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#### DAC AID REVIEW OF NORWAY

The Development Assistance Committee (DAC) of the OECD met on 9th October under the chairmanship of Mr. Joseph Wheeler to review the development assistance efforts and policies of Norway. The Norwegian Delegation was led by Ms. Bjørg Leite, Director-General in the Ministry of Foreign Affairs. The examining countries were Austria and Italy.

The Committee noted with appreciation that Norway has maintained its outstanding official development assistance (ODA) volume performance. In 1989, the net disbursements of ODA totalled \$917 million and the ODA/GNP ratio equalled 1.04 per cent -- the highest ratio among DAC countries. The Committee further welcomed that the 1991 aid budget proposal increases the appropriations to 1.09 per cent of anticipated GNP. This reflects the continued high priority for aid in Norway. The Committee also noted that support for Eastern Europe and global environmental issues is funded outside the aid budget. Although ODA disbursements have levelled off since 1986, the Norwegian authorities confirmed that the 1990 disbursement rate would improve. ....

The Committee expressed its satisfaction with a number of qualitative aspects of the Norwegian aid programme: almost exclusive provision of aid in the form of grants, liberal procurement policies, a large share of multilateral contributions, the concentration of aid on a limited number of main partner countries, mainly least developed and other low-income countries and special emphasis on environment and women in development (WID). The administration of environmental affairs has been strengthened and formal procedures for environmental impact assessment have been established. As for WID, individual action plans for all main partner countries have been completed. In both cases, special budget items are available, in addition to other regular components of aid, so as to encourage aid activities in these fields. In the field of population, the Committee noted with appreciation Norway's large financial contribution, and encouraged Norway to continue to take a leading role in this respect.

The Committee was informed of the recent reorganisation of the Norwegian aid administration, which included a restructuring of NORAD along geographic lines, its re-establishment as a largely autonomous executing agency of bilateral aid and the incorporation of the Ministry of Development Co-operation into the Ministry of Foreign Affairs. The Committee encouraged the Norwegian Delegation to consolidate the new administrative structures as soon as possible, keeping in mind in particular the preservation of aid-specific competence. Efforts and progress in the evaluation field were appreciated and the Committee encouraged the Norwegian authorities to further develop the use of the findings thus obtained.

Norway extends a large proportion of its bilateral ODA in the form of commodity assistance and import support. In response to the acute needs of its major recipient countries in Sub-Saharan Africa, there has been a shift of commodity assistance from Asia to Africa. The Committee discussed possible ways to ensure effective use of commodity assistance including strengthening administrative capacity of recipients and more active involvement of the field missions. It noted with interest the use of market-based systems for the allocation of import support to end-users including private enterprises. The Committee also noted with satisfaction the more active participation by Norway in multilateral policy dialogues on structural adjustment programmes and the increased policy emphasis on sectoral programmes.

END-OF-TEXT