy.

Vision 2012

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Strengthening the reliability, effectiveness and sustainability of our interventions

- enable the Luxembourg state to achieve its objectives in terms of official development assistance (bilateral aid);
- strengthen dialogue with the Ministry of Foreign Affairs (MFA) to implement the recommendations in the peer review by the Development Assistance Committee (OECD) and those in the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Code of Conduct on Complementarity and Division of Labour in European Union Development Policy;
- introduce a special measure for interventions using new approaches and modalities, both in the formulation and performance phases;
- translate the strategies regarding priority sectors and cross-cutting issues drawn up with the MFA into operational tools;
- steer human resources processes (recruitment, development of skills and performance management) to support the strategic objectives of the Agency;
- federate co-workers and motivate them to take on the values and vision of the Agency in order to improve its effectiveness.

Lux-Development accepts responsibility for the accountability of bilateral development cooperation in Luxembourg

- carry out independent assessments and publish the conclusions of these assessments;
- support the MFA in order to improve communication on Luxembourg development cooperation;
- carry out risk management, especially in cases of new approaches and modalities.

Lux-Development has created partnerships and is committed to the international networks which heighten its effectiveness

- promote the exchange of experience and best practice with other actors in development cooperation;
- obtain a pool of external skills through specialist networks (sectoral networks, and networks working on cross-cutting issues, etc.).

Lux-Development is a learning organisation which manages its knowledge and makes it available to its partners and the Luxembourg government

- promote inter-programme exchanges;
- publish and distribute the main lessons learned and the best practices identified, by means of assessments and seminars.

Photo Report



Photo Competition

Local development in pictures

With the aim of bringing the field and headquarters closer together and giving colleagues the chance to express themselves through their photography, the Agency once again held a photo competition. For this second contest, the theme of which was local development, we again received some splendid photographs of our projects, programmes, partners and colleagues around the world. The winning photos are published in this annual report and will be prominently displayed in our premises in Luxembourg. One of them is also on the cover of this 2009 publication. Here, then, are the winners of the contest, their photos and their explanations – some brief, some more detailed.

1st prize:
Sayane MOUHOUMODOUNE (NIG/116)

"Water is life"

The installation of public fountains in school playgrounds contributes not only to easier access to water, but above all to high-quality drinking water. Together with awareness-raising for the villagers, this can decrease the rate of illnesses caused by the consumption of contaminated water and thus Lux-Development can contribute to the improvement of the quality of life for local people.

2nd prize:
Claude FLENER (NIG/116)

"The livestock fair"

This a scene from the livestock fair in Banga'ga in Niger. At this event, the regional livestock farmers present their

herds to the people and the authorities and prizes are awarded to the strongest and best-looking animals. With the construction of vaccination pens and live-stock markets, Lux-Development is supporting this agricultural sphere that is so important for the region.

3rd prize:
Ocon INTI (NIC/022) Intur

"Red gold"

Hands marked by the hard toil of cutting coffee beans. Organic farm, Esperanza Verde, Matagalpa, Nicaragua

4th prize:
Xhemajli MERSINA (YUG/010) Kosovo

"Magic solderer"

5th prize :
Isabel SCHANK (NIC/021)

"Good connections"

A technician from the Nicaraguan water company, with the support of Lux-Development project NIC/021, installs a water meter in a home so that the customer will be better able to monitor his consumption of drinking water. Leaks and losses of this precious liquid can thus be detected and repaired more easily. Many of the existing meters were destroyed by Hurricane Mitch in 1998. Many people have since reconnected illegally, which has led to an overload on the system and has had a negative impact on the water service. Photo taken at Ciudad Antigua, Nueva Segovia département in the north of Nicaragua, 2009.





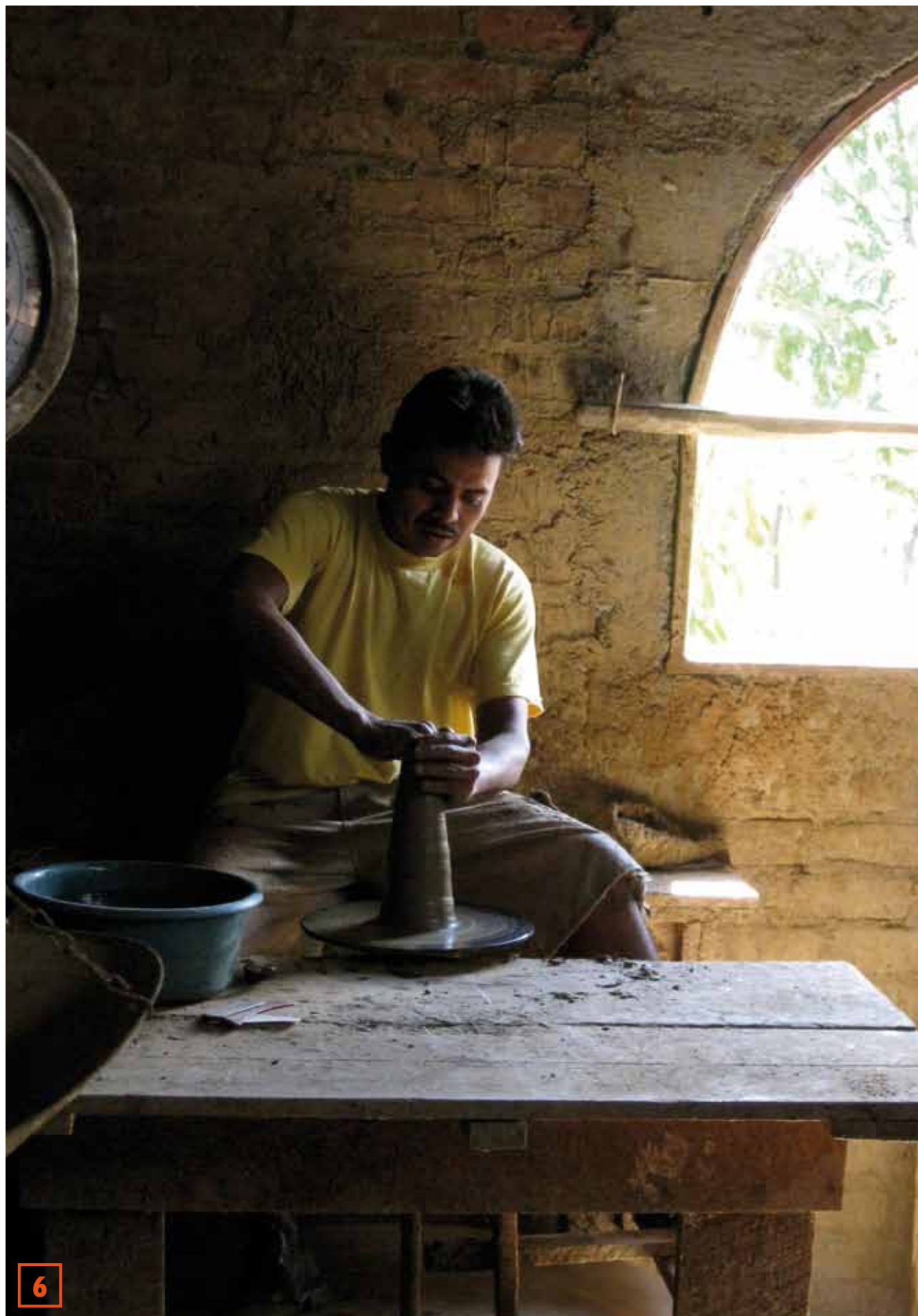
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Captions

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- 01** **Water is life | 1st place in contest**
(Sayane Mouhoumoudoune | Dosso, Niger | NIG/116)
- 02** **The livestock fair | 2nd place in contest**
(Claude Flener | Dosso, Niger | NIG/116)
- 03** **Children in Kalabougou | 7th place in contest**
(Cathy Schmartz | Ségou, Mali | MLI/020)
- 04** **Public health day | 8th place in contest**
(Claude Flener | Dosso, Niger | NIG/116)
- 05** **Magic solderer | 4th place in contest**
(Mersina Xhemajli | Pristina, Kosovo | YUG/010)
- 06** **Twilight in Mozonte**
(Claire Rossignol | Managua, Nicaragua)
- 07** **Local market after a good harvest | 10th place in contest**
(Christine Karasi-Omes | Kigali-Gisenyi road, Rwanda)
- 08** **Years of glory | 9th place in contest**
(Inti Ocon | Estelí, Nicaragua | NIC/022)
- 09** **Niger seen from the sky - market stalls**
(Philippe Delfosse | Dantiandou, Niger | NIG/015)
- 10** **Red gold | 3rd place in the contest**
(Inti Ocon | Matagalpa, Nicaragua | NIC/022)
- 11** **Craft at the heart of local economic development | 6th place in contest**
(François Bary | Mopti, Mali)
- 12** **Ploughing for the future**
(Inti Ocon | Estelí, Nicaragua | NIC/022)
- 13** **Good connections | 5th place in contest**
(Isabel Schank | Estelí, Nicaragua | NIC/021)
- 14** **The dugout canoes of Ouna**
(Claude Flener | Dosso, Niger | NIG/116)




Special Dossier

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The term 'local development' can cover some extremely diverse situations, depending on the place, the time and the perspective adopted. It appeared in the countries of the global North during the 1960s in the form of the theory of endogenous development, and at that time was a dynamic approach, focused on a restricted area, conceiving of development as a bottom-up process that prioritised endogenous resources.

The concept has subsequently developed, leaving the purely economic sphere and expanding to include other dimensions, whether geographical, political, social, cultural, environmental or organisational. All these dimensions are also present when we speak of local development in the countries of the global South.

Local development can be described as having the following elements:

- the existence of a given territory in which the development process is implemented; the territory may be defined by geographical data (a waterway basin, for example), by administrative organisation (region, district, town) or by a combination of several factors, meaning that the size of the territory may be extremely variable. A territory is not a closed unit: it communicates with the outside and
- is influenced by the outside. In fact, the point is to avoid sectoral thinking rather than to impose a 'spatial restriction on decision-making';
- the economic dimension relates to the deployment of a set of activities relating to production, processing or the sale of goods and services;
- the political dimension relates to the organisation of power within the territory and relations between the various stakeholders and groups;
- the social dimension refers to the connections (of cohesion, recognition and proximity) woven within the social groups, to the relations that these social groups establish with each other and to their participation in the process of local development, which is essential;
- the cultural dimension encompasses systems of values, beliefs and representation that need to be taken into account when implementing actions in the territory;
- the organisational dimension takes account of the changes in the State's form of organisation (deconcentration and decentralisation) and its impact at territory level; concepts of responsibility, governance and accountability have thus become imperative;

“The point is to avoid sectoral thinking”

1 Tesson F, *Introduction au cours de développement local*, <http://web.univ-pau.fr/~ftesson1/tesson/LDevCours.html>

- the environmental dimension has become more and more important in thinking about local development: sustainable management of natural resources, preservation of the living environment, impact of climate change, etc.

Local development is therefore governed by three action principles:

- a cross-cutting or integrated approach to problems;
- a participative approach, with the implementation of multiple partnerships between the public and private sectors, civil society and development cooperation bodies;
- a learning process; there is no preset model, since each situation is unique, and intervention modes must be adapted and adjusted to the situation with the passage of time.

Within the context of development cooperation, local development is also seen as a means of action and not as an end in itself. In its strategic document on local development, the Luxembourg Ministry of Foreign Affairs states, on this point, that support for decentralisation and local governance is more of an approach than a traditional sector of intervention. There is a close link between Luxembourg development cooperation's local development programmes and its sectoral strategies, particularly with regard

to good governance, health, education and water and sanitation².

For Luxembourg development cooperation, local development in fact combines four elements, which share the fact that they are approached as described above. These are agriculture and food security, water and sanitation, the management of natural resources and support for decentralisation and local governance.

The first chapter of this section sets out the international context and the development of the four elements forming part of the local development approach, as this is perceived by Luxembourg development cooperation.

The second chapter is made up of an analysis of the elements of local development in the Luxembourg development cooperation intervention regions and the way in which local development meets specific needs.

A presentation of examples of intervention by Luxembourg development cooperation for each of the elements and the viewpoints of beneficiaries and partners form the third chapter of this section.

Finally, a list of the interventions implemented with Lux-Development support within the context of local development is given in the fourth chapter.

² Grand Duchy of Luxembourg, Ministry of Foreign Affairs, Development Cooperation Department, *Stratégies et orientations, Développement local* [Local Development] – *Appui à la décentralisation et la gouvernance locale*, Luxembourg, 2009

Local Development



1 International context and development of the elements of local development

A presentation of the international context relating to the elements of local development is structured around references to the Millennium Development Goals (MDGs), which are vital elements of international development cooperation. They are used by all operators and are regularly monitored by the United Nations system. To some extent, they constitute universal benchmarks for measuring the progress made in the fight against poverty. The MDGs apply, in fact, to three of the four elements of local development, as it is perceived by Luxembourg development cooperation: agriculture and food security, water and sanitation, and the management of natural resources. The fourth element, relating to support for decentralisation and local governance, is not monitored by an MDG but is nonetheless the subject of many international debates, which will be summarised below.

Agriculture and food security: fragile and inadequate progress

MDG 1 Target 3: Halve, between 1990 and 2015, the proportion of people who suffer from hunger

The World Food Summit held in Rome in November 1996 laid the foundations for the international strategy on food security.

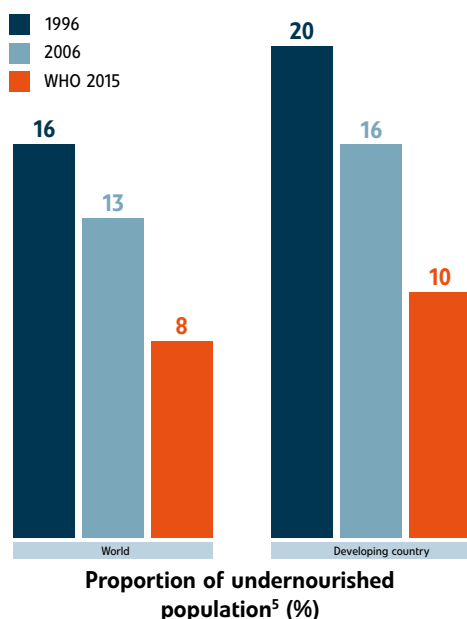
In 1996, approximately 800 million people did not have enough food to cover their essential nutritional needs. 13 years later, at the World Summit on Food Security held in November 2009, the Director-General of the Food and Agriculture Organization of the United Nations (FAO) spoke of a 'tragic achievement', referring to the one billion hungry people in the world.

Definition: *food security is considered to be achieved 'when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life'³.*

The 2009 Report on the State of Food Insecurity in the World published by the FAO and the World Food Programme (WFP) emphasises that, after the progress made in the 1980s and 1990s, 10 years ago the number of hungry people began to increase, slowly but constantly (in absolute figures). In relative terms, hungry people as a proportion of the total population decreased slightly, from 16 to 13% worldwide and from 20 to 16% for the developing countries only. However, this downward trend is by no means significant enough to meet the first MDG, which is to halve the proportion of hungry people by 2015 as compared with 1990⁴.

3 FAO, World Food Summit Plan of Action, November 1996

4 FAO/PAM, *L'état de l'insécurité alimentaire dans le monde 2009*, Rome, november 2009



An analysis by geographical regions shows that Asia contains over half the world total of hungry people (566 million out of 872 million in 2006). This is due to the demographic weight of India and China, which have 251 million and 127 million hungry people respectively. In relative terms, between 1990 and 2015, China has succeeded in reducing the proportion of its population which is undernourished from 15 to 10%, whereas in India this percentage has only dropped from 24 to 22% over the same period. Looking at the Luxembourg development cooperation target countries in Asia, we should welcome the progress made by Vietnam, which has reduced the proportion of its population

which is undernourished from 28 to 13%, thus becoming one of the few countries to achieve the first MDG. Laos is in a less favourable situation, even though significant progress has been made: the undernourished population there has decreased from 27 to 19% of the total population.

In South America, the total number of undernourished people has decreased slightly, from 52 million to 45 million between 1990 and 2006, corresponding to a reduction from 12 to 8% in relative terms. In El Salvador the number of undernourished people has risen from 500 000 people in 1990 to 700 000 in 2006, whereas Nicaragua has seen a spectacular fall, with the number of undernourished people having decreased from 2.2 million to 1.2 million. If we look at the percentage of undernourished people as a proportion of the total population, there has certainly been a significant reduction in this, from 52 to 21%, but the latter figure is still high and puts Nicaragua in third place in the South American and Caribbean region, behind Haiti and Bolivia.

Sub-Saharan Africa has experienced an increase in its undernourished population in absolute terms; it rose from 168 million to 212 million between 1990 and 2006; however, this represented a slight decrease in relative terms, from 34 to 30% of the total population. Luxembourg development cooperation's four target countries (Burkina Faso, Mali, Niger and Senegal) have experienced similar trends: stability or a slight increase in the undernourished population in absolute terms

⁵ Ibid.

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and a decrease in relative terms. Burkina Faso and Mali achieved the best results, reducing the undernourished proportion of the population from 14 to 9% and from 14 to 10% respectively. Senegal and Niger certainly recorded decreases, with the undernourished proportions of the population falling from 28 to 25% and from 38 to 28% respectively, but these results still leave a high proportion of the population in a precarious situation, with an average of 13% of the total population being undernourished in West Africa.

The current economic crisis has only exacerbated some persistent structural problems. In order to bring about the eradication of hunger in the years to come, the FAO and the WFP recommend in their report assisting '(...) developing countries (...) with the development, economic and policy tools required to boost their agriculture sectors in terms of both productivity and resilience in the face of crises. Stable and effective policies, regulatory and institutional mechanisms, and functional market infrastructures that promote investment in the agriculture sector are paramount. Investments in food and agricultural science and technology need to be stepped up. Without robust agricultural systems and stronger global food-security governance mechanisms, many countries will continue to struggle to increase production in line with demand, move food to where it is needed and find foreign exchange to finance their food import requirements. Whenever possible, efforts should be integrated and produce a multiplier effect. For instance, local purchase of produce

for school meals can generate income and guaranteed markets for smallholder farmers – both men and women – while community grain reserves can serve as a local food safety net⁶.

Water and sanitation: increased pressure on resources and inadequate progress on sanitation

MDG 7 Target C: Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation

Drinking water

In 2008 (latest available figures), the percentage of the world's population with access to drinking water was 87%, and for developing countries only the figure was 84%. Despite the progress made, 884 million people in the world did not have access to an improved drinking-water source.

Definition: *a sustainable supply of drinking water is defined as access to running water in the dwelling, yard or plot where the dwelling is located, access to standpipes, tubewells or boreholes, protected wells or springs or rainwater collection.*⁷

⁶ Ibid.

⁷ WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation, Progress on Sanitation and Drinking-water: 2010 Update, Geneva (Switzerland), 2010

At the current rate, the MDG on drinking water could be achieved by 2015: the percentage of the world population without access to drinking water was 23% in 1990, 13% in 2008 and is expected to fall to 9% in 2015, although this would still represent 672 million people.

Most countries are on course to achieve the MDG, except for countries in sub-Saharan Africa. This area accounts for a third of the world's people without access to drinking water and is lagging behind in achieving the MDG: the percentage of people without access to drinking water fell from 51 to 40% between 1990 and 2008 but will probably not drop to 25% by 2015.

It should be noted that the MDG on water and sanitation at the world level is also strongly influenced by the performances of China and India, because of their demographic weight (1.3 billion and 1.2 billion inhabitants respectively, accounting for over a third of the world's population).

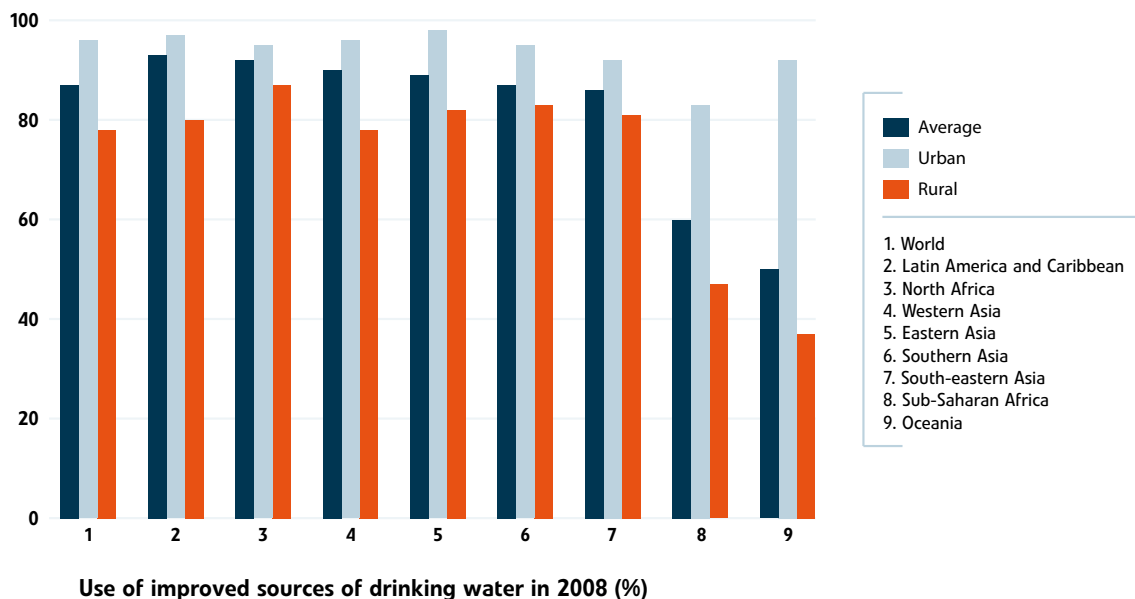
Sanitation

In 2008, 2.6 billion people, i.e. over a third of the world's population, did not have access to improved sanitation⁸.

At the current rate of progress, it will not be possible to achieve the MDG on sanitation by 2015. The percentage of people without access to sanitation was 46% in 1990 and the projection for 2015 is 36%, in contrast to the goal of 23%. That means that 2.7 billion people would still be without sanitation by 2015, representing one billion more than the goal.

There are significant geographical divergences. With 1.07 billion people without access to improved sanitation in 2008, Southern Asia (mainly India, Pakistan and Nepal) is the region where needs are greatest. Sub-Saharan Africa has the lowest coverage rate (31%), represent-

8 Ibid.



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ing 565 million people without access to sanitation. In South America, progress is inadequate in Nicaragua and Bolivia.

The most significant progress has been made in South-East Asia and Northern Africa, where coverage rates have increased by 23 and 17 percentage points respectively between 1990 and 2008, reaching 69 and 89%.

Définition : *Access to improved sanitation is defined by the United Nations as the separation of excreta from any human contact, whether by the use of flush toilets linked to a piped sewer system or a septic tank or by the use of an improved latrine.*

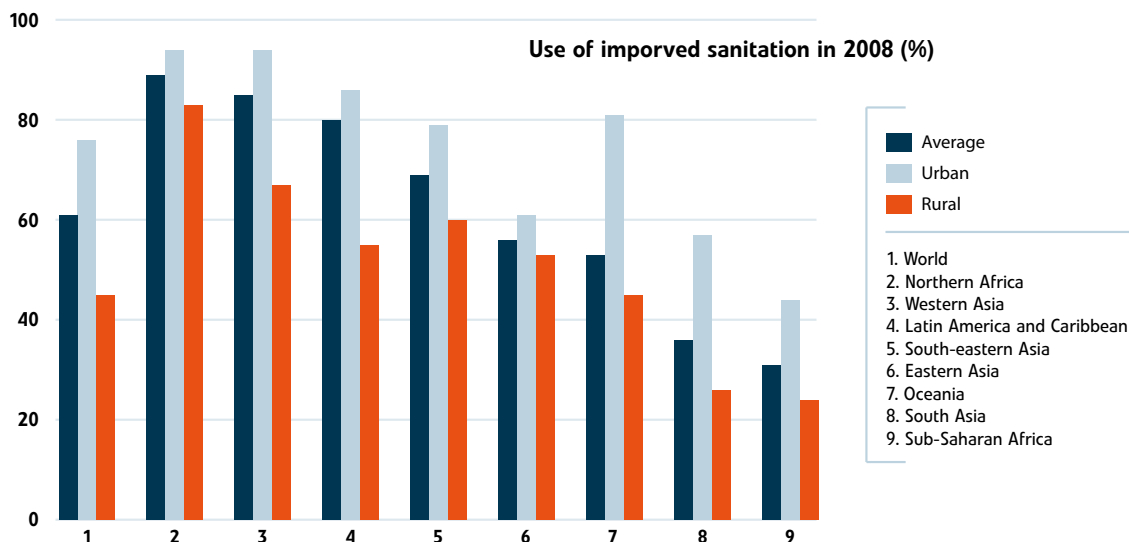
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Disparities between town and country

In developing countries, 94% of the urban population and 76% of the rural

population have access to improved drinking-water sources. 84% of people without access to improved sources live in a rural environment (743 million) and only 1% in urban areas (141 million). The most marked differences occur in Oceania (92% coverage in towns and only 37% in rural areas) and in sub-Saharan Africa (83 versus 47%).

With regard to sanitation, 70% of people without sanitation live in rural areas. The use of improved sanitation is particularly rare in sub-Saharan Africa (31%) and the disparities between towns (44%) and the countryside (24%) are striking there, as in South America (86 versus 55%) and in South Asia (57 versus 26%). It should be noted that between 1990 and 2008 demographic growth in the towns has been faster than the increase in the number of people with access to sanitation, which demonstrates the difficulty of the task.



Socio-economic disparities

In sub-Saharan Africa, access to an improved drinking-water source is twice as high for the richest 20% of the population (at 88%) as for the poorest 20% (at 36%). With regard to access to improved sanitation, the ratio is nearly one to five (77% as compared with 16%)⁹. Improving access to water and sanitation is thus one way of combating the effects of poverty.

Qualitative aspects

Between 1990 and 2008, the number of people with access to drinking water via home supply systems was more than double those with other types of access. In East Asia, South America and North Africa, the improvement of access to drinking water has been exclusively achieved through home supply systems. Conversely, in sub-Saharan Africa, the number of people with access to other improved sources is 3.5 times greater than that with access to water supply systems. Thus, in sub-Saharan Africa, only 5% of the rural population and 35% of the urban population have a water supply at home.

Time spent collecting water is also a significant qualitative element. In many African countries, a third of improved sources involve collection times greater than half an hour for a return trip, which gradually leads to a decrease in the

volume of water collected and results in the family's drinking water needs no longer being met. This phenomenon can be seen in both urban and rural areas. According to a study conducted by the United Nations in 45 countries, 64% of water collection is carried out by women, 24% by men and 12% by children¹⁰.

Resource management

According to the World Bank's Water and Sanitation Program, water scarcity affects a third of the world's population. Urbanisation and industrialisation are only two of the factors contributing to the impoverishment and pollution of surface waters. There is already considerable stress on water resources in many developing countries and climate changes could make the situation even more serious.

The rise in temperatures and the variability of the climate could result in extreme climate events. It is to be expected that drought and flooding will pose serious problems to development in tropical and sub-tropical regions. Floods can damage water supply systems that are not designed to transport large quantities or are too sophisticated and must be kept free of any overload or contamination¹¹.

9 MICS and DHS surveys from 33 countries in Sub-Saharan Africa, 2004-2009, quoted in: WHO/UNICEF, Joint Monitoring Programme..., op.cit.

10 MICS and DHS surveys from 45 developing countries, 2005-2008, quoted in: WHO/UNICEF, Joint Monitoring Programme..., op. cit.

11 Water and Sanitation Program, Access - News for the Water and Sanitation Community, Washington, 12 March 2007

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For its part, the World Water Development Report 3 published by l'UNESCO¹² on the occasion of the World Water Forum held in Istanbul in March 2009 stresses the links between water management and sustainable development: 'Water and water systems must be managed to achieve social and economic development objectives and to sustain development. Water resources, properly managed, can ensure equity and security in water and sanitation for families, businesses and communities. They ensure adequate water for food, energy and the environment as well as protection from floods and droughts.'

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Decision-making in the sphere of water and sanitation demands a search for synergies and the making of wise choices. It is important to distinguish between short-term actions taken to resolve urgent problems and long-term strategic development. The development of water systems that meet several needs and the reuse of water make it possible to reduce difficult choices by enabling limited amounts of water to meet several needs.

The report recommends that the community of donors should include water within the wider frameworks of development aid and should focus its assistance in the regions where it is most necessary: sub-Saharan Africa, Asia, the slums of Latin America and post-conflict zones.

Environment and management of natural resources: a global emergency

Goal 7 of the MDGs is worded very broadly, since it aims to 'ensure environmental sustainability'


Under this goal, two targets relate more specifically to the protection of the environment and the management of natural resources: target 1 seeks to 'integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources', and target 2 aims to 'reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.'

In its 2009 report on the MDGs, the United Nations focuses its analysis on the trend in annual carbon dioxide emissions, which contribute strongly to the greenhouse gas effect and which have risen from 22 billion tonnes in 1990 to 29 billion tonnes in 2006¹³. Over this period, total emissions by developing countries exceeded those of developed countries, but per capita emissions remain four times as high in the developed countries: 12 metric tons per person per year as compared with an average of 3 tonnes per person per year in developing countries and only 0.8 tonnes in sub-Saharan Africa in 2006.

The United Nations report also points out that 'deforestation continues at an alarming rate.' 13 million hectares of

12 UNESCO, The United Nations World Water Development Report 3, Paris, March 2009

13 United Nations, Millennium Development Goals Report 2009, New York, July 2009



forest were destroyed every year during the 2000-2010 period, but this nonetheless represents a slowdown in comparison with the previous decade, during which the annual rate of destruction was 16 million hectares. Latin America (4.7 million hectares), sub-Saharan Africa (4.1 million hectares) and South-East Asia (2.8 million hectares) are the three areas where deforestation is particularly severe. On the other hand, some regions have recorded increases in wooded areas, particularly East Asia (+ 3.8 million hectares per year between 2000 and 2005, with a doubling of the rate of growth as compared with 1990-2000) and the developed countries (+ 0.7 million hectares). This reforestation and landscape restoration work, together with the natural expansion of forests, is, however, far from offsetting the high levels of deforestation in other regions. The net global loss was 5.2 million hectares per year between 2000 and 2010, in place of 8.3 million hectares per year during the 1990s.

Reducing deforestation and forest degradation helps mitigate climate change. Trees and plants absorb and store carbon, thus contributing to lower levels of carbon dioxide in the atmosphere. But when trees are cut down and burned, they release CO₂ into the air. According to the United Nations, 'forestry accounted for 17.4% of total anthropogenic greenhouse gas emissions in 2004 (...), primarily due to high levels of deforesta-

tion and forest degradation in developing countries'¹⁴.

Water management is also a significant cause for concern. 70% of the water withdrawn worldwide is for agriculture, and this proportion can reach 80% in some regions, leading to shortages and triggering environmental degradation. Better management of the resource is becoming vital, together with improved agricultural practices.

Within this context, the summit on climate change held in Copenhagen in December 2009 was expected to be an important stage in the process of international negotiations on the climate issue and to give rise to concrete undertakings from the participating countries. However, the results were poor, both in comparison with the existing expectations and in terms of the needs of the climate situation. The final document recognises, naturally enough, the scientific view that the rise in world temperatures must be less than 2°C and states that significant reductions in world emissions are needed, but it sets no binding means for achieving them. Emissions reductions are to be decided by each country or group of countries on a voluntary basis.

The signatories also recognise the importance of reducing emissions caused by deforestation and forest degradation, as well as the need to increase greenhouse gas capture by forests.

¹⁴ Ibid.

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The text lays down two funding mechanisms for developing countries: the stepping up of the REDD programme (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries) to combat deforestation, and the creation of a 'Copenhagen Green Climate Fund' designed to raise 100 billion USD per year by 2020 to help developing countries to reduce their emissions and to adapt to climate change. For the 2010-2012 period, the developed countries have undertaken to jointly pay 30 billion USD per year into this green fund.

The Copenhagen conference certainly demonstrated clearly the limits of the multilateral decision-making process, where it is difficult to resist thinking based on national interests. Nonetheless, it constituted an important stage in collective awareness of global issues, thanks to strong mobilisation by civil society, and it may act as a lesson for improving the preliminary stages of forthcoming international climate meetings.

Decentralisation and local governance: an approach that promotes combating poverty

The Luxembourg government's strategic document on local development brings support for decentralisation and for local governance together under this heading; these are seen as support instruments in combating poverty and inequalities and in achieving the MDGs.

The strategic document states that support for decentralisation and local governance is an approach, rather than

being a traditional sector of intervention, and indicates that there is a close link between Luxembourg development cooperation's local development programmes and its sectoral strategies, particularly with regard to good governance, health, education, water and sanitation.

The strategic document also puts forward an action plan structured around four points:

- promoting a national framework that facilitates democratic local governance;
- strengthening democratic governance at the local level;
- promoting local economic development based on participative planning;
- strengthening fiscal decentralisation and the funding of local authorities.

The local level may thus be seen as a level where development actions, whether they are led by the State or its decentralised institutions, by local authorities, by the private sector, by civil society or by international partners, may truly take the concerns of citizens into account. It also makes it possible to include and give a concrete aspect to the concepts of participation, answerability and governance, because of the proximity between the various stakeholders.

“70% of the water drawn in the world is destined for agriculture, and this proportion can be as high as 80% in some regions, producing water shortages and triggering environmental degradation.”

2 | The importance of local development in the Luxembourg development cooperation intervention regions

In 2009, the Development Cooperation Department within Luxembourg's Ministry of Foreign Affairs published a series of documents titled '*Stratégies et Orientations*' [Strategies and Guidelines] which set out the approach taken by Luxembourg development cooperation in its intervention sectors.

Four documents deal with the various aspects linked to local development:

- agriculture and food security;
- water and sanitation;
- environment and climate change;
- local development – support for decentralisation and local governance.

Agriculture and food security: support for integrated rural development

Food security remains a major concern in a large number of countries, particularly in sub-Saharan Africa where the progress made is still insufficient. As mentioned by the '*Stratégies et Orientations*' document on agriculture and food security, structural food insecurity in the majority of the Luxembourg development cooperation partner countries, and in particular in the countries of West Africa, is often linked to a lack of access to production resources and markets, the weakness of production capacities and systems, high demographic growth and the over-exploitation of natural resources,

often combined with fundamentally unfavourable climate and environmental conditions¹⁵.

The strategy recommended by Luxembourg development cooperation to remedy this situation is to tackle the issue from different angles:

- encouraging producers to go beyond subsistence agriculture and to become more involved in economic activities;
- securing access to land, particularly for women;
- reinforcing soil conservation and reinstating degraded lands;
- opening up rural areas, in order to allow improved flows of agricultural production;
- strengthening producers' capacities, especially through producers' organisations and associations;
- facilitating access for producers to finance, particularly via microcredit;
- improving the performance of production systems by promoting access to agricultural inputs and appropriate agricultural techniques;
- diversifying farming and forestry holdings;
- supporting agricultural production marketing and processing sectors;
- stepping up prevention and improving management of food crises.

In South-East Asia (Vietnam and Laos) the issue is not just one of agricultural

¹⁵ Grand Duchy of Luxembourg, Ministry of Foreign Affairs, Development Cooperation Department, *Stratégies et orientations, Agriculture et sécurité alimentaire* [agriculture and food security], Luxembourg, 2009

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production and food security, but of rural development in a wider sense. The approach is, however, very similar and in both areas of intervention the local development approach makes sense: participative planning in partnership with the local authorities and the beneficiary population in order to jointly define the projects to be implemented, inter-sectoral coordination, strengthening of the capacities of the technical services, funding of infrastructure and the creation of credit systems.

Water and sanitation: towards successful and sustainable management of investments

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The MDGs relating to water and sanitation show that progress has been made globally, but situations vary across different geographical areas. Luxembourg, which has considerable experience in this sphere, has tailored its interventions to suit local situations: the response by Luxembourg development cooperation is not uniform. Modes of intervention are integrated into the local context and prioritise a particular sphere of action in line with the needs found on the ground. Thus, intervention in the sphere of water and sanitation may be seen either as a sector in its own right, or as constituting an element of a wider integrated rural or urban development programme, or of a health or even an education programme¹⁶.

In three countries in West Africa (Senegal, Mali and Niger) where the disparities between town and countryside are significant, Luxembourg development cooperation focuses on the village water system. It forms part of the national sectoral programmes and supports the construction of drinking-water supplies, the creation of users' committees and the establishment of procedures for the management and maintenance of the systems in order to ensure that the infrastructure lasts. The role played by users is key and is governed by the local development philosophy. This approach also allows Luxembourg development cooperation to support local communities in an integrated water resources management approach that sets out to preserve the resource in a region where it is both scarce and the subject of conflict. In addition, a local development vision makes it possible to interact with other sectors linked to drinking water, such as health, education and agriculture.

Sanitation has not always been a priority of water projects in West Africa. This approach is currently changing and the Luxembourg projects now systematically include this element. It is dealt with from an IEC (information-education-communication) viewpoint on the subjects of hygiene, sanitation and the environment and includes concrete work, with the construction of school and family latrines.

The management of solid waste is also taken into account, but this is primarily in relation to urban centres: improvement

¹⁶ Grand Duchy of Luxembourg, Ministry of Foreign Affairs, Development Cooperation Department, *Stratégies et orientations, Eau et assainissement*, [water and sanitation] Luxembourg, 2009



of the urban environment in Bamako, and the installation of a municipal household waste management system in five towns in the north of Senegal (the latter being carried out within the framework of a health project, not a drinking-water project).

In Cape Verde, Luxembourg development cooperation's water and sanitation projects combine the development of infrastructure and the reinforcement of institutional and technical capacity. Here, it is not a case of rural systems which are managed by users' associations, but of more complex systems commissioned from water system operators for which the management of the systems and their technical and financial sustainability must be improved. The difficulties derive from the scarcity of the resource and the topography of the islands: water is scarce, it is expensive to exploit and distribute and there is strong competition for its use, between domestic and agricultural users. Luxembourg development cooperation's local development approach leads it to position itself as a partner promoting dialogue between the stakeholders, carrying out feasible investments, and proposing technical and financial solutions that the local authorities may approve and implement.

In Central America (Nicaragua and El Salvador), Luxembourg development cooperation has from the outset funded projects in a peri-urban environment which feature a relatively concentrated habitat, the possibility of constructing close-meshed drinking water systems

with connections to the home, the need to include a sanitation section to avoid any risk of a deterioration in the health situation, and the presence of a national operator which, as the principal authority, is responsible for the further management of the facilities. Although there is still a need for investment, priority has clearly moved to the management of infrastructure and the strengthening of the capacities of the national operators. The local development approach in this case takes on a different aspect: in the traditional intervention areas for Luxembourg development cooperation (the north of Nicaragua around the town of Estelí and the east of El Salvador around San Miguel), Luxembourg's support is taking the form of pilot projects in institutional capacity-building that set out to equip the national operators, on a regional basis, with more effective management tools and ways of operating. The planning of their investments thus becomes an element of land planning that takes into account the region's future development.

Management of natural resources: a local approach to a global problem

While it is true that climate change and its consequences are issues to be tackled on the scale of the planet as a whole, a local

“ In Senegal, Mali and Niger, Luxembourg development cooperation is focusing on village water supply systems. ”

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approach makes it possible to provide responses that directly improve the lives of local people while preserving their futures.

Of all the Luxembourg development cooperation intervention countries, the Sahelian region is probably the one where environmental degradation problems are most acute: the climate is unfavourable, with agriculture strongly dependent on rain patterns, cultural practices make it difficult for the soil to regenerate, and there is alarming deforestation and degradation of water resources.

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Luxembourg development cooperation has thus made concerns linked to the environment and the effects of climate change part of its strategies and principles, by making the environment a cross-cutting theme in its Indicative Cooperation Programmes¹⁷. These principles translate, for example, into the consideration of environmental risks when formulating new projects, or into the priority given to the alternatives that generate the highest environmental and social benefits.

Projects specifically devoted to environmental problems are still few, but they need to grow in number if we wish to have an effective and lasting impact. On this point, local development is an approach that makes it possible to simultaneously look at problems in a territory


as a whole, understand the interactions between the different elements, get all the stakeholders working and develop a participative and coordinated approach to supply solutions. This is the case in Burkina Faso, for example, with the forest management and natural resource management projects, which are set out in the third chapter of this section (p.49).

Support for decentralisation and local governance: strengthening citizen participation

In many countries, particularly in West Africa, decentralisation processes have led to the creation of new institutional frameworks. Although the processes have not always been fully completed, they potentially bring institutions closer to citizens and promote participation by citizens in public life. They can also be an opportunity for increasing the accountability of public institutions in terms of their actions and their management.

Decisions and instruments on decentralisation may, as in the case of regionalisation in Senegal, have been approved back in the mid-1990s, but not all the mechanisms relating to decentralisation have necessarily become a reality. The complexity of the issue, the lack of commitment by the State, the inadequacy of human and financial resources at local level, the large number of different entities involved and the overlapping of administrative structures without any real coordination or clarification of roles, as well as the absence of a reference model and methodology, are examples

¹⁷ Grand Duchy of Luxembourg, Ministry of Foreign Affairs, Development Cooperation Department, *Stratégies et orientations, Eau et assainissement*, [water and sanitation] Luxembourg, 2009



of difficulties standing in the way of the implementation of local development.

In this context, an international development cooperation project can, by making resources (financial and in terms of know-how) available to local institutions and by proposing a working method to them, play the role of catalyst. This has been the case, for instance, for support components within the second Indicative Cooperation Programmes in Senegal and in Mali.

In other regions, local development takes other routes: in very structured countries such as Vietnam and Laos, it is the local political party bodies that act as intermediaries between the central authority and local action. Despite some progress, the operating method is clearly still top-down. In this context, development cooperation projects can play a part by strengthening the capacities of local institutions, by promoting participative planning and by financing activities directly initiated by the beneficiaries. This approach has been adopted as part of integrated rural development projects in Vietnam and Laos.

In Central America, the central State remains a strong force. What is happening can be classed as deconcentration processes rather than true decentralisation. It is often civil society that takes on the role of being a spur or a counterweight. International development cooperation can support the deconcentration process by strengthening, as before, the capacities of deconcentrated institu-

tions, by promoting dialogue between the public and private sectors within the framework of a well-defined sector and project and by responding to the specific requests of beneficiaries, while maintaining a permanent dialogue with the central authorities. The coffee route project in Nicaragua is an example of this (p49).

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3 | Examples of intervention by Luxembourg development cooperation

Thanks to a solid presence on the ground, dialogue and a relationship of trust that has been created with the beneficiary governments and the participative approach adopted right from the outset, when projects are identified and formulated, Luxembourg development cooperation has been able to tailor its intervention to the specific needs of each partner country, as illustrated by the examples of projects below.

Agriculture and food security/integrated rural development

Support for territorial development in the Dosso region, in Niger

Following up on a first integrated rural development project in the Dosso region (NIG/010), the Niger government requested Luxembourg development cooperation to design a project that would take into account the new administrative and political organisational structure produced by the decentralisation process, with the creation of the rural communes as new development partners. Project NIG/015 was thus formulated in 2004-2005 with the following main aims:

- consolidating the achievements of project NIG/010 and extending the intervention to the entire Dosso region;
- rebalancing, as far as possible, invest-

ments in basic infrastructure and investments in the spheres of agriculture, forestry, fisheries, pasture farming and small-scale crafts businesses;

- harmonising interventions by taking into account the programmes of other development partners present in the region;
- confirming the inclusion of the project in the national poverty reduction strategy and the rural development strategy.

Project NIG/015, which was launched in October 2005, is in fact a piece of action research in the sphere of decentralisation and the way in which it fits together with sectoral programmes, integrating the territorial dimension of development and the quest for sustainability mechanisms. It seeks to promote a territorial development dynamic by promoting access for rural residents to economic and social opportunities, by improving the management of natural resources and by strengthening the capacities of public and private institutions, as well as rural organisations.

Over the four years of its operation, the project has enabled the local communes to draw up their commune development plans, the socio-economic infrastructure of the local communes has been reinforced (drinking-water supplies, water facilities for agriculture, village market and storage warehouse) and access routes have been constructed so that the villages in the region are no longer cut off. At the same time, the project has supported a large number of initiatives and supplied



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support services that have made it possible to increase agricultural and pasture production, working together with other financial partners such as the FAO.

The process of making the investments sustainable still needs to be consolidated, however; while the members of the village management committees that have been set up with the project's support have certainly been given training, these bodies are not yet sufficiently functional.

Agriculture and food security in Mali

The aim of the food security programme in the Ségou region and in the cercle of Yorosso in Mali (MLI/018) is to strengthen rural economic production capacity and to improve household independence and solvency. It is based on the results of a previous project (MLI/004 Development of San plain) in the sphere of rice growing, while diversifying and reproducing its intervention in other areas.

The programme has three components:

- strengthening the capacities of the deconcentrated technical services and local authorities with regard to rural development, land planning and the sustainable management of natural resources;
- improving the potential for agricultural production and the processing conditions for farming and forestry products;
- allowing the beneficiaries to independently and sustainably manage and run agricultural facilities and product processing enterprises.

Specifically, the project is set to develop and exploit 600 hectares of lowlands and 20 market garden areas for the benefit of associations of agricultural producers. It also plans to facilitate the establishment of about 50 agri-food processing units, selected on the basis of their technical feasibility and economic viability.


Rural development in Bolikhamxay province in Laos

Project LAO/021, which forms part of the national strategy to combat poverty, is supporting the implementation of socio-economic development plans in the three most disadvantaged districts in the province of Bolikhamxay.

During the initial stage, the project is strengthening the capacities of the offices of the Ministry for Planning and Investment at the level of districts and provinces, in order to enable them to design, implement and monitor socio-economic development plans. Their responsibility is to coordinate the development and investment plans of the technical ministries and to ensure that they are consistent with national priorities. They also have to improve the extent to which they take into account requests made by village residents.

The result of this process is a coherent socio-economic investment and development plan for each district, which can then serve as a basis for funding applications.

The second stage involves financing basic social infrastructure projects as well as



production infrastructure, the need for which will have been identified during the planning process. The advantage of this method is that it gives provincial and district authorities and institutions an idea of future investments and encourages them to design high-quality projects that have to meet a certain number of criteria in order to be eligible for funding. The quality of implementation is also taken into account in the allocation of further funds.

The third part of the project relates to the extension of the microcredit system launched by the previous project and the creation of a second-level microfinance institution to fund the production activities of residents.

Rural development in the west of Nghe An province in Vietnam

This intervention is located in one of the largest and poorest of the provinces in Vietnam; it is focused within three isolated, mountainous districts in Nghe An province (Con Cuông, Tuong Duong and Ky Son) which together contain 53 communes, 475 villages and approximately 33 000 households.

An initial project was devoted to improving irrigation and drinking-water systems, with the aim of increasing agricultural production (VIE/007, 1994-2002). From 2002 onwards, the approach has evolved with a shift in focus from simply installing infrastructure towards improving the region's agricultural production capacity, with a view to increasing the

local people's livelihoods (VIE/014, 2002-2009).

This wider conception of rural development has led to some significant changes in the way in which the project is executed: it started by strengthening planning and management capacities at the level of the commune by supporting the drawing up of village development plans with genuine participation by the residents. On the basis of the village development plans, 100 small-scale agricultural development projects were then designed and implemented. At the same time, the project concluded an agreement with the Vietnam Bank for Agriculture and Rural Development and set up a guarantee fund for loans granted by the bank to farmers. 1 325 households in 64 villages have thus benefited from loans, which have mainly been used for purchasing cattle and buffalo.

A second focus of operations for project VIE/014 was strengthening agricultural extension services in the three districts. The project carried out crop tests and demonstrations with the aim of improving and diversifying agricultural practices and increasing yields.

The third focus of operations was infrastructure work designed to improve access to these remote areas: the construction of suspension bridges for light vehicles and of rural roads, drinking-water supplies and irrigation systems.

This participative and multi-disciplinary approach has made it possible to

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“ We have a small farm in the village of Cay Me, close to the town of Hoa Binh, in Nghe An province. We produce rice, maize and vegetables, mainly for our own consumption. We also raise chickens and cows. The chickens provide us with meat and eggs, and the cows are a form of savings that we make use of when we have an urgent or unexpected financial need. Our main concern is to generate financial income for our daily needs, and this concern is shared by most of the residents of Cay Me.

Together with nine other families living nearby, with the support of the commune's veterinary centre, we have set up a shared interest group for raising potbelly pigs. This type of livestock rearing is suited to the difficult climate and environmental conditions in the region and the animals can be fed with local foods.

With the support of the project, we received a sow and another family received a boar. The veterinary centre gave us three training sessions on raising pigs. After the birth of the first litter, the piglets were distributed to the other members of the group.

Our sow has two litters per year, with an average of 13 piglets per litter. We share the tasks involved in the livestock care within the family, because feeding the pigs takes up a lot of time. We make approximately 400 EUR per year from the sale of the piglets, which represents 40 to 50% of our financial income. ”

.....
Lo Thanh family,
Cay Me village, Nghe An province, VIETNAM

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enhance the livelihoods of families living in these remote areas, for whom food security is a major concern. Practically all the villages saw an increase in food production, although progress varied in line with access conditions.

The institutionalisation of participative planning by the provincial authorities has, however, not gone as far as anticipated and the participation of local residents in the activities arising from the village development plans has remained low, particularly as a result of a top-down decision-making system, and the

remoteness of the villages from centres where decisions are taken.

The third stage in the intervention (VIE/028, 2009-2013) is one of consolidating activities and placing them on a permanent footing; this is based on the lessons learnt and builds on the successes of the previous projects. The new project has been refocused on combating poverty and targets the 33 poorest communes in the three districts. It targets disadvantaged ethnic groups whose income derives mainly from agriculture practised on the dry uplands (as opposed

to the wetter valley basins). Its aim is to improve the living conditions of beneficiary populations, through an improvement and diversification in agricultural production and the creation of appropriate infrastructure. The project's activities provide for the reinforcement of participative approaches, the development of rural credit activi-

ties, the development of an agricultural training course focused on high-altitude production and the reinforcement of cooperation links between the three levels of administration (province, district and commune).

The intervention, which in total will have lasted for

“

The irrigation system, which is essentially made up of a dam of gabions, is one of the 100 small-scale agricultural development projects supported by project VIE/014. Because of its very simple design, it took less than two months to build. The total construction cost was approximately 14 000 EUR, of which 13 300 was provided by the project and 700 by the villagers, in the form of materials and labour. The structure is 40 metres long and 2 metres high. It makes it possible to raise the upstream water level by a metre, which, in turn, with the addition of another watercourse, makes it possible to irrigate 50 hectares of land and to obtain two rice harvests per year.

The beneficiaries of the irrigation system are 1 500 people of Thai ethnicity (320 households) who live in the villages of Na Can and Ban Lung and rely mainly upon agriculture.

Before the construction of the dam of gabions, in order to obtain two harvests per year the villagers had to build a temporary dam in wood and stones two or three times per year, which was regularly carried off by the water when the rains were strong. Because of the unreliability of this form of irrigation system, rice productivity at that time was only 4 tonnes/hectare/harvest. Thanks to the new irrigation system, productivity is now 6 tonnes/hectare/harvest. This means that every year, the irrigation system makes it possible to produce 120 tonnes of additional rice and the villagers are no longer wasting their time building and rebuilding the dam. However, the system requires maintenance by the villagers, particularly after the mud during the rainy season.

This type of dam in gabions is the first to be built in Nghe An province. In total, the project is funding the construction of five dams of this type. Their construction cost is only 10 to 15% that of a concrete dam, but it fulfils the same function.

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Lo Thanh family,
Cay Me village, Nghe An province, VIETNAM

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nearly 20 years and which has remained focused on rural development in the most mountainous part of Nghe An province, will thus have gradually evolved from the construction of infrastructure carried out directly by the project, towards the strengthening of the capacities of local operators at all levels and the introduction of reproducible, lasting systems through which a response can be given to the specific needs of the poorest section of the population. The degree of complexity has increased, the approach has become more systemic, and the strengthening of capacities has replaced direct implementation. This shift has been accomplished with the help of the beneficiary population, local

authorities, financial institutions and institutions representing civil society.

Water and sanitation

Water and decentralisation in Senegal, Mali and Niger

Lux-Development implements drinking water supply projects in the three countries of the Sahel (Senegal, Mali and Niger), in Cape Verde and in Central America. In contrast to Central America, where drinking water projects are carried out above all in densely populated areas, the intervention zones in the Sahel are mainly rural or peri-urban. The issues and the



Following an information and awareness-raising campaign, the town hall asked the associations to submit projects for improving living conditions. With the support of the NGO APSRU, we drew up an asphaltting project, which proved to be too ambitious. Then the women had a think together and identified the site of FESMAMA, which will show off our culture and boost our pride while improving our living conditions. The project was passed on to the NGO APSRU, which is our partner. Everyone is talking about this project and the people of Markala are waiting impatiently for it to be carried out.

As well as its effects on the image of Markala, the premises and the location will enable women to develop certain economic activities.

With the start of the activities of CREPA (*Centre Régional pour l'Eau Potable et l'Assainissement à faible coût* - regional centre for drinking water and sanitation at low cost), which is helping us with sewerage, we can already feel the first impacts because we have received training on how to best carry out our information and promotion campaigns. This has enabled us to better understand the dangers linked to a lack of hygiene. We must now improve our organisational capacities to respond to the many needs.



Ms SANGARE ROKIA MACALOU,
Treasurer of the Collective of Associations for Sanitation and the
Improvement of Living Conditions, Markala, MALI

“ Prior to the intervention by Luxembourg development cooperation we had a small water tower which could not provide a supply to everyone, particularly tall or remote houses. Today, not content to wash ourselves, drink and do everything we want thanks to the plentiful water supply, we are even thinking of practising market gardening, thanks to the new borehole. The water supply system has been extended, water pressure is high and the seven districts of Ngourane have a supply. We also have modern, large-capacity drinking troughs that were constructed in view of the fact that we are in a livestock rearing area, and Ngourane is a watering halt during transhumance. We have received high-quality equipment - you only have to look at the pipes - even in Kébémér they don't have anything like it.

The participative management around the borehole should be noted: the members of ASUFOR have been trained in management and billing of consumption. There are now about 15 members of the steering committee of ASUFOR, of whom seven are women.

Next, the establishment of ASUFOR made it possible to instal meters and to re-establish fairness in the billing of water to households, because previously there was a single tariff, while household consumption levels were different.

Finally, jobs have been created, although they are only a few in number: meter readers and people responsible for repairing the system in the event of breakdowns have been trained and employed for this purpose.

Other effects of the new borehole: it is because of the presence of water in houses that we are able to teach children about cleanliness and hygiene, we make sure that children aged 0 to 3 are clean, as well as children in the nursery, the Koran schools and the French school.

In addition, this borehole is opening up new opportunities for us because, nearly a year ago now, the village was made the head village of the rural community, which means that we will soon have a weekly market, and we can already imagine that we and our women might carry out revenue-generating activities such as agriculture and market gardening thanks to the water, to develop our village in economic terms.”

.....
**ASUFOR management committee,
Ngourane village, SENEGAL**

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approaches are therefore different, both with regard to drinking water supply and sanitation.

For drinking water, water systems in the rural parts of the Sahel are not the responsibility of a national enterprise in charge of their operation and maintenance. This role falls either to the communes, which are the contracting authorities, as in Niger, or to associations of users of boreholes, in Mali and Senegal. In both situations, citizen participation is vital and good governance is a key

factor in ensuring that the project has lasting results. In Niger, project NIG/116, cofinanced by the European Union, has resulted in a review of commune development plans, so that they now include 'water, hygiene and sanitation' aspects, and it has made it possible to place the management of water and sanitation facilities within a wider perspective that covers all the issues linked to natural resource use.

Even more than drinking water, the issue of sanitation requires considerable work in the spheres of information provision,

Local Development



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MLI/017 is the first programme on sanitation that the Ségou region has experienced, through sections that take into account the three major sanitation issues being prioritised by the local authorities: the management of solid waste, liquid waste and urban development (management of rainwater, creation of green spaces, asphaltting, etc). The actions identified make it possible for us to make great progress, particularly through:

- awareness-raising and training of communities through information relay teams, made up of women's associations, local elected representatives and health committees;
- the strengthening of the capacities of the decentralised technical services through logistical support and coaching in the field;
- the establishment of long-term structures to ensure the continued existence of sanitation actions.

The contribution of elected representatives to awareness-raising campaigns increases changes in behaviour. These are, without a doubt, an indication of the success of future actions.

”

.....
Yacouba TAMBOURA,

Agriculture and rural engineering consultant, regional director of sanitation and the control of pollution and health risks in Ségou, MALI

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education and communication, in order to bring about lasting changes in behaviour and habits. Information, education and communication is often achieved through children, and therefore by training teachers.

Water and sanitation projects can be an opportunity for local managers to develop an awareness of the qualitative and quantitative degradation of water resources and the need to take preventive actions to protect the resource.

In Senegal, project SEN/026 for access to drinking water and sanitation forms part of a unified intervention framework coordinated by the Millennium Drinking Water and Sanitation Programme (MDWSP), with which it is working on

various aspects: future management of drinking-water systems, support for the monitoring and evaluation mechanism and the drafting of local water supply and sanitation plans.

Water and sanitation in Cape Verde

In Cape Verde, the lack of water resources is one of the main obstacles to the socio-economic development of the countries. The water supply problems, both for household needs and for agriculture, through irrigation, are worsening every year, particularly because of demographic growth and the urbanisation of the population. The issue is particularly significant on the island of Fogo, where only 51% of the population

“ The Aguabrava company is doing a good job in the sphere of providing drinking water to the people of Fogo and Brava islands, thanks to the investments by Luxembourg development cooperation, which is supporting this company in overcoming management problems and improving drinking water supplies.

Today, we can see that considerable progress has been made as compared with the recent past. The project currently underway has had a positive impact on the people of the two islands, which are well supplied, despite the rather high prices charged. ”

.....
José Ferreira,
resident of São Felipe, Fogo island, CAPE VERDE

“ The restructuring of Aguabrava, funded by Luxembourg development cooperation, has made it possible to convert it into a more functional, operational and active company. With the investments from development cooperation, the company has succeeded in modernising itself and in continuing the extensions to the household and public water systems, thus reducing the deficit in access to drinking water. As a result, thanks to the investments from development cooperation, the company has succeeded in reaching coverage levels of the household systems in Brava that are close to 100%.

The great challenge lies in the treatment of Brava's water, which has levels of fluorine and sodium that are higher than WHO standards. Luxembourg development cooperation plans to finance the treatment of these waters.

Another major challenge is repairing Brava's wind turbine. These works, in addition to improving the island's energy supply, will also improve island's drinking-water supply system (for which energy expenditure is very high). ”

.....
Camilo Gonçalves,
Mayor of Brava, Brava island, CAPE VERDE

Local Development



has access to drinking water. Poor families, scattered in the rural areas, are the worst affected and a large proportion of them get supplies from public standpipes or from water tankers.

In Fogo and on the neighbouring island of Brava, water production and distribution are carried out by the Aguabrava company. Lux-Development has designed project CVE/070 to strengthen this enterprise in technical, commercial, administrative and financial terms, building on the foundation of experience gained in previous projects funded by Luxembourg and German partnerships.

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The institutional reinforcement delivered by the project relates, specifically, to the introduction of a new staff chart and staff training, the creation of new employment arrangements, the creation of a technical and commercial land register, the introduction of new commercial management software and administrative and financial management software and the application of a new tariff system. The project is also working on technical improvements to the existing water distribution systems.

These actions are progressing at a good pace but political decisions are slow to be taken. The enterprise's financial situation is difficult, particularly because of the high production costs (caused by the large number of pumping stations needed because of the steep topography) which are not covered by the tariffs currently charged. Difficult choices need to be made, between the company's financial viability, on the one hand, and, on the other hand,

social needs, namely the need to extend the distribution system to the highest areas and to maintain affordable prices.

The project is also working on the sanitation aspect by conducting a pilot project on dry latrines in an area which does not have running water. This type of latrine has advantages in terms of health, the environment and agriculture.

Finally, the project has carried out a technical study with a view to the reinvestment of the wind turbine at Brava, so that, after the work has been done, an electricity supply can be provided to the pumping stations. The future maintenance of the facility will also have to be organised.

Drinking water and sanitation programme in Nicaragua

Luxembourg has been funding drinking-water and sanitation projects in Nicaragua since 1999. At the outset, these were independent projects aiming to supply peri-urban centres with relatively dense populations with drinking water (NIC/008, NIC/012) or to enlarge a sanitation system in an urban environment (NIC/011). Priority was given to installing infrastructure, the operation and maintenance of which were entrusted to the national enterprise responsible for water and sanitation, ENACAL. All the drinking water projects in Central America have, from their design onwards, included the sanitation element in terms of elimination and/or treatment of waste water and faecal matter.



Since the first contact between the municipality of Palacagüina and Luxembourg development cooperation in 2003, three mayors have succeeded each other at the head of the commune, but they have all had the wisdom to prioritise continuing with the action carried out by Lux-Development. The aim of project NIC/012 was, on the one hand, to improve the drinking-water supply in the commune in both quantitative and qualitative terms, and, on the other hand, to resolve the issue of the environment in the commune by providing sustainable solutions, both for the treatment of waste water and for the removal of solid waste.

This permanent approach, regardless of political changes, means that the commune of Palacagüina can now be pointed to as an example, particularly for solid waste management. We frequently receive municipal delegations from other regions of the country who are very interested in our system of waste management and the management of our waste dump.

In addition, the project has raised the awareness of residents regarding the issue of waste water. This used to be thrown into the streets, where it accumulated and created health problems, produced bad smells and triggered disputes between neighbours. The project has supported the creation of small domestic treatment and filtering structures or waste water recycling systems, with a coverage rate of over 80% of the town. These relatively simple systems today enable the commune to have a much cleaner appearance.



.....
Luz Amparo García,
Mavor of the commune of Palacagüina, NICARAGUA

A new approach was developed within the framework of project NIC/021. This relates to the strengthening of the intervention capacities and the improvement of the operational results of ENACAL, in the three départements in the north of the country: creation of a technical and commercial land register of systems, the collection and analysis of operating data, the organisation of subsidiaries and staff training. In addition, the project is supporting ENACAL to enable it to optimise its drinking-water and sanitation infrastructure: review of the existing infrastructure, development of master plans, setting of investment priorities for the overhaul and extension of systems. The third focus of operations is the elimination of waste water. With a view to public health, Lux-Development has, in all its projects in Central America, systematically and from the outset dealt

with drinking water and sanitation in parallel. The solutions implemented have been tailored to local conditions: type of environment, type of soil, income of the residents, existence of sanitation systems, etc. In the case of project NIC/021, a range of solutions has been proposed: construction of drains in urban centres and the construction of a sewage treatment plant, or individual sanitation systems in small districts.

Natural resource management

Forest management and natural resource management in Burkina Faso

This intervention is located in the 'high basins' region surrounding the town of Bobo-Dioulasso. It has given rise to two stages: firstly, project BKF/007 (2002-2006) was devoted to the participative development of the two protected

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forests of Diendéresso and Kou. In the second stage, project BKF/012, currently being implemented, offers support to natural resources management in the basin of Bobo-Dioulasso.

The primary aim of project BKF/007 was to help the government of Burkina Faso in the implementation of its National Forests Development Programme (PNAF) through the reinstatement of forestry and farming production using the natural resources in the vicinity of the town of Bobo-Dioulasso, in order to improve the living standards of the local populations, to supply the town with firewood, to improve the management of forestry products available, to preserve the environment and biodiversity, to secure the town's water resources and to improve leisure areas. Its specific objective was to restore and preserve the vegetation of the protected forests.

The conceptual approach of the project was to break the vicious circle of poverty linked to the destruction of the environment: the decrease in poverty also decreases human pressure on precarious forestry resources and, conversely, the restoration of the environment makes it possible to generate sustainable income. The project represented a significant contribution to the attainment of the overall development targets set in the new framework programme for the sustainable management of forestry resources.

Project BKF/012 extends and widens the achievements in the previous stage by including two other protected forests: Kua and Kuinima. Its actions aim to strengthen

the capacities of deconcentrated, decentralised and non-State operators in relation to natural resource management, to restore and manage, in a participative and sustainable way, the peri-urban protected forests of Bobo-Dioulassao, to support the village development councils and the communes and districts bordering forests to update and implement the district management plans and to launch a process of territorial integration of peri-urban protected forests, bordering areas and the town of Bobo-Dioulasso.

This project features strong participation by the local people in the management of forestry and natural resources and a considerable integration of its actions within local decision-making and management bodies and mechanisms, as confirmed by the treasurer of the Union of Associations of Forestry Management of the protected forests of Dindéresso and Kou. It complies with the national directives relating to participative forestry development, laid down by the Ministry of the Environment. It has implemented a partnership approach with other governmental and non-governmental bodies, based on consultation and complementarity of skills and resources. Thus, it plays a facilitating and intermediary role, seeking to create lasting synergies between the operators.

Local development, decentralisation and governance

Local development and tourism in Nicaragua

Project NIC/022, *Ruta del Café* [the coffee route] offers an innovative concept that aims to reinforce local economic develop-

“ Our region was hit hard by Hurricane Mitch in October 1998. In the commune of San Fernando, the hurricane totally destroyed the precarious drinking water distribution system. For several years, people only had two options: buying bottled drinking water or obtaining a few drops of water distributed, without proper treatment and in totally insufficient quantities, by the temporary system installed by ENACAL after the disaster. The quality of the service was so bad that we were never able to meter it.

Between 2003 and 2005, project NIC/012 supported ENACAL to plan and carry out the repair of the San Fernando aqueduct. Thanks to the project, which built a treatment unit and a reservoir, the 515 users linked to the system receive a continuous supply of drinking water of an excellent quality and ENACAL has been able to begin billing for water once again; customers willingly pay the bills without delay.

Currently, with the support of new project NIC/021, we are measuring the management indicators of our system and we are continuing to raise the awareness of users regarding the sensible use of drinking water. With only 22% of water not metered, we are proud to be at the head of the ranking of ENACAL subsidiaries in the département of Nueva Segovia.

.....
Wilmer Ortez,

Head of ENACAL subsidiary, *commune* of San Fernando, NICARAGUA

ment processes, promoted by the Nicaraguan government, in which tourism is seen as a territorial development factor whose final beneficiaries are communities and the residents of intervention zones.

The aim of the creation of tourism routes by the Nicaraguan tourism institute (INTUR) is to consolidate the tourism sector as socio-economic development option, to ensure that tourism development models are sustainable and to bring about a dual redistribution of the profits of tourism, in both social and territorial terms.

The aim of project NIC/022 is to encourage and strengthen municipal tourism development policies and entrepreneurial capacities through training and technical assistance, to design new tourism products, and to promote and market the

Coffee Route nationally and internationally.

The approach taken by the project is to make participative planning a local economic development strategy, by allowing all the public and private operators and civil society to engage in dialogue and define their priorities. In the five departments in the north of Nicaragua that constitute its intervention area, the project has thus supported the development of 31 municipal tourism plans and five departments plans. 28 tourism circuits have been laid out, which has speeded up coordination between public and private operators, since the circuits are structured around a territorial philosophy of complementarity in terms of resources, tourism opportunities and services. Participative planning has also made it possible to go beyond political differences and

Local Development



“ The tourism project (development of access to and spaces around the house in which the poet Ruben Darío was born) has had a social, cultural and economic impact. The main roads of Ciudad Darío used to be obstructed, whereas historically this town was a trading place. The project is a success; the development has been favourably received by the local people and by national and international visitors, because it has made it possible to create parking spaces close to the birthplace of Ruben Darío. The project has generated a new dynamism and new economic activities and we have an area where the département's tourism committee can organise events.

The Nicaraguan Institute of Culture had renovated this emblematic house, which represents the history of our Nicaraguan pride, the poet Ruben Darío. We have entered into discussions with the Institute with a view to the commune managing the house, and we have asked for specialist staff to manage this historic site.

It will be necessary to recruit more staff to improve the welcome given to visitors, and this will create new jobs. This project represents a step in the direction of the development of Ciudad Darío in terms of tourism. It is a contribution to the culture of the residents of Ciudad Darío, since the culture had previously been forgotten and the project has given it renewed vigour. ”

.....
Angel Rafael Cardoza Orozco,
Mayor of Ciudad Darío, NICARAGUA

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to give priority to local development approaches.

On the basis of the municipal tourism plans, the project has cofinanced 31 demonstration projects of small public tourism infrastructure, some of which are considered to be exemplary, such as the Somoto canyon for the participation of the local communities in the implementation of a tourism product, or the fortress of Ocotal for the creation of a new culture and leisure space.

The project also funds tourism events (small fairs) to raise the awareness of local operators regarding the importance of such events for the local economy and the financial benefits that they may generate.

Training plays a central role in the project: training courses for the various different tourism-related occupations are organised in tandem with the National Hospitality School (Managua), which has made it possible to activate synergies between projects NIC/022 and NIC/018. These courses are vital in improving the local tourism products, 75% of which are in the informal sector.

In order to facilitate access to credit for small and medium-sized tourism enterprises, the project and INTUR have set up a small and medium-sized enterprise (SME) development fund, with a private bank responsible for its management. The rate offered is very competitive and the guarantees required are comparable to those on the market.

“ Until 2002, the protected forests of Dindéresso and Kou suffered significant attacks by the local people, as a result of very precarious living conditions. Project BKF/012 has been operational since 2003 with a participative approach in order to safeguard these forests while creating alternative activities to improve the living conditions of the local people.

Access to water was difficult for the women of Sakaby and means of subsistence were insufficient. The project's arrival was therefore helpful to us. It helped us to repair the old, broken borehole, to instal a new borehole and to instal a grain mill. In June 2003, Sakaby GGF (forestry management group) was established and set up, for the rational management of forestry resources.

With other members of the GGF, both men and women, I learned to build improved houses, to practise agro-forestry, to enrich the soil with organic fertiliser, to make shea butter soap, to practise dyeing and to improve my techniques for rearing chickens, cane rats and pigs.

Currently, the implementation of these activities is helping to strengthen solidarity and cohesion within the group of women, and is also giving us increased buying power to meet our needs. With the installation of the boreholes and the mill, access to drinking water is now easy and the time it takes to grind grain has decreased. The revenue generated by these installations is spent on their maintenance but also contributes to the development of the village. For example, it has enabled us to contribute to the construction of a village hall and to marking the boundaries of the village cemetery.

In addition, with increased awareness and training on the need for forestry resources in the life of the commune, we now carry out joint and individual reforestation activities and use of wood and other forestry products. We have even made a forest grove. All this has helped to decrease the anarchic abuse of the forest and to preserve it for our children. ”

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Marie Gabrielle Sanou,

50 years old, is a widow and the mother of six children. She is treasurer of the Union of Forestry Management Groups (UGGF), an umbrella organisation responsible for the co-management of the protected forests of Dindéresso and Kou together with the State forestry service. Ms Sanou is a member of the forestry management group for her village, Sakaby, located at the edge of Bobo-Dioulasso,

BURKINA FASO

Local Development



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The fund has been very successful, with all the available funding having been granted; furthermore, the bank has not experienced any late payments. Upstream, the project helps entrepreneurs to draw up their business plans and makes assistance available to improve the technical quality of the documentation.

The project is also carrying out a pilot programme to promote and market tourism provision on the coffee route. After the launch phase, the project's financial contributions have no longer been significant and have been boosted by private initiative, which ensures that the strategies are sustainable.

Finally, the environmental dimension is taken into account to a significant level through a partnership with the Rainforest Alliance, which has developed a methodology based on the concept of sustainable tourism development.

Support for the decentralisation process in Senegal

The development cooperation programme between Senegal and Luxembourg includes an element (SEN/023) of which one of the aims is to strengthen the arrangements and mechanisms for consultation, coordination and monitoring and evaluation at regional and local levels. The regional level is particularly suited to this type of coordination, since it is at the crossroads of national sectoral policies, decentralisation moves and modes of citizen participation.

The Senegal-Luxembourg programme has thus signed a framework agreement with the national local development programme which sets out the overall approach of the intervention to the territorial authorities and ensures that it is consistent. In concrete terms, the programme has facilitated the organisation of the national workshop for the management of harmonisation conferences, which is to define the practical methods for implementing these conferences at the regional level; their establishment is a result of the decentralisation process.

Above all, the programme directly supports the three regional development agencies (RDAs) in its area of intervention, in response to their needs and specific action plans, on the basis of the action plan drawn up by each RDA. It thus facilitates the establishment and revitalisation of the regional frameworks for sectoral consultation and the local consultation frameworks in the local authorities.

The programme also supports the RDAs in setting up tools to monitor and evaluate the various sectoral programmes in progress. It has also funded a study on the organisation and operation of sectoral governance bodies.

All these actions combine to strengthen the capacities of local operators to improve the planning and implementation of their development actions.

At the same time, the programme includes a section devoted to the strengthening



Luxembourg development cooperation has been beneficial for the region [de Louga] for the last four years for three reasons:

- The strengthening of the capacities of local elected representatives and of local technical partners is a first section of the programme, and we are benefiting from this;
- The second section is the entire programme relating to the environment that we have to carry out with Louga's regional development agency: protection of the environment, combating brush fires, remediation of the soil. Lux-Development has made available to us financial and physical tools;
- The third section is the creation of an inter-regional agreement between Louga and Saint-Louis, which is a result of the fact that the regional council has always wanted to develop, in a careful manner, the enormous agricultural potential around the Lac de Guiers. This desire has been made possible thanks to the establishment of this agreement, which enjoys financial assistance from Lux-Development, since of the 21 million EUR provided for the formulation of projects and support programmes for local peoples for the exploitation and development of potential around the Lac de Guiers, 80% comes from funding from Luxembourg.

The issue of the programme's impact is not solely linked to the amount, but also, and above all, to the quality and way in which access to the resource is facilitated.

I believe that the impact of the Luxembourg programme can be measured in terms of the effectiveness of the intervention and we are satisfied with its involvement and its participative approach.

Lux-Development plays a role akin to a joint-venture partner, acting as a complement and in a subsidiary fashion in the regional council to develop its capacities for intervention on the ground. Its intervention in local development is focused on the key issues, which are decisive questions that have an immediate impact.



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Momar Lo,

**Official responsible for local economic development, Louga regional council,
SENEGAL**

of the capacities of local authorities and citizens to deliver effective local good governance, the implementation of which has been entrusted to a national NGO. The NGO works on areas including local development and citizenship issues

in technical and vocational training establishments and governance in the management of natural resources.

Local Development

List of projects being implemented by Lux-Development in the local development sector and the various sub-components.

Water and sanitation

Albania	ALB/002	Water and Sanitation in Diber Region
Albania	ALB/003	Technical Assistance in support to the Albanian Water Sewage and Sanitation Strategy
Cape Verde	CVE/069	Water Supply in São Domingos - Phase II
Cape Verde	CVE/070	Water and Sanitation on Fogo and Brava
El Salvador	SVD/017	Water and Sanitation - Oriente
El Salvador	SVD/019	Institutional Support to ANDA to increase its Operation Capacities in the Eastern Region (Oriente)
Mali	MLI/008	Food Security Programme - ICP 2007-2011
Mali	MLI/017	Water and Sanitation and Urbanisation in the South - ICP 2007-2011
Namibia	NAM/338	Water Supply in Omaheke and Otjozondjupa
Namibia	NAM/343	Formalisation of Informal Settlements in Rundu and Katima Mulilo and Extension of the Water and Sanitation Network in Rundu
Namibia	NAM/345	Kavango/Caprivi Regional Rural Water Decentralisation
Nicaragua	NIC/021	Water and Sanitation in Nueva Segovia, Madriz and Estelí
Senegal	SEN/012	Water and Sanitation Project for the Rural Populations of Thiès and Louga
Senegal	SEN/026	Water and Sanitation Project for the Rural Populations of Thiès and Louga

Agriculture and food security

Montenegro	YUG/009	Milk Enterprise Development in Northeast Montenegro - Phase II
Mali	MLI/004	Integrated Rural Development Project- San Ouest
Mali	MLI/018	Food Security Programme - ICP 2007-2011
Namibia	NAM/334	Mashare Agricultural Development Institute
Vietnam	VIE/014	Western Nghe An Agricultural Development Project
Vietnam	VIE/019	Naam Tuan Irrigation Project
Vietnam	VIE/020	Production of Aqua and Agricultural Products and Renewable Energy for Water Hyacinths and Waste

Management of natural resources

Montenegro	YUG/012	Forestry Development in Montenegro - Phase II
Burkina Faso	BKF/012	Natural Resource Management Project for the Bobo Dioulasso Bassin



One of the programme's contributions has been to strengthening the capacities of the regional development agency [of Saint-Louis] in terms of human and logistical resources. Above all, the strengthening of the capacities of the RDA's officials has enabled us to improve the level of expertise of all the agents with training courses in planning, management, input and handling of data and a better understanding of certain methodological approaches in terms of management and leadership of companies, taking into account the new reform of technical and vocational education and training (TVET).

With the local authorities, we have been able to establish consultation frameworks that have enabled them to resolve a major problem within decentralisation, namely the involvement of local people in decisions regarding the design and implementation of local development. Thanks to Lux-Development, we have worked in three rural communities to set up the consultation frameworks for the village, the zone and the commune level and in three communes where we have set up district councils and district collectives. We have worked to ensure, precisely, that they participate in the local development process and we have carried out with them projects within the context of the emergence of citizenship. I think that the contribution of these people in prolonging the action of local authorities is extremely important.



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Bouna Warr,

Director of the regional development agency of Saint-Louis, SENEGAL

Rural development and local governance

Serbia	SRB/013	Support to Novi Pazar Municipality - Phase II
Cape Verde	CVE/035	Road Infrastructure on Santo Antão
Laos	LAO/011	Pakkading Integrated Rural Development Project
Laos	LAO/412	Oudomxay Community Initiatives Support Project
Laos	LAO/014	Bolikhan District Livelihood Improvement Project
Laos	LAO/021	Bolikhamxay Livelihood Improvement and Governance Programme
Namibia	NAM/340	Support to the Development of the Ngweze Market and the Arts and Craft Centre in Katima
Niger	NIG/015	Rural Integrated Development Project in Dosso
Rwanda	RWA/022	Integrated Rural Development in Bugesera
Tunisia	TUN/023	Integrated Livelihood Improvement Project
Vietnam	VIE/023	Quang Dien Local Development Project
Vietnam	VIE/028	Western Nghe An Rural Development Project - Phase III

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Dakar

Senegal
Mali

166/182

Human Development Index 2008
Senegal

13 443 225

Population | Mali © CIA Factbook

1 240 192 km²

Area | Mali

2.71 %

Population growth rate | Senegal

116/1000

Infant mortality rate | Mali

178/182

HDI 2008 | Mali

70

59/1000

Infant mortality rate | Senegal

59

Life expectancy at birth
Senegal

19.8

18.1

17.1

Average age | Senegal

13 711 597

Population | Senegal © CIA Factbook

196 722 km²

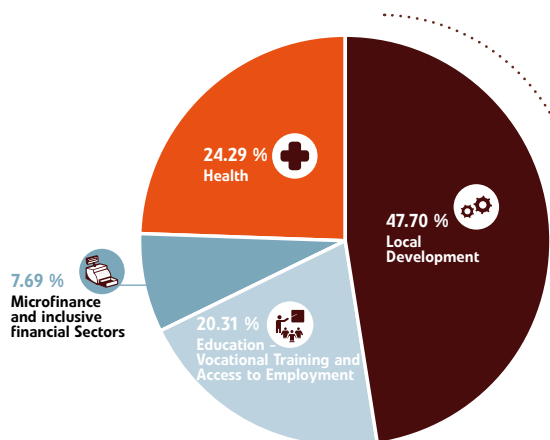
Area | Senegal



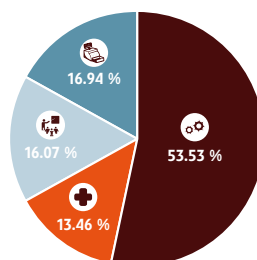
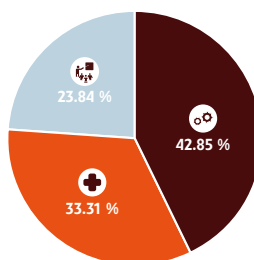


Dakar

Senegal
Mali

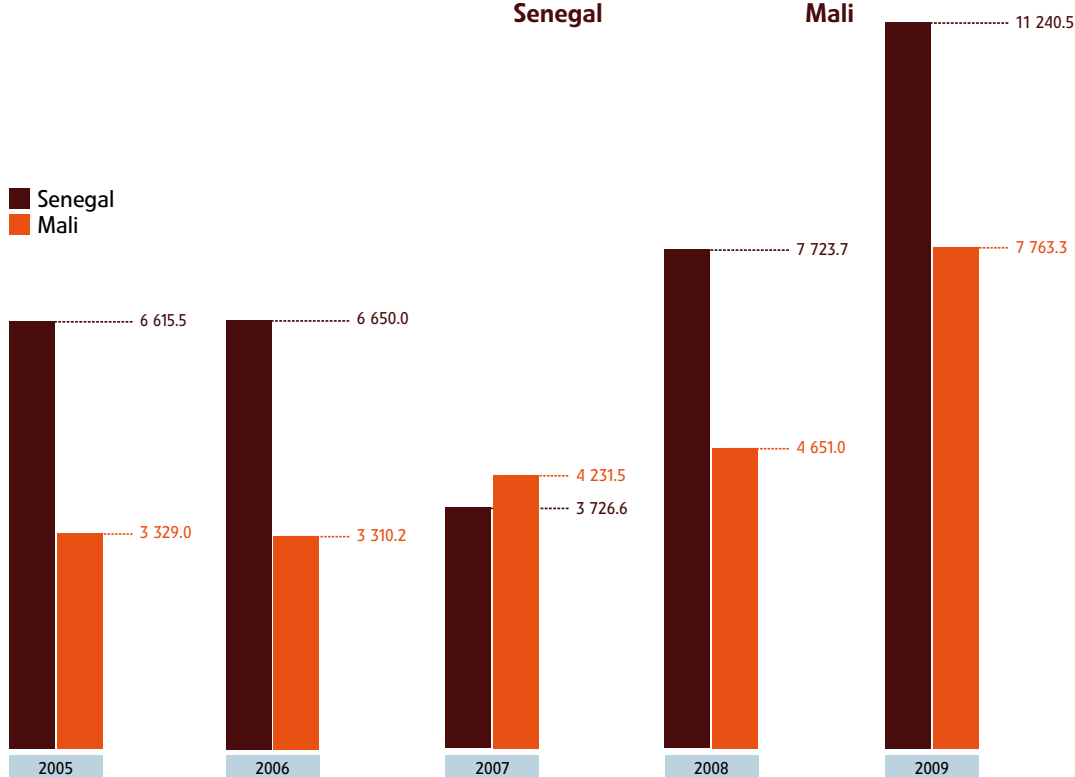


Distribution by sector of Lux-Development's 2009 disbursements for the Regional Office of Dakar



72

Senegal
Mali



Evolution of the disbursements in Senegal and Mali (in thousand EUR)



Dakar

Regional Representative | Igor Wajnsztok

For the programmes covered by the Dakar Regional Office, 2009 was a particularly demanding year as operational implementation was put into effect after the launch period during the second half of 2008.

At the steering committee meetings held in February the action plans were ratified and ambitious monitoring and evaluation plans were approved.

Equipped with specific delivery methods, these programmes aspire to be exemplary in terms of monitoring quality.

In **Senegal**, Luxembourg development cooperation is positioning itself as the lead organisation in the technical education and vocational training sub-sector and as the joint lead organisation in the rural water systems sub-group, making our action particularly visible.

In **Mali**, we have chosen to place nearly 30% of the programme's funds with the national investment agency for local authorities in order to provide funding for nearly 500 actions, for which the local authorities will be the contracting authorities. This process is an improvement on our usual implementation arrangements, represents a significant move in trying to align ourselves with national procedures and emphasises our work on strengthening capacities to assist these local authorities.

Regional programme AFR/017 'Promotion of the Creation of an Inclusive Financial Sector for the WAMEU Zone', follows very closely the results of the actions on adaptation and strengthening of supervision of microfinance in the West African Economic and Monetary Union (WAEMU) region within the new regulatory framework being implemented by the Central Bank of West African States under the agreement signed at the end of 2008.

All these programmes have priorities that are strongly focused on local development and advocate, in particular, making increased use of existing structures and frameworks, both at local and regional levels, to steer actions.

The expected results in terms of reinforcing i) arrangements and mechanisms for consultation, coordination and monitoring and evaluation, at the local and regional levels, ii) the capacities of the local authorities and citizens to deliver effective good governance locally, iii) the actual participation of the most vulnerable groups and women in local development, have been carefully detailed in all the actions and are conveyed through the facilitation components specific to the two programmes in Senegal and Mali.

Also of note are the start of the Manuscripts of Timbuktu project and the progress in formulating the project for drinking water supplies in the district of Sénou in Bamako.

Finally, four projects in Senegal and four in Mali were in their closing phases at the end of 2009 and will be definitively closed during 2010.



Dakar

Senegal
Mali



Senegal



HEALTH

SEN/014 Abass Ndao General Hospital - Phase II

With a view to building on existing achievements and assisting the hospital to achieve financial independence, the project received a financial extension in 2008. The final activities associated with it will be completed during the first half of 2010.

Total Budget EUR: 3 095 000

2003-2010

Disbursed 2009: 227 943

74

SEN/025 Basic Health Services Support Programme

In support of the implementation of the national plan for health development, this programme within ICP II will make it possible to support the development and strengthening of the health system in the regions of Louga, Matam and Saint-Louis.

Total Budget EUR: 11 500 000

2008-2012

Disbursed 2009: 3 516 160



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

SEN/016 Vocational Training School in Thiès

Begun in September 2003, this project has supported the construction and opening of this school, which admitted its first students in 2006. The final actions to consolidate the project will end during the first half of 2010 and the school will continue to benefit from special attention through programme SEN/024 within ICP II.

Total Budget EUR: 12 824 093

2003-2010

Disbursed 2009: 412 368

SEN/018 Support to Technical Schools for Girls in the Region of Saint-Louis

The project has made possible the construction or, where relevant, renovation, and the opening of women's technical training centres in the towns of Saint-Louis, Matam, Podor and Dagana. Only the actions relating to provision for students who have completed the training programme have not yet been fully finalised, and will be continued as part of programme SEN/024 within ICP II.

Total Budget EUR: 4 552 115

2002-2010

Disbursed 2009: 7 751



SEN/024 Vocational Training and Job Insertion Programme

The logical follow-on to Luxembourg's assistance to the technical and vocational training sector in Senegal, programme SEN/024 is contributing to the implementation of Senegal's sectoral policy on technical and vocational training within the framework of the 10-year education and training programme, while continuing the work accomplished in previous projects.

Total Budget EUR: 14 190 000

2008-2012

Disbursed 2009: 2 259 752



LOCAL DEVELOPMENT

75

SEN/012 Water and Sanitation Project for the Rural Populations of Thiès and Louga

Having benefited from several extensions, this project will have enabled over 100 000 residents in the two regions involved to have sustainable access to drinking water. It is anticipated that actions to support infrastructure users and managers, which is the final activity, will be completed by the end of the first half of 2010.

Total Budget EUR: 8 658 115

2000-2010

Disbursed 2009: 874 788

SEN/023 Facilitation Component of all Programmes related to the ICP 2007-2011

The facilitation component within ICP II ensures that the bilateral programmes, taken as a whole, are strategically and operationally consistent, and supports this sectoral assistance by means of specific support for good governance and civil society.

Total Budget EUR: 4 090 000

2008-2012

Disbursed 2009: 883 836

SEN/026 Water and Sanitation Project for the Rural Populations of Thiès and Louga

Supporting the implementation of the millennium drinking water and sanitation programme (PEPAM), programme SEN/026 is being delivered in the Thiès and Louga regions to benefit 62 000 beneficiaries in relation to access to drinking water and nearly 68 000 beneficiaries in relation to sewerage, delivered in partnership with the regional centre for low-cost drinking water and sanitation (CREPA).

Total Budget EUR: 14 220 000

2008-2012

Disbursed 2009: 3 057 870



Dakar

Senegal
Mali



Mali



HEALTH

MLI/005 Decentralisation of Social Services in Bla and Tominian

Established within the decentralisation process, project MLI/005 has made it possible to increase the accessibility, fairness and quality of provision of basic social services to all in the Bla and Tominian cercles in the Ségou region.

Total Budget EUR: 3 460 000

2004-2009

Disbursed 2009: 34 470

76

MLI/016 Basic Health Services Support Programme - ICP 2007-2011

In synergy with actions by other partners, this programme contributes to the implementation of the national programme for social and health development (PRODESS II) in the Ségou region and in the Yorosso cercle in the Sikasso region. The programme takes into account the differing characteristics of health areas with large populations by supporting the involvement of professional medical staff.

Total Budget EUR: 7 182 700

2008-2012

Disbursed 2009: 1 223 143



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

MLI/019 Vocational Training and Job Insertion Programme - ICP 2007-2011

With the specific objective of improving access for young people and women to jobs through vocational training and the development of small-scale cottage industry, this programme directly supports the implementation of Mali's policy on technical education and vocational training in the Ségou region and in the Yorosso cercle in the Sikasso region.

Total Budget EUR: 13 657 700

2008-2012

Disbursed 2009: 1 501 967



MICROFINANCE AND INCLUSIVE FINANCIAL SECTORS

AFR/017 Promotion of the Creation of an Inclusive Financial Sector for the WAMEU Zone

The first major bilateral programme by Luxembourg development cooperation in the microfinance sector, programme AFR/017 supports the Central Bank of West African States (CBWAS) to implement the actions laid down under the regional economic programme of the West African Monetary and Economic Union (WAMEU) in this sector.

Total Budget EUR: 18 825 000

2008-2013

Disbursed 2009: 1 382 892

AFR/018 Technical Assistance to the West African Economic and Monetary Union in the Telecommunications Sector

In order to allow the ordered development of the information and communication technologies sector through strong coordination by the Commission, this project supports the carrying out of a full inventory of the sector at regional level, the setting out of a joint strategy, a master plan, its action plan and the role of the WAMEU, its Commission and its member states in the delivery of these.

Total Budget EUR: 900 000

2008-2011

Disbursed 2009: 200 869



LOCAL DEVELOPMENT

MLI/004 Integrated Rural Development Project - San Ouest

Thanks to an increase in budget of 3 000 000 EUR in 2007, the project was able to exceed the anticipated quantitative results, with the development of 829 hectares of rice-growing plains with total water control, the rehabilitation of 775 hectares and the improvement of the water distribution systems.

Total Budget EUR: 6 300 000

2004-2009

Disbursed 2009: 24 363



Dakar

Senegal
Mali



MLI/008 Rural Water Management Project in Barouéli

This tripartite village water system project, involving the Republic of Mali, the Czech Republic and the Grand Duchy of Luxembourg, has made it possible to rehabilitate 194 boreholes and to set up 42 new boreholes equipped with man-powered pumps. Activities to support users' associations and local authorities will continue under the responsibility of the technical water systems services until the end of 2010.

Total Budget EUR : 2 350 000

2006-2009

Disbursed 2009 : 375 648

78

MLI/009 Support to Local Initiatives for Urban Environment Management in Bamako

Born of an initiative by the Malian association 'Yeelen', through its actions to improve the urban environment this project has made it possible to fundamentally change the appearance of Missira, Médina Coura, Quinzambougou and Bagadadji (districts of Bamako), to set up operational systems there for collecting waste and to support local initiatives relating to the improvement and management of the environment.

Total Budget EUR : 1 750 000

2003-2009

Disbursed 2009 : 44 384

MLI/013 Capacity Building for the Mediator of the Republic of Mali

This institutional support project, in which the Luxembourg Ombudsman has had a significant involvement, has set out to reinforce the capacities of the Ombudsman of the Republic of Mali.

Total Budget EUR : 280 300

2006-2009

Disbursed 2009 : 8 357

MLI/014 Water Supply in Sénou, Bamako

This project, which aims to give the residents of the Sénou district of Bamako sustainable access to drinking water, is still at the formulation stage. The start of operations will be dependent on the start of land development works in the district.

Total Budget EUR : 120 000

Formulation

Disbursed 2009 : 20 538



MLI/015 Conservation of Ancient Manuscripts of Timbuktu

This project, following on from multi-bilateral assistance from Luxembourg, began operating in April 2009. It is supporting the physical and digital conservation of the manuscripts and scientific investigations, as well as the dissemination of their content. A third significant result is expected to re-endow this vast heritage with its proper importance and make it possible to integrate it into the drafting of local development policies, strategies and programmes.

Total Budget EUR: 4 000 000

2008-2014

Disbursed 2009: 245 849

MLI/017 Water and Sanitation and Urbanisation in the South - ICP 2007-2011

With regard to drinking water and sewerage, this programme supports the implementation of actions planned under the national sectoral programme for water and sanitation (PROSEA) with the construction of drinking water supplies for over 80 000 beneficiaries. With regard to solid waste sanitation actions, these primarily relate to the urban centres in the Ségou region and some *communes* in Bamako by building in part on the achievements of project MLI/009.

Total Budget EUR: 10 068 300

2008-2012

Disbursed 2009: 2 554 218

MLI/018 Food Security Programme - ICP 2007-2011

By building on the achievements of project MLI/004, this project is making it possible to develop and put to good agricultural use over 600 hectares of shallows and 20 marsh areas for the benefit of associations of agricultural producers. Additionally, it is promoting wealth creation through its support for initiatives to maintain, convert and upgrade farming and forestry production.

Total Budget EUR: 3 259 200

2008-2012

Disbursed 2009: 306 040

MLI/020 Facilitation Component for Programmes related to the ICP 2007-2011

This component relates to good governance and the promotion of a culture of peace; it also has a mandate to monitor the consistency of the activities carried out by bilateral sectoral programmes within ICP II. Within this framework, the strengthening of capacities for planning and management, the taking into account of cross-cutting issues in the implementation of actions, the strengthening of social equity and ensuring the continued existence of achievements are the major focuses of work.

Total Budget EUR: 6 832 100

2008-2012

Disbursed 2009: 1 424 292

Hanoi

Vietnam
Laos

116/182 88 576 758

Human Development Index
2008 | Vietnam

Population | Vietnam (July 2009)
© CIA Factbook

56 1.14 %

Life expectancy at
birth | Laos

Population growth rate | Vietnam

80

90.30 %

Literacy rate | Vietnam

71

Life expectancy at birth
Vietnam

22/1000

Infant mortality rate | Vietnam

6 834 345

Population | Laos (July 2009)
@CIA Factbook

133/177
HDI 2008 | Laos

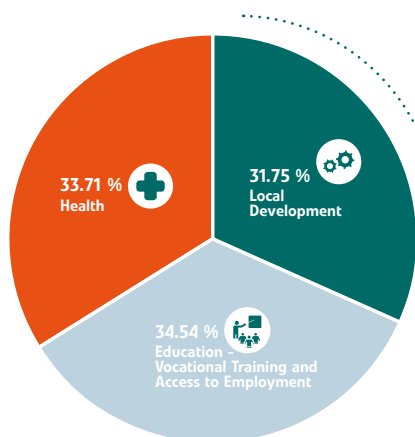
331 210 km²

Area | Vietnam

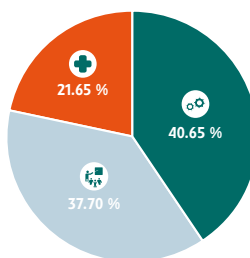


Hanoi

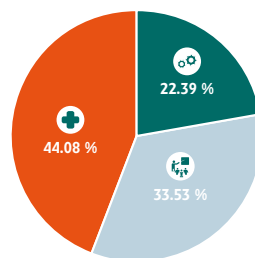
Vietnam
Laos



Distribution by sector of Lux-Development's 2009 disbursements for the Regional Office of Hanoi

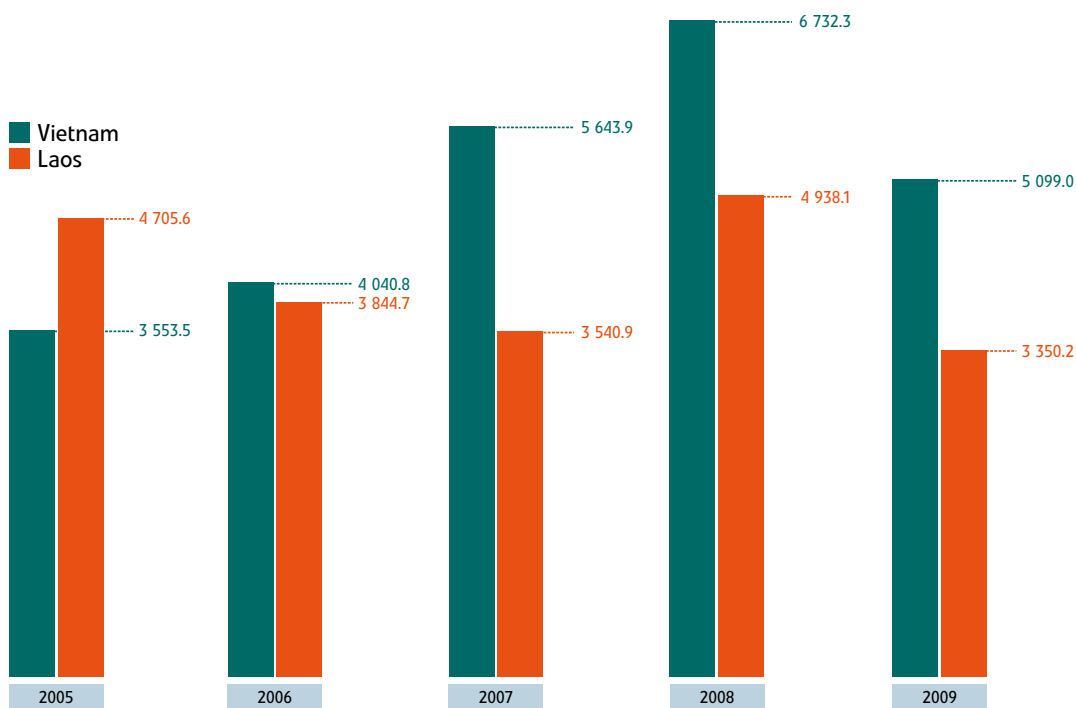


Vietnam



Laos

82



Evolution of the disbursements in Vietnam and Laos (in thousand EUR)



Hanoi

Regional Representative | Peter Heeres

The Hanoi Regional Office has been coordinating Lux-Development's activities in Vietnam and Laos since 2002. It therefore works closely with the embassy of Luxembourg, having the advantage of being housed in the same building. The Vientiane cooperation bureau in Laos was set up in 2001 and was strengthened in November 2009 by a full-time programme officer. The projects and programmes have been set up within the framework of the Hanoi Core Statement for Vietnam and the Vientiane Declaration for Laos, which are national versions of the Paris Declaration on Aid Effectiveness.

The current programme for **Vietnam** follows the guidelines of the five-year term of the second indicative cooperation programme (ICP) 2006-2010 between Luxembourg and Vietnam, with a budget of 50 million EUR. The ICP emphasises sustainable poverty reduction.

During 2009, the programme was implemented through 14 projects in the spheres of health, local development, irrigation, vocational training and banking training. A total of 5.1 million EUR was disbursed in 2009, allocated as follows: health 22%, local development 41%, vocational training 27% and banking training 10%.

Three new projects began in 2009. The project 'Health in Bac Kan and Cao Bang' in the health sector started in May. This project is closely linked to the European Union's health programme and aims to increase access to and appropriate utilisation of primary health care services by the poor. Two projects began in the local development sector: the project 'Western Nghe An Rural Development (Phase III) and Technical Assistance towards Developing Business with the Rural Poor in Cao Bang'. The programme 'Strengthening of Human Resources in the Hospitality and Tourism Sector in Vietnam' will commence in January 2010.

Within the context of development cooperation with **Laos**, 2009 is the third year of the ICP, with funds of 35 million EUR (2007-2010). The key policy documents for which the programme has been developed are the national socio-economic development plan and the national strategy for poverty eradication. The programme has been implemented through projects/programmes in the sectors of health, local development and vocational training focusing on tourism and banking. A total of 3.3 million EUR was spent in 2009, of which 44% went on health, 22% on local development, and 33% on vocational training and banking training.

The support programme for health initiatives was extended in 2009 with a view to including the province of Vientiane as well as some joint activities with Belgian development cooperation through a bilateral agreement between the governments of Belgium and Luxembourg. Luxembourg is one of the main donors to Laos in the health sector. In 2010, a third phase, for a four-year period, will begin in the local development sector in the province of Bolikhamxay. This programme will set out to improve subsistence methods and governance in the poorest districts of the province.

The ICPs for Vietnam and Laos were the subject of a mid-term evaluation conducted by the Ministry of Foreign Affairs in late 2009. The main observations from these missions are that the programmes in these two countries are implemented in a pragmatic, flexible and responsive manner, which is obviously appreciated by the majority of the participants. New ICPs for Vietnam and Laos will be prepared during 2010.

Hanoi

Vietnam
Laos

Vietnam



HEALTH

VIE/013 Health Project in Hue

Following the creation and implementation of a maintenance fund with Hué hospital, the project was closed at the end of September.

Total Budget EUR: 1 075 500

2002-2009

Disbursed 2009: 42 669

VIE/017 Hung Yen Province Health Assistance

During 2009 the project focused on monitoring the latest equipment supplied. It was closed following the final acceptance of the waste water treatment plan for Hung Yen hospital.

Total Budget EUR: 2 987 200

2003-2009

Disbursed 2009: 12 983

VIE/024 Strengthening the Management of Vietnam's National Blood Cold Chain

Following the verification of the sites for the receipt of the cold chain equipment, the equipment was installed in 237 hospitals. At the same time, training in the maintenance of cold chain equipment was delivered to users and hospital managers.

Total Budget EUR: 3 100 000

2007-2010

Disbursed 2009: 490 249

VIE/025 Strengthening the Cold Chain in the Framework of EPI

Following the installation of equipment in the immunisation sites in 2008, discussions took place in 2009 with the enlarged immunisation programme on the maintenance plans to be put in place and computerised management of the equipment, including spare parts.

Total Budget EUR: 4 200 000

2007-2010

Disbursed 2009: 381 173



VIE/027 Supporting Policy on Health Care for the Poor in Cao Bang and Bac Kan Provinces

This project started in May and aims to increase access to high-quality primary health care for the poor, as well as appropriate use of it.

Total Budget EUR: 4 999 100

2008-2012

Disbursed 2009: 177 123



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

85

VIE/021 Bac Kan Vocational Training and Education

The year started with the building project for the school. At the same time, the equipment was ordered and some of it was delivered. The curricula for the four sections were finalised and the training of teachers continued.

Total Budget EUR: 4 350 000

2005-2010

Disbursed 2009: 1 400 057

VIE/026 Development of Capital Markets in Vietnam

The project supports the State Securities Commission, which is responsible for the supervision of the financial sector in Vietnam. The technical experts gave their input in terms of supervision of the financial market, legislation, transactions on the stock exchange and information technology.

Total Budget EUR: 3 000 000

2007-2010

Disbursed 2009: 511 769

VIE/031 Strengthening of Human Resources in the Hospitality and Tourism Industry in Vietnam

In 2009 it formulation of the project was completed; it will support nine hospitality schools in Vietnam from the viewpoint of capacity-building and institutional strengthening. The project will start in January 2010.

Total Budget EUR: 2 950 000

2010-2012

Disbursed 2009: 16 416

Hanoi

Vietnam
Laos



LOCAL DEVELOPMENT

VIE/014 Western Nghe An Agricultural Development Project

This project, which began in 2002, was closed in December with the final acceptance of the suspension bridges constructed as part of the infrastructure projects in Nghe An province.

Total Budget EUR: 7 758 000

2002-2009

Disbursed 2009: 103 573

86

VIE/019 Nam Tuan Irrigation Project

The challenges of 2009 for the Nam Tuan irrigation project were the finalisation of irrigation works, the support of associations of water users in water management, and the maintenance of the irrigation channels.

Total Budget EUR: 3 293 100

2005-2010

Disbursed 2009: 524 374

VIE/020 Production of Aqua and Agricultural Products and Renewable Energy for Water Hyacinths and Waste

The studies on water hyacinths, biogas technologies and aquaculture and agriculture funded by the project were closed in September. A great deal of effort was invested in the training of farmers in the new models that had been successfully tested.

Total Budget EUR: 1 000 000

2006-2010

Disbursed 2009: 311 083

VIE/023 Quang Dien Local Development Project

This project aims to contribute to a sustainable reduction in poverty and to socio-economic development in Quang Dien district, in Thuan Thien Hue province, particularly through the funding of small-scale public infrastructure.

Total Budget EUR: 4 000 000

2007-2011

Disbursed 2009: 813 357

VIE/028 Western Nghe An Rural Development Project - Phase III

This third phase of rural development in Nghe An province started in February. The project targets the poorest communities in three mountainous districts.

Total Budget EUR: 6 000 000

2008-2013

Disbursed 2009: 263 219



VIE/029 Developing Business with the Rural Poor: Cao Bang Province

This project provides technical assistance to strengthen the capacities of the authorities of Cao Bang province within the framework of the initiative 'Developing Business with the Rural Poor' funded by IFAD.

Total Budget EUR : 2 475 044

2009-2012

Disbursed 2009 : 56 946

Laos

87



LAO/010 Nursing Training in Vientiane Province

Having had an indisputable impact on the smooth operation of Maria Teresa Hospital, the project was closed during the second quarter of 2009.

Total Budget EUR : 1 475 550

2005-2009

Disbursed 2009 : 6 417

LAO/015 Health in Vientiane Province - Phase III

This project was closed in 2009. The activities to support the funding of public health and capacity-building activities will be continued within the framework of the programme to support health initiatives (LAO/017).

Total Budget EUR : 5 544 052

2003-2009

Disbursed 2009 : 41 942

LAO/017 Lao-Luxembourg Health Initiatives Support Programme

The health programme benefited from an extension in 2009 with a view to including the province of Vientiane in its decentralised component, as well as significant support for reinforcements to health systems.

Total Budget EUR : 16 750 000

2007-2012

Disbursed 2009 : 106 776

Hanoi

Vietnam
Laos



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

LAO/008 Support to Khammouane Vocational Training School

The project assists the provincial education service to strengthen the capacities and raise the quality of the Khammouane vocational school, in order to supply skilled staff whose skills are suited to the needs of the market.

Total Budget EUR : 3 295 997

2002-2009

Disbursed 2009 : 7 646

LAO/016 Banking Training

The banking training institute receives support for the development of the curriculum and the introduction of a policy for developing human resources in the banking sector. The project is also helping with the construction of a library.

Total Budget EUR : 2 000 000

2007-2010

Disbursed 2009 : 373 861

LAO/020 Strengthening of Human Resources in Hospitality and Tourism

This project has worked with the Laos national tourism body on concepts for the future institute of tourism and hospitality, organising an architecture competition and a business plan. The chosen teachers have left to train in Singapore and Luxembourg.

Total Budget EUR : 5 500 000

2008-2013

Disbursed 2009 : 735 893

LAO/023 Strengthening the Rule of Law through Legal University Education

Thanks to Luxembourg's support and within the framework of the improvement of good governance, the project, working together with UNICRI (United Nations Interregional Crime and Justice Research Institute), will strengthen the capacities of the law faculty with a view to offering high-quality teaching in appropriate premises.

Total Budget EUR : 181 290

Formulation

Disbursed 2009 : 5 984



LOCAL DEVELOPMENT

LAO/011 Pakkading Integrated Rural Development Project

This project set out to provide fair access to appropriate social services for the poorest people in Pakkading district in order to increase their opportunities of participating in the district's economic development. The project's activities were completed in 2009.

Total Budget EUR : 5 900 000

2004-2009

Disbursed 2009 : 311 582

LAO/014 Bolikhan District Livelihood Improvement Project

The project's aim was to assist the government in the implementation of its strategy to combat poverty, targeting the poorest 47 districts. The project improved household incomes, food security and living conditions in this district, which was removed from the list of the poorest 47 districts following the project, which was closed in 2009.

Total Budget EUR : 2 100 000

2004-2009

Disbursed 2009 : 48 439

LAO/021 Bolikhamxay Livelihood Improvement and Governance Programme

This project, which is to start in 2010, is part of the national strategy to combat poverty. It supports the implementation of the socio-economic development plan of Bolikhamxay province.

Total Budget EUR : 6 000 000

2009-2012

Disbursed 2009 : 20 621

LAO/412* Oudomxay Community Initiatives Support Project

The project provides technical assistance in relation to the management, monitoring, evaluation and microfinancing of a programme funded by the International Fund for Agricultural Development, the World Food Programme and Luxembourg's Ministry of Finance. Luxembourg also provides the funding for the component of the project that deals with rural financial services.

Total Budget EUR : 2 905 550

2002-2010

Disbursed 2009 : 369 504

** Project funded by the Luxembourg Ministry of Finance*



Managua

Nicaragua
El Salvador
Ecuador

124/182

Human Development Index
2008 | Nicaragua

7 185 218

Population | El Salvador © CIA Factbook

1.78 %

Population growth rate | Nicaragua

Area | El Salvador

22/1000

Infant mortality rate | El Salvador

106/182

HDI 2008 | El Salvador

90

25/1000
Infant mortality rate | Nicaragua

72

Life expectancy at birth
Nicaragua

1.22
Average age | Nicaragua

5 891 200

Population | Nicaragua © CIA Factbook

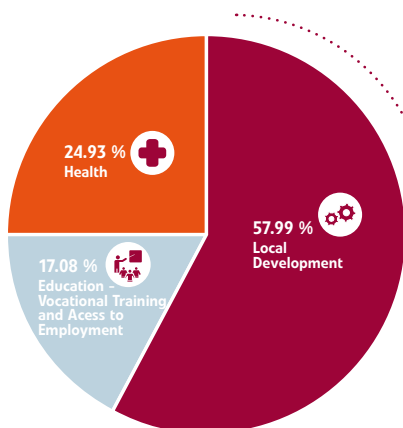
130 370 km²

Area | Nicaragua

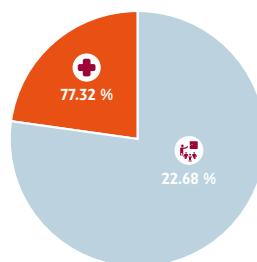
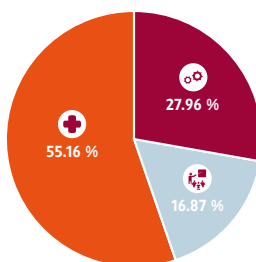


Managua

Nicaragua
El Salvador
Ecuador



Distribution by sector of Lux-Development's 2009 disbursements for the Regional Office of Managua



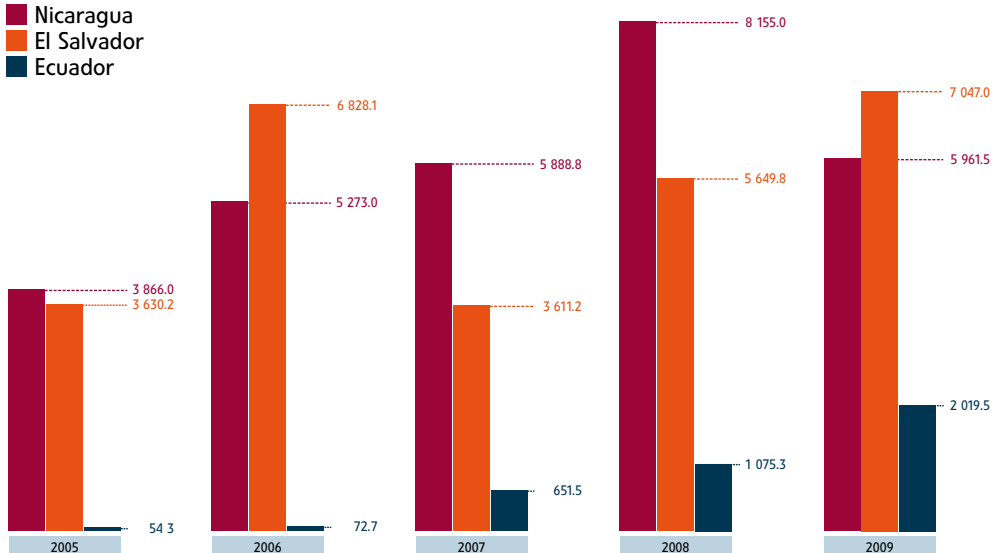
Nicaragua

Ecuador

* El Salvador: Local Development 100 %

92

Nicaragua
El Salvador
Ecuador



Evolution of the disbursements in Nicaragua, El Salvador and Ecuador (in thousand EUR)



Managua

Regional Representative | Pascal Rossignol

The Managua Regional Office coordinates the programmes of Nicaragua, El Salvador and Ecuador. During 2009, 15 million EUR were invested in the region, through 12 projects in the three countries. Overall, the programme supports Luxembourg development cooperation's priority sectors, namely health, vocational training, and drinking water and sanitation.

In **Nicaragua**, political dialogue with the national administration remains difficult. The doubts over the municipal elections and allegations of fraud were widely covered by the international media during the first half of 2009. In a climate of lack of confidence concerning electoral authority and the country's institutional systems, the international community reacted by cutting or freezing various aid programmes. Since then, without any real developments regarding the fundamental debates, and in the absence of a genuine consensus, despite the efforts made at the donors' round table and despite a new management plan for official development aid submitted by the government, the major aid initiatives are now being taken at bilateral level.

In **El Salvador**, we are involved in supporting Red Solidaria, the social assistance network, whose target is combating poverty. Following the 2009 elections, this programme has been renamed (*Comunidades Rurales Solidarias*), slightly adjusted and added to so that it also works in urban areas, while its fundamental basis remains the same. In addition, the government of El Salvador has set out to develop new policies, the most important of which will be the five-year plan for economic and social development, which will include the national strategy for production development, directly relating to our development cooperation programme.

In **Ecuador**, direct support from Luxembourg's technical cooperation ended in 2009 through a transfer of the final activities to our counterparts.

Since late 2008, the regional office has carried out a significant amount of analysis of our programme's positioning in relation to the specific context of the Central American region and future changes in line with the developments in international development cooperation in terms of improving aid effectiveness (within the Paris and Accra agreements framework). Thus, various measures to improve our performance in terms of ownership, alignment and harmonisation have been taken in the various sectors of concentration, in line with the Agency's Vision 2012.

Managua

Nicaragua
El Salvador
Ecuador



Nicaragua



HEALTH

NIC/016 Support to National Blood Transfusion

The final evaluation carried out in 2009 demonstrated that all the results initially anticipated had been achieved in good time, and also pointed to the need to continue to strengthen the institutions that are guarantors of the quality of blood transfusion in Nicaragua, the Ministry of Health and the Nicaraguan Red Cross's national blood system.

Total Budget EUR: 5 900 000

2005-2009

Disbursed 2009: 1 006 281

NIC/020 Primary Health Care with SILAIS² - Phase II

The project continues its activities, paying particular attention to ownership of the activities by the local counterparts, the SILAIS of Masaya, Carazo and Rivas and the national counterpart, the Ministry of Health. Special efforts have been devoted to achieving this in 2009 and they will be continued until the project ends.

Total Budget EUR: 8 310 000

2007-2011

Disbursed 2009: 2 282 364



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

NIC/013 Hospitality Training School of Managua

Delivered in parallel with project NIC/018 – Support to Hospitality Training in Nicaragua (which constitutes the second phase), the activities carried out in 2009 primarily relate to some additional infrastructure for the Managua hospitality school (ENAH).

Total Budget EUR: 4 233 000

2003-2009

Disbursed 2009: 75 146

2. Local system of integrated health care



NIC/018 Support to Hospitality Training in Nicaragua - Phase II

2009 was the year of final consolidation; the school became a benchmark for the hospitality sector as a whole, INTUR (the Institute of Tourism) and INATEC (the Institute of Technology), as well as vocational training in Nicaragua more generally.

Total Budget EUR: 5 080 000

2006-2012

Disbursed 2009: 907 553

NIC/023 Strengthening of Professional and Technical Competence at National Level

Taking forward the satisfactory results of project NIC/018 – Support for hospitality and tourism training in Nicaragua, project NIC/023 sets out to strengthen national capacities, with a view to creating a model for a national system of qualifications and vocational training that is sustainable in technical and economic terms, operating first of all in the electricity/electronics sub-sectors, welding and renewable energies.

Total Budget EUR: 5 000 000

2010-2013

Disbursed 2009: 23 111



LOCAL DEVELOPMENT

NIC/021 Water and Sanitation in Nueva Segovia, Madriz and Estelí

2009 saw the establishment of the technical foundations required in order to plan, with the greatest possible relevance and with the best prospects for sustainability, activities linked to the overhaul of drinking water systems and solving the issue of sanitation in the project's communities.

Total Budget EUR: 8 000 000

2008-2011

Disbursed 2009: 657 982

NIC/022 The Coffee Route

The project sets out to make use of tourism as a territorial development factor. Thanks to the high level of ownership on the part of all those involved in the project (both public and private operators), the majority of the objectives have been met in the spheres of participative planning, demonstration pilot projects, training in tourism occupations, the funding of SMEs and promotion and marketing.

Total Budget EUR: 4 500 000

2007-2011

Disbursed 2009: 1 009 051

Managua

Nicaragua
El Salvador
Ecuador



El Salvador



LOCAL DEVELOPMENT

SVD/017 Water and Sanitation - Oriente

During this final year of the project's delivery, it was found that ANDA (Administration nationale des réseaux d'eau potable et d'assainissement - national authority for drinking water and sanitation systems) needed to pay particular attention, firstly, to improving the monitoring and maintenance of installations and, secondly, to coordination with communities in relation to distribution systems.

Total Budget EUR: 6 662 041

2005-2010

Disbursed 2009: 1 136 347

SVD/019 Institutional Support to ANDA to increase its Operation Capacities in the Eastern Region (Oriente)

This type of institutional project is significantly affected by political events such as elections and changes of personnel within the institutions. In the case in point, the fact that it has succeeded in strengthening its links with the various ANDA bodies, despite the difficulties, has made it possible to consolidate the project document's vision and to carry out the various activities, over a period slightly longer than originally planned.

Total Budget EUR: 2 495 000

2005-2010

Disbursed 2009: 639 976

SVD/021 Solidarity Network Support Programme

The programme's delivery strategy, which had originally set out to carry out the activities of the six components in parallel, was changed during the 2009 annual programming. This was seen as an opportunity, since it became possible to tailor the programme's scope to the incoming government's new priorities and to offer a set of attractive investments in line with the new authorities' policies.

Total Budget EUR: 20 000 000

2007-2011

Disbursed 2009: 5 270 649



Ecuador

HEALTH

ECU/010 Support to Macas Hospital

The management method adopted by the project (national delivery with technical support) constitutes a significant advance in terms of cooperation, given that it poses new challenges both for the institutions that provide resources and for those receiving them. Communication areas need to be created that allow appropriate delivery of the projects, in addition to the clear, precise definition of the procedures to be followed in order to make resource use effective by guaranteeing transparency and effectiveness.

Total Budget EUR: 1 461 538

2007-2009

Disbursed 2009: 458 076

EDUCATION VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

ECU/009 Support to Education in the Provinces of Esmeraldas and Manabí

Completed in August 2009, the project has contributed to improving the quality of basic education in the communities of Masaya and Manabí. All the training, infrastructure and equipment activities were completed except for the construction and fitting out of the Millennium school of Manabí, which were in the end delegated to the Ministry of Education.

Total Budget EUR: 2 394 444

2007-2009

Disbursed 2009: 1 561 382



Ouagadougou

Burkina Faso
Niger

177/182

Human Development Index
2008 | Burkina Faso

15 306 252

Population | Niger © CIA Factbook

3.10 %

Population growth rate | Burkina Faso

Area | Niger

117/1000

Infant mortality rate | Niger

182/182

HDI 2008 | Niger

98

84/1000

Infant mortality rate | Burkina Faso

53

Life expectancy at birth
Burkina Faso

∞

19.1

Average age | Burkina Faso

15 746 232

Population | Burkina Faso © CIA Factbook

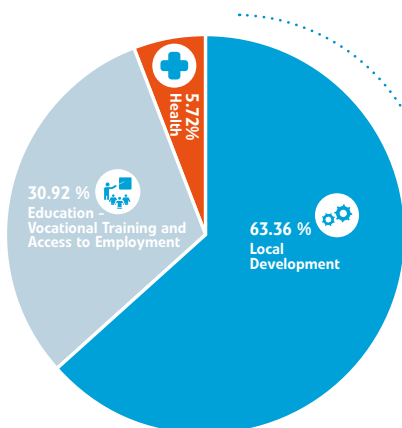
274 200 km²

Area | Burkina Faso

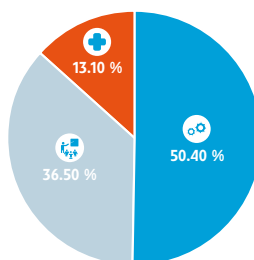


Ouagadougou

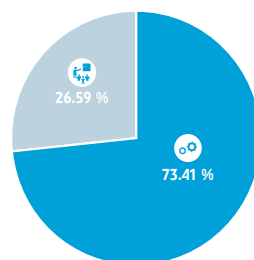
Burkina Faso
Niger



Distribution by sector of Lux-Development's 2009 disbursements for the Regional Office of Ouagadougou

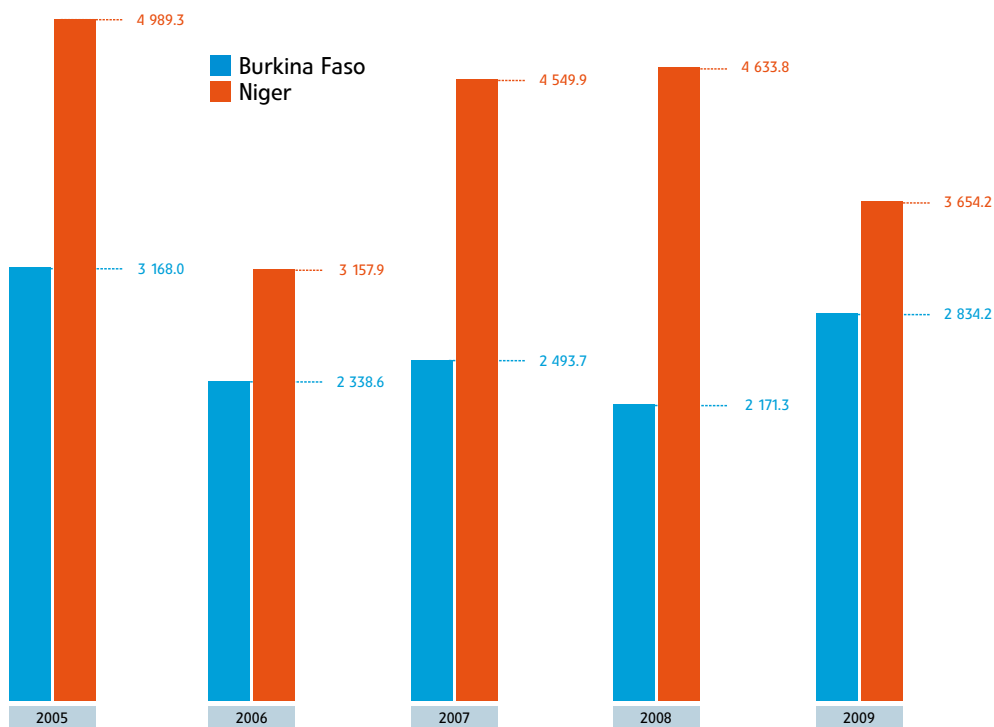


Burkina Faso



Niger

100



Evolution of the disbursements in Burkina Faso and Niger (in thousand EUR)



Ouagadougou

Regional Representative | Paolo Cervino

The Ouagadougou Regional Office is responsible for monitoring the programmes in Burkina Faso and Niger. Set up in January 2003, it was joined by the Development Cooperation Bureau of the Ministry of Foreign Affairs in October 2006 (which became an embassy in 2008). The fact that they are located in the same place facilitates communication between the Agency and the Ministry. Informal contacts take place every day and more formal meetings take place approximately every fortnight.

Development cooperation between the Grand Duchy of Luxembourg and **Burkina Faso** has grown considerably since 1996. In 1998, Burkina Faso became a privileged partner country for Luxembourg development cooperation. A first indicative cooperation programme (ICP) of 20 million EUR was implemented during the 2003-2007 period. On its completion, a second ICP with funds of 62.9 million EUR was drawn up and signed on 12 November 2007, covering a four-year period.

It should be noted that ICP II marks a shift from Luxembourg development cooperation's project approach in Burkina Faso in the direction of a programme approach. Thus, the new programme BKF/016 'Support for the National Multi-functional Platforms programme' is a first step in this direction. Formulation has been led by Burkina Faso's Ministry of the Economy and Finance, with the support of the United Nations Development Programme (UNDP) and Luxembourg development cooperation. The programme document thus produced envisages its implementation by means of a joint funding tool and a single procedural guide. Similarly, support for the national vocational training programme is currently being developed in partnership with the *Agence Française de Développement* (AFD) and support for the national programme for forestry resources management (via the three-year programme on the environment and living conditions / PROTECV) is currently being developed with Swedish development cooperation (ASDI).

Niger is one of the six privileged partner countries for Luxembourg development cooperation on the African continent. Relations between the two countries date from 1989. The first cooperation agreement was signed on 12 July 1995 and a second followed on 12 December 2002. Since then, a first indicative cooperation programme (ICP), covering the 2003-2007 period, has been developed and implemented.

The second-generation ICP covers the 2008-2012 period. In comparison with the previous ICP, the funding provided to Niger has been significantly increased, with an allocation of 60 million EUR. 20% of these resources have been placed within a multilateral framework. Two areas of focus are set out in the Niger ICP II: rural development and technical and vocational training, with assistance for young people to enter the world of work and the promotion of employment.

However, following Niger's constitutional crisis, the Ministry of Foreign Affairs of the Grand Duchy of Luxembourg decided, on 25 August 2009, to suspend the signing of new execution mandates. The formulation of projects relating to the 2008-2012 ICP was also suspended. Only the projects whose delivery was already underway when the Ministry took its decision have been continued.

Ouagadougou

Burkina Faso
Niger



Burkina Faso



HEALTH

BKF/013 Support to the National Blood Transfusion Centre - Phase II

Collection of blood pouches has exceeded the targets set for 2009. Having been so successful, the project was granted an increased budget so that it could expand its coverage and thus increase its activities even more.

Total Budget EUR : 2 466 100

2007-2010

Disbursed 2009 : 371 179

102



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

BKF/010 Literacy and Sustainable Development in the Hauts-Bassins Region

This project, which made it possible to enlarge literacy coverage in the *Hauts-Bassins* region, is in the closure phase and its work has been passed on to project BKF/014 for a final withdrawal phase.

Total Budget EUR : 4 202 410

2004-2010

Disbursed 2009 : 37 710

BKF/011 Vocational Training in Burkina Faso

Well before being able to invest in works or equipment, as of the start of the 2009-2010 academic year the project has provided information to and raised the awareness of local people to encourage enrolments and develop sectors in the partner establishments.

Total Budget EUR : 5 000 000

2007-2013

Disbursed 2009 : 473 753

BKF/014 Literacy and Training for Sustainable Development in the Hauts-Bassins Region - Phase III

This third phase of the project is to gradually establish autonomy in the teaching centres. In order to do this, studies followed by training courses have enabled the various participants to organise and manage themselves better in order to improve the decentralisation of services.

Total Budget EUR : 3 000 000

2008-2012

Disbursed 2009 : 519 848



BKF/018 Support Programme to the Implementation of the National Education and Vocational Training Policy of Burkina Faso

Lux-Development has been given a remit to carry out three preliminary studies, working together with the *Agence Française de Développement*, which will then lead to the formulation of support for the implementation of the national policy on technical and vocational education and training (TVET).

Total Budget EUR: 110 000

2002-2009

Disbursed 2009: 3 090



LOCAL DEVELOPMENT

103

BKF/012 Natural Resource Management Project for the Bobo-Dioulasso Basin

This project seeks to support forest management by enabling the local economy to develop while protecting the environment.

Total Budget EUR: 5 956 729

2006-2011

Disbursed 2009: 1 091 035

BKF/015 Support for the Development of a National Forestry Inventory

The activities in this project, the aim of which is to participate in the sustainable management of forestry resources through the conduct of a second national forestry inventory and the creation of a permanent national system, will only properly begin in 2010.

Total Budget EUR: 4 000 000

2009-2014

Disbursed 2009: 121 694

BKF/016 National Multifunctional Platforms Programme

The aim of this national programme is to equip the villages with multifunctional energy-generating platforms. Luxembourg, via Lux-Development, will take part in setting the programme up.

Total Budget EUR: 209 000

2009-2014

Disbursed 2009: 139 033

BKF/017 Support for the rolling-out of Zébu Azawak

This project, formulated in 2009, continues the actions of the Belgian development agency in this sector. It aims to improve the performance of Azawak livestock and the management of associated grazing resources.

Total Budget EUR: 157 000

2009-2010

Disbursed 2009: 76 818

Ouagadougou

Burkina Faso
Niger



Niger



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

NIG/016 Primary Education Project in Dosso

This project, begun in 2005, was extended by several months in 2009 so that the final actions could be completed and formal acceptance of the final works could be issued.

Total Budget EUR: 6 100 000

2005-2010

Disbursed 2009: 947 269

NIG/017 Programme to Support Technical and Vocational Training and Help Young People to Access Employment

The delivery of this programme, formulated in 2008 and 2009, has been suspended in view of the political situation in Niger.

Total Budget EUR: 155 000

2008-2009

Disbursed 2009: 139 632

NIG/019 Support for the Implementation of the 10-year Education Development Plan in the Dosso Region

A formulation team prepared a programme document in 2009, but since the political situation in Niger is unstable and Luxembourg development cooperation with this country has been interrupted, the programme is currently suspended.

Total Budget EUR: 207 900

2009-2010

Disbursed 2009: 89 329



LOCAL DEVELOPMENT

NIG/014 Handicrafts Development in Niger

This project, the third and final phase of Luxembourg support in the small-scale crafts businesses sector in Niger, consolidated the achievements of the previous phases and made progress towards our withdrawal by entrusting the technical and financial management of the activities to the department for the promotion of small-scale crafts businesses.

Total Budget EUR : 2 064 000

2003-2010

Disbursed 2009 : 8 981

NIG/015 Rural Integrated Development Project in Dosso

This project, begun in 2005, was extended by several months in 2009 so that the final actions could be completed.

Total Budget EUR : 8 459 556

2005-2010

Disbursed 2009 : 1 552 402

NIG/018 Programme to support Local Authorities and the Implementation of the Rural Development Strategy

A formulation team prepared a programme document in 2009, but since the political situation in Niger is unstable and Luxembourg development cooperation with the country has been interrupted, the programme is currently suspended.

Total Budget EUR : 235 000

2009-2010

Disbursed 2009 : 173 904

NIG/116 Support for Commune Initiatives on School Water and Sanitation in the Department of Boboye in Niger

This project, cofinanced by the European Commission, supports the *communes* in acting as project owners for water system infrastructure in about 100 primary schools and strengthening the capacities of teachers, pupils and their parents. The project has been given a one-year extension.

Total Budget EUR : 3 552 193

2005-2010

Disbursed 2009 : 947 269



Praia

Cape Verde

121/182

Human Development Index 2008

429 474

Population © CIA Factbook

6.2/1000

Infant mortality rate

0.56 %

Population growth rate

3.5 %

Urbanisation rate

23.5/1000

Birth rate

106

41/1000

Infant mortality rate

72

Life expectancy at birth

3.07

Children born/women

76.6 %

Literacy rate

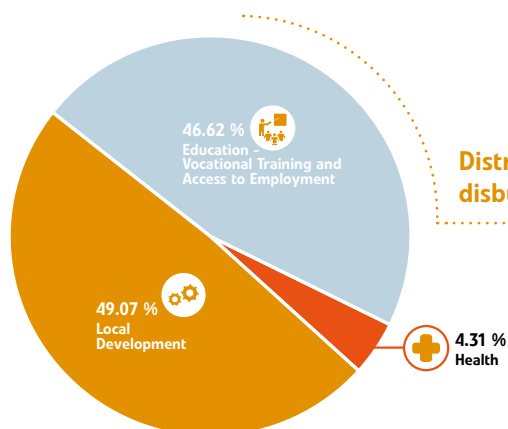
11.1

Average age

4 043 km²

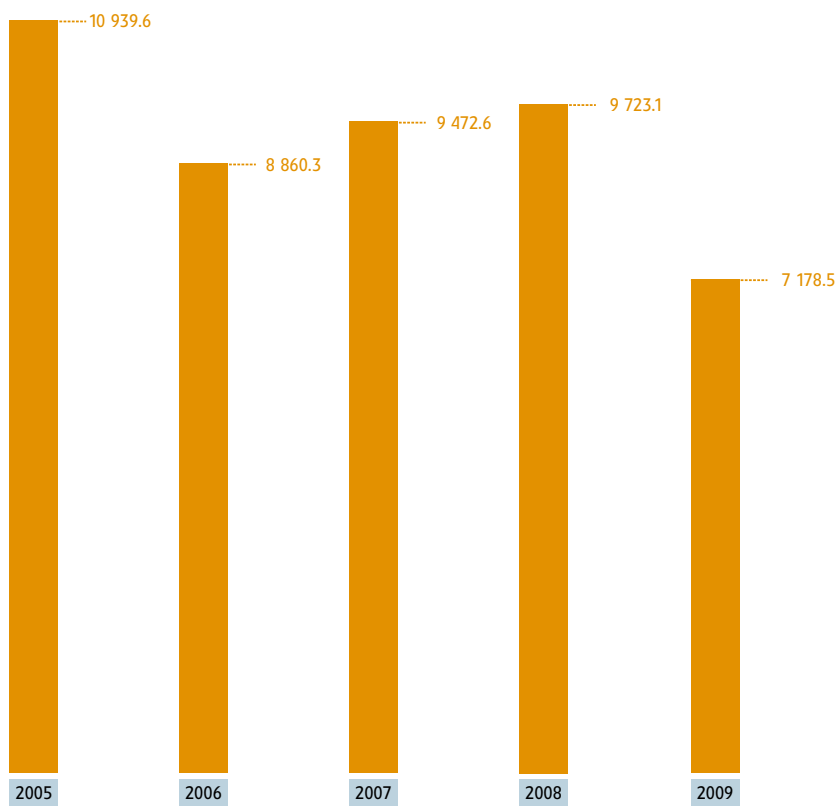
Area





Distribution by sector of Lux-Development's 2009 disbursements for the Regional Office of Praia

108



Evolution of the disbursements in Cape Verde (in thousand EUR)



Praia

Regional Representative | Mauro Lupo

Development cooperation between Cape Verde and the Grand Duchy of Luxembourg dates back to the first years of the archipelago's independence (1975). However, it was not until after 1993, with the designation of Cape Verde as one of the target countries for Luxembourg development cooperation policy, that links between the two countries became closer, becoming 'a great tradition'. Between 1993 and 2000 no less than 35 million EUR were invested in spheres as diverse as health, school infrastructure, electrification, sanitation, water and agriculture. Over recent years the intervention sectors have been reduced, being primarily restricted to two main sectors, vocational training and water and sanitation. In 2009, since it was a year of transition between two indicative cooperation programmes (ICPs), there was a slight fall in disbursements.

The ICP 2006-2010 between Cape Verde and Luxembourg, with overall funds of 45 million EUR, involves the implementation of development projects in three priority sectors: education and vocational training, health, and water and sanitation. The sectors on which the ICP focuses undoubtedly make a lasting contribution to the reduction of poverty and the attainment of the Millennium Development Goals (MDGs). Although Cape Verde has already achieved the MDGs with regard to access to drinking water and primary education, there is still much to do in the sanitation sector, the poor relative of the water sector. However, this country, where governance is seen as exemplary and successful, is a model for Africa as a whole.

Cape Verde's move in the direction of the group of middle-income countries has been made possible through an increase in its revenue per resident, an improvement in its human development index and a decrease in the poverty index, which fell from 37% in 2001 to 25% in 2009. It is, however, true that the recent crisis that has shaken Europe has had rather adverse consequences in the country resulting from a fall in remittances by immigrants to Cape Verde and a fall in foreign investment in tourist properties.

Luxembourg development cooperation has experienced positive growth throughout the 1990s, continuing to the present. In 2009, the Grand Duchy of Luxembourg can - modestly - claim to have contributed to Cape Verde's ascent to the level of middle-income countries, to the establishment of the special partnership with the European Union and also membership of the World Trade Organization. This is due to the country's progress in the human development indices and stability, at political, social and economic levels. With the opening of two international airports (Boa Vista and São Vicente) over the past two years, the government of Cape Verde is placing its hopes in the growth of tourism as an engine of economic development for the years ahead, while setting itself the target of exceeding the threshold of 600 000 tourists per year by 2013.

Praia

Cape Verde

Cape Verde



HEALTH

CVE/056 Support to the Regional Health Development Plan of *Santiago Nord*

Through the construction and/or overhaul of health structures (regional hospital, health centres and units), the project has made a strong contribution to improving health care in the Santiago Nord health region.

Total Budget EUR : 10 948 000

2004-2011

Disbursed 2009 : 172 145

CVE/060* Support to Drug Addiction Treatment Facilities

The project has set up a residential therapeutic community equipped with specialised services for weaning drug-dependent people off drugs, psychotherapeutic support for patients and support for socio-professional reintegration into the outside world.

Total Budget EUR : 1 342 000

2003-2010

Disbursed 2009 : 125 237

* Project funded by the Luxembourg Ministry of Finance

CVE/075 Support for the Implementation of the National School Health Programme - Phase III

This project aims to contribute to improving the health of children and adolescents at school by supporting the implementation of the national school health programme and the national school canteens programme.

Total Budget EUR : 3 200 000

Formulation

Disbursed 2009 : 12 085



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

CVE/059 Hotel and Tourism School for Cape Verde

The aim of the project is to develop a national training and qualifications system in the tourism and hospitality sectors. The first hospitality and tourism school in Cape Verde is being built in Praia and is expected to open in October 2010.

Total Budget EUR : 6 897 000

2006-2010

Disbursed 2009 : 1 712 567



CVE/064 Strengthening of National Vocational Training Capacities

Over the past five years, the project to strengthen technical education has contributed to the revision of curricula, the design of new technical education programmes, the creation of teaching materials and the training of teachers for technical disciplines and workshop instructors for vocational training activities.

Total Budget EUR : 3 460 000

2004-2010

Disbursed 2009 : 57 979

CVE/071 Support to Vocational Training

This project supports the strategic vocational training plan adopted in December 2006 by the National Assembly, which sets out to improve coordination between training provision in the institutions responsible for vocational training and the demands of the employment market.

Total Budget EUR : 12 540 000

2008-2012

Disbursed 2009 : 1 530 233

CVE/074 Study of the School Infrastructure Management and Maintenance System for Primary and Secondary Education

The study consists of an analysis of the existing systems for the management and maintenance of school infrastructure in order to put forward, where necessary, possible areas for improvements in the quality of these systems and to estimate the cost of actions to be taken.

Total Budget EUR : 100 000

2008-2010

Disbursed 2009 : 1 786

CVE/076 Construction and Fitting Out of a Secondary School in Ponta Verde (Fogo)

In addition to the construction and fitting out of a secondary school in Ponta Verde – on the island of Fogo – the current secondary school in São Filipe will benefit, through this project, from new equipment for its laboratories.

Total Budget EUR : 4 500 000

2009-2012

Disbursed 2009 : 44 185



Praia

Cape Verde



LOCAL DEVELOPMENT

CVE/035 Road Infrastructure on Santo Antão

In order to contribute to the improvement of the socio-economic environment and a reduction in the isolation of the rural populations on the island of Santo Antão, a 23-kilometre long road has been built between Porto Novo and Janela, at the north-eastern end of the island. This road infrastructure was opened in May 2009. The project has been cofinanced by the European Commission and Luxembourg development cooperation.

Total Budget EUR: 10 705 000

1997-2010

Disbursed 2009: 3 755

CVE/049 Tarrafal Market

A new market for food products and manufactured goods has been built in the town of Tarrafal, on the island of Santiago, while the old market has been renovated and converted into a crafts and cultural centre, thus creating a hub for activities in the town centre.

Total Budget EUR: 1 488 000

2002-2010

Disbursed 2009: 174 297

CVE/067 Food Aid 2006-2010

The food aid project, governed by a five-year agreement between the governments of Luxembourg and Cape Verde, relates to the annual supply of wheat of bread-making quality by boat, delivered to the national food security agency (ANSA).

Total Budget EUR: 7 500 000

2006-2010

Disbursed 2009: 1 613 038

CVE/069 Water Supply in São Domingos – Phase II

During the intervention, the institutional capacities of the independent water and sanitation service (SAAS) of São Domingos municipality were strengthened, making a significant contribution to improving the quality of water supply services offered to the local people and to developing individual sanitation systems.

Total Budget EUR: 1 773 000

2007-2010

Disbursed 2009: 1 050 151

CVE/070 Water and Sanitation on Fogo and Brava

On the islands of Fogo and Brava, water is produced and distributed by the 'intercommunal' company Aguabrava. The project's aim is to strengthen the capacities of all *Aguabrava*'s staff, by setting up proper technical, commercial, administrative and financial management, with a view to making it fully autonomous by 2011.

Total Budget EUR: 5 000 000

2007-2011

Disbursed 2009: 680 999



Pristina

Kosovo
Serbia
Montenegro

67/182

Human Development Index
2008 | Serbia

672 180

Population | Montenegro © CIA Factbook

36.7

Average age
Montenegro

-0.85 %

Population growth rate | Montenegro

65/182

HDI 2008 | Montenegro

114

13 812 km²

Area | Montenegro

74

Life expectancy at birth
Serbia

1 804 838

Population | Kosovo © CIA Factbook

10 887 km²

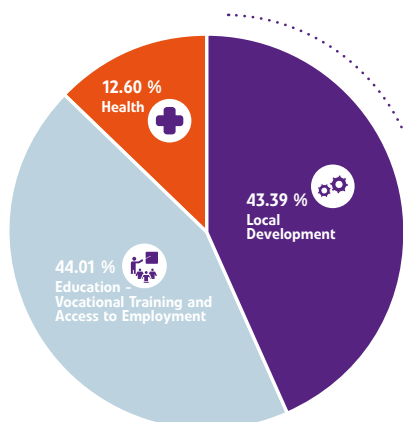
Area | Kosovo

Average age | Kosovo

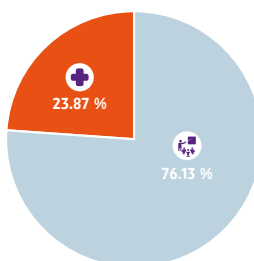


Pristina

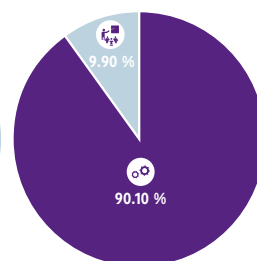
Kosovo
Serbia
Montenegro



Distribution by sector of Lux-Development's 2009 disbursements for the Regional Office of Pristina



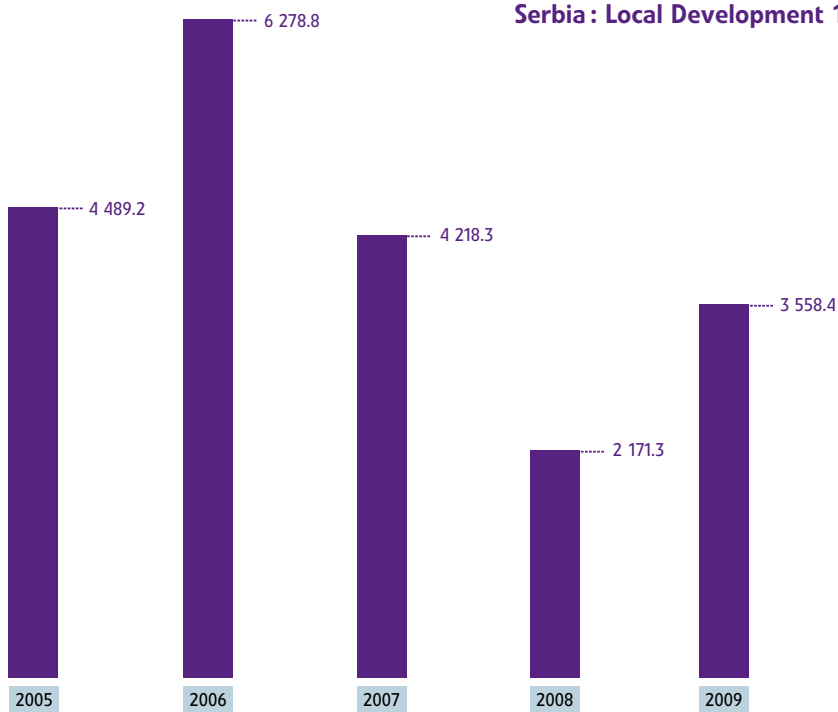
Kosovo



Montenegro

Serbia : Local Development 100 %

116



Evolution of the disbursements in the Balkans (in thousand EUR)



Pristina

Regional Representative | François Delfosse

On a modest scale, in comparison to the indicative cooperation programmes in the privileged partner countries, the Balkans programme is particularly dynamic, reflecting an ambitious, lasting and consistent commitment by Luxembourg development cooperation in the Western Balkans.

The consolidation of the regional office, based in Pristina, Kosovo, has been of considerable importance for Lux-Development, as an operational reflection of this commitment towards the Balkans. The fact that the office is located in the field, and its proximity to the projects and their context, has certainly created a positive synergy that will benefit the quality of the Balkans programme in the medium and long term.

However, the main issue, clearly, is the operational context, which can be seen in the Balkans programme's portfolio. In 2009 this gained three new projects, as well as a formulation mandate and an extension decision, while one project – in the agriculture sector in Montenegro – was in the closure phase.

Of course, the three formulations that took place in 2008 led to the launch of three new projects: one in the sector of water and sanitation in Serbia (Novi Pazar municipality), one in health in Kosovo, and one in education in Montenegro.

In addition to these launches, Lux-Development was given a formulation mandate for a future project in the vocational training sector in Kosovo, while the mid-term evaluation of another project in Kosovo, also in the vocational education sector, concluded that it should be extended.

This is the reflection of a healthy geographical and sectoral concentration of operations in the three priority sectors of health, education and water and sanitation, which is dynamic and consistent.

Pristina

Kosovo
Serbia
Montenegro



Montenegro



LOCAL DEVELOPMENT

YUG/009 Milk Enterprise Development in Northeast Montenegro - Phase II

This project, whose activities ended in mid-2009, helped to increase the revenues of the rural population in the north-east of Montenegro through the development of the dairy sector.

Total Budget EUR : 2 975 400

2005-2010

Disbursed 2009 : 347 267

YUG/012 Forestry Development in Montenegro - Phase II

After an initial successful phase, the project is supporting the strengthening of the operational capacities of forestry institutions and operators in Montenegro. The project aims to encourage legislative and institutional changes in order to bring Montenegro closer to European Union standards and legislation.

Total Budget EUR : 3 500 000

2007-2011

Disbursed 2009 : 709 668



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

MNE/011 Support to Vocational Training in Montenegro

The main aim of this project, which started in summer 2009, is to develop and implement national and regional sectoral strategies. In addition, educational provision in the spheres of agriculture and tourism will be strengthened.

Total Budget EUR : 4 100 000

2009-2013

Disbursed 2009 : 116 116



Pristina

Kosovo
Serbia
Montenegro



Kosovo



HEALTH

KSV/014 Strengthening the Health Sector in Kosovo through Interventions in the Prizren District

The project began in April 2009 and its main aim is the implementation of national health strategies. More specifically, the project focuses on the design and establishment of an integrated health care management system.

Total Budget EUR: 6 500 000

2009-2013

Disbursed 2009: 383 728



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

KSV/015 Support to the Professional Secondary School System in Kosovo

The formulation remit was received in late 2009 and the project will work on the establishment of two skills centres: the economics school in Prizren and the health school in Ferizaj, supporting construction, fitting out, development of curricula and staff training.

Total Budget EUR: 8 000 000

2009-2014

Disbursed 2009: 61 493



YUG/010 Strengthening Vocational Training in Kosovo

This project primarily relates to young people aged between 16 and 25 in Kosovo. The Ministry of Employment and Social Protection and the Don Bosco Centre in Pristina are the two focal points for the implementation of activities.

Total Budget EUR : 3 500 000

2006-2010

Disbursed 2009 : 1 162 246

121

Serbia



LOCAL DEVELOPMENT

SRB/013 Support to Novi Pazar Municipality - Phase II

The project was launched in September 2009 and is working on the overhaul and expansion of the water supply service in Novi Pazar. It aims to offer a reliable water supply at a socially and economically acceptable price.

Total Budget EUR : 4 500 000

2009-2013

Disbursed 2009 : 112 598



Other countries

Morocco
Mongolia
Namibia
Rwanda
Tunisia

167/182

Human Development Index
2008 | Rwanda

2 108 665

Population | Namibia © CIA Factbook

26 338 km²

Area | Rwanda

2.87 %

Population growth rate | Rwanda

46/1000

Infant mortality rate | Namibia

128/182

HDI 2008 | Namibia

122

62/1000

Infant mortality rate | Rwanda

57

Life expectancy at birth
Rwanda

21.8

14

Average age | Rwanda

10 746 311

Population | Rwanda © CIA Factbook

824 292 km²

Area | Namibia



Other countries

Morocco
Mongolia
Namibia
Rwanda
Tunisia



Mongolia



HEALTH

124

MON/003 Cardiovascular Diagnostic Centre - Phase II

In 2009, the second phase of the cardiovascular diagnostic centre has focused on training doctors in the use of the ultrasound equipment supplied in 2008, as well as the associated diagnostic techniques. The project has also contributed to the government's work to set up an eHealth strategy.

Total Budget EUR: 2 431 300

2007-2010

Disbursed 2009: 416 800



EDUCATION

VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

MON/004 Financial Sector Capacity Building and Training Project

This project, in the process of formulation, will support the financial regulatory commission, which is responsible for regulating the non-banking sector in Mongolia through the development of capacities and institutional reinforcement.

Total Budget EUR: 44 000

Formulation

Disbursed 2009: 25 259

Rwanda



HEALTH

INT/108 ESTHER Initiative | Hospital Partnership Luxembourg - Rwanda

Luxembourg development cooperation is continuing its contribution in the health sphere in Rwanda and aims through this project to consolidate and ensure the sustainability of existing achievements before the final handover to the authorities. The programme is also refocusing on areas of added value, such as the strengthening of the central clinic for research on HIV/AIDS (TRAC clinic) and the Rwandan network of people living with HIV/AIDS (RRP+ network).

Total Budget EUR: 4 765 000

2008-2010

Disbursed 2009: 1 978 044

RWA/023 Support to National Health Sector

This programme supports the implementation of the Rwandan government's strategic plan for the health sector by strengthening decentralisation and improving the coordination of the health system's actions and the monitoring of its quality, particularly with regard to maternal/infant health and HIV/AIDS issues. The project works in particular in the district of Rwamagana and its hospital. Together with a task force from the Ministry of Health, it will also carry out the drafting of establishment plans for all the country's hospitals.

Total Budget EUR: 6 000 000

2010-2013

Disbursed 2009: 56 051

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LOCAL DEVELOPMENT

RWA/022 Integrated Rural Development in Bugesera

The project sets out to contribute to increasing, securing and diversifying opportunities in the Bugesera region. In particular, it is supporting a major pilot irrigation programme covering 230 hectares, preparing the way for high added value production irrespective of rainfall conditions. In addition, transport and distribution infrastructure has been improved in the region (two markets and a road). Several farmers' cooperatives are supported by the project, particularly for the development of irrigated areas. The investment phase has in the main been delivered and it is now planned to extend the project in order to ensure that achievements are consolidated.

Total Budget EUR: 8 541 500

2003-2010

Disbursed 2009: 869 511

Other countries

Morocco
Mongolia
Namibia
Rwanda
Tunisia



Namibia



LOCAL DEVELOPMENT

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NAM/343 Formalisation of Informal Settlements in Rundu and Katima Mulilo and Extension of the Water and Sanitation Network in Rundu

The project supports the process of formalising various districts in the towns of Rundu and Katima Mulilo in the north of the country. Approximately 12 000 people will be affected in the long term and will be able to buy a plot of land at a subsidised price. Support is also being given to the authorities to improve public services and develop water and sanitation systems in the newly formalised districts.

Total Budget EUR: 9 450 000

2006-2011

Disbursed 2009: 2 206 026

NAM/345 Caprivi and Kavango Rural Water

This project is intended to be part of the national policy for the decentralisation of services and relates in particular to the issue of water supply in rural areas in the Kavango and Caprivi regions. The project aims to repair and construct water points in the two regions and to train the water point committees in the management and maintenance of infrastructure. The support services for the region have also been strengthened as part of the project.

Total Budget EUR: 3 196 769

2008-2011

Disbursed 2009: 539 330



NAM/348 Geographic Information System - Phase IV

The new GIS project is part of Vision 2030, the third Namibian national development plan, and aims to support the process to make the Bureau of Statistics (CBS) more effective. In the long term, the CBS should be a fairly autonomous institution able to provide an appropriate response in terms of statistics. The project has been extended, mainly to allow support in the phase of preparation for the next census, in August 2011.

Total Budget EUR: 1 259 650

2008-2011

Disbursed 2009: 464 115

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EDUCATION VOCATIONAL TRAINING AND ACCESS TO EMPLOYMENT

NAM/347 Support to Vocational Training

This project is part of the Ministry of Education's programme for the improvement of the education and training sector, and also of the national plan 'Vision 2030'. A logical follow-on to Luxembourg development cooperation's interventions in Namibia, the intervention supports the establishment of the Namibia Training Authority. This new agency will from now on be responsible for implementing vocational training policy and will manage some vocational schools, at least during a transitional phase.

Total Budget EUR: 4 965 000

2008-2011

Disbursed 2009: 1 705 725

Summary table by country

	Total Budget EUR	Disbursed 2009 EUR
DAKAR OFFICE	158 061 675	20 587 499
<i>Senegal</i>	<i>79 076 375</i>	<i>11 240 468</i>
<i>Mali</i>	<i>59 260 300</i>	<i>7 763 269</i>
<i>Regional Africa</i>	<i>19 725 000</i>	<i>1 583 762</i>
HANOI OFFICE	105 831 383	8 449 199
<i>Vietnam</i>	<i>54 178 944</i>	<i>5 098 973</i>
<i>Laos</i>	<i>51 652 439</i>	<i>3 350 226</i>
MANAGUA OFFICE	74 036 023	15 027 918
<i>Nicaragua</i>	<i>41 023 000</i>	<i>5 961 488</i>
<i>El Salvador</i>	<i>29 157 041</i>	<i>7 046 972</i>
<i>Ecuador</i>	<i>3 855 982</i>	<i>2 019 458</i>
OUAGADOUGOU OFFICE	45 874 888	6 488 354
<i>Burkina Faso</i>	<i>25 101 239</i>	<i>2 834 160</i>
<i>Niger</i>	<i>20 773 649</i>	<i>3 654 194</i>
PRAIA OFFICE	69 453 000	7 178 457
<i>Cape Verde</i>	<i>69 453 000</i>	<i>7 178 457</i>
PRISTINA OFFICE	39 930 400	3 044 663
<i>Kosovo</i>	<i>18 000 000</i>	<i>1 607 467</i>
<i>Albania</i>	<i>6 855 000</i>	<i>151 597</i>
<i>Montenegro</i>	<i>10 575 400</i>	<i>1 173 001</i>
<i>Serbia</i>	<i>4 500 000</i>	<i>112 598</i>
OTHER COUNTRIES	49 890 619	9 545 451
<i>Morocco</i>	<i>2 938 000</i>	<i>787 757</i>
<i>Mongolia</i>	<i>2 475 300</i>	<i>442 059</i>
<i>Namibia</i>	<i>26 206 119</i>	<i>4 943 043</i>
<i>Rwanda</i>	<i>15 781 200</i>	<i>3 001 965</i>
<i>Tunisia</i>	<i>2 490 000</i>	<i>370 627</i>
VARIOUS	2 731 510	560 507
<i>AAA, EUR, MAE</i>	<i>2 731 510</i>	<i>560 507</i>
TOTAL	454 809 498	70 882 048



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