

International peacemaker

Norwegian development cooperation

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Norway is a generous donor and enjoys high visibility as a peace broker. Public support is high, despite criticism from some quarters. It now wants to rejuvenate the UN and work more closely with the EU.



Alamy/ Tompiodesign

Norway reached its goal of spending 1% of gross national income on official development assistance in 2009. Opposition parties and others criticize key elements of the government's foreign policy but the outcome of the

parliamentary elections in September 2009 points to a steady course for the next four years: further increases in Norway's aid budget and a continuation of the government's international agenda.

Norway has a very strong economy and has been less affected by the global economic crisis than most comparable countries. The government has been able to maintain a level of international assistance and retain Norway's position as one of the world's top donors in relative terms. In real terms, the situation is even more striking: with the national income growing rapidly – fuelled by high oil prices – Norway was able to double its international assistance between 1999 and 2008.

As Prime Minister Jens Stoltenberg's centre-left coalition government embarks on a second four-year term, its priorities have already been set. New white papers on foreign policy, development assistance and humanitarian aid promise a continued focus on and further integration between these policy sectors.

According to the government, Norway's foreign policy interests in an increasingly interconnected world 'can no longer be limited to narrow self-interest'. An international legal order and multilateral regimes are seen as 'vital' to Norway; addressing climate change and violent conflict are identified as focal points in the fight against poverty and it is argued that globalization 'is increasingly turning peacebuilding, international organization and human rights into *realpolitik*'.

Scale and structure

Norway has spent some 250 billion kroner (€30 billion) on international development assistance since the 1950s. The target of 1% of gross national income was set in 2005 by the new coalition (Labour, Socialist Left and Centre parties). The government reached this target in the 2009 budget, when the allocations for long-term cooperation, humanitarian aid, peacebuilding and cooperation in research and business were increased to €3.12 billion.

In 2008, 44% of Norway's total aid was bilateral, 24% multilateral and 27% multi-bilateral with 5% going to administration costs. In all, 110 countries received bilateral aid from Norway. Top of the list was Afghanistan (€88 million), followed by Tanzania, Sudan, the Palestinian Authority-Administered Territories, Mozambique, Uganda, Zambia, Malawi, Nepal and Serbia.

The Ministry of Foreign Affairs (MFA) manages long-term state-to-state cooperation, as well as Norway's multilateral assistance and

humanitarian aid. The MFA includes the Ministry of the Environment and International Development: in 2007, the International Development Minister, Erik Solheim, also took responsibility for the Ministry of the Environment, since when environmental issues have been pushed up the aid agenda.

Norad, the Norwegian Agency for Development Cooperation, is the main public implementing organization besides the MFA. As a directorate within the MFA, Norad's role is to ensure that foreign aid is effective and that quality control and evaluation processes are in place. It provides finance to NGOs and carries out its own research and development projects. A substantial part of bilateral aid is channelled through NGOs. The five largest – Norwegian Church Aid, the Norwegian Refugee Council, the Norwegian Red Cross, Norwegian People's Aid and Save the Children Norway – received a total of €237.5 million in 2008.

Policy priorities

The cornerstones of Norway's development and foreign policy are the scale of its international assistance and its role as a mediator in international peace processes. Indeed, the two have become increasingly interconnected in recent years.

Norwegian priorities reflect changes in the global landscape (such as armed conflict, migration and climate change) as well as the ideological profile of current and recent governments. The underlying justification for aid has shifted to some extent, from a conservative concept of moral obligation to a social democratic one of international solidarity.

Norway is a 'soft' donor: assistance is generally directed to the poorest countries in accordance with the UN Millennium

Development Goals; self-interest in terms of security is mostly not an issue. Assistance is untied with a large proportion given as general budget support.

Norway is the world's seventh largest donor to the UN system (2007). The government is eager to revitalize the UN now that the George W. Bush administration has left office. But it is also disappointed with UN Secretary General Ban Ki-moon's leadership. A leaked MFA memo in August 2009 described Ban Ki-moon as uncharismatic, hot-tempered, invisible and irrelevant on several political issues, including the global economic crisis, poverty, Sri Lanka and Burma.

The European Union features less prominently than the UN as a partner in development. Although not a member, Norway is closely integrated with the EU. A 2009 white paper on international assistance states the government will cooperate more closely on development issues.

For the MFA, Norway's main development policy objectives are to 'fight poverty and bring about social justice' and to focus on 'areas where Norway can make the greatest contribution'. In a 2009 white paper on foreign policy, the country's strengths are explicitly linked to the character of Norwegian society, described as 'a resource reservoir and tool for Norwegian foreign policy'. In some areas, such as human rights and women and gender equality, Norway is itself a top performer. Other areas reflect its broader international profile: the environment, peacebuilding, human rights, humanitarian assistance and good governance. Projects in democratization receive substantial support, including political diversity, civil society development, media development and security and justice sector reform.

International assistance is also provided to sectors where Norway has particular technical competence. Its first development initiative, for example, was a fisheries project in Kerala, India. Today, assistance for technology transfer and resource-related governance focus on oil, gas and clean energy sources, primarily channelled through the Norad programme, Oil for Development (OfD), and the smaller, Clean Energy for Development. OfD operates in more than 25 countries. In recent years, Norway has, for example, helped draft Timor-Leste's petroleum law which emulates legislation governing Norway's own 'Oil Fund'. OfD's expenditures in 2009 were expected to reach €30 million, with Mozambique, Sudan and Timor-Leste the biggest recipients. Renewable energy is also a target area for Norfund, a government-owned finance institution that invests in companies in developing countries. Norfund's total investment portfolio stood at €641 million at the end of 2008.

Financial clout

Norway enjoys a high international profile as a generous donor and as a peacemaker. The country also commands respect for its financial strength. By early 2009, Norway's Government Pension Fund – Global or simply the 'Oil Fund', owned 1% of the world's stock markets, making it the second-biggest sovereign wealth fund. Under finance minister Kristin Halvorsen, of the Socialist Left Party, the fund has taken an increasingly activist role. Ethical guidelines bar it from making investments that may contribute, for example, to human rights violations, corruption or environmental damage. The fund has made international headlines by pulling out of companies such as Walmart (because of its labour practices) and Israel's Elbit Systems Ltd (because of its involvement in the construction of the barrier between Israel and the West Bank).

A peacemaking role

Norway's active role as a peace mediator and facilitator is often explained by reference to particular traits of Norway itself. In 1988, a young scholar and activist, Jan Egeland, published his thesis which would become a manifesto of sorts for Norway's future role as a peacemaker. Egeland argued that Norway was particularly well suited to play such a role – a small country with no colonial past and no great power ambitions. A couple of years later, Egeland was hired as a deputy minister of foreign affairs and got, in his own words, the opportunity 'to create the empirical material that was missing in the thesis'. Behind the scenes, Egeland was a key player in the 1993 Oslo Accords between Israel and the Palestinians. He also played an important role in the peace process that led to the 1996 peace accords and ended Guatemala's 36-year civil conflict.



Reuters/ Anuruddha Lokuhapuarachchi

Norway's role as peacemaker is not always

Norway has since been involved in peace processes in Sri Lanka, Sudan, the Middle East, Colombia, the Philippines, Timor-Leste, Haiti, Burundi, Eritrea, Mali and Cyprus. In several cases, the government has worked with Norwegian NGOs already present 'on the ground'. The government's extraordinary readiness to cooperate with NGOs in foreign policy is the key aspect of what is often called 'the Norwegian model'.

appreciated. Protesters in Colombo, Sri Lanka, April 2006.

With no historically 'natural' aid partners, the direction of

Norwegian international assistance has first and foremost been determined by need. The largest proportion of Norwegian aid has thus gone to sub-Saharan Africa: today, five out of Norway's seven main partnership countries are Tanzania, Mozambique, Uganda, Zambia and Malawi. The remaining two are Bangladesh and Nepal.

International assistance also follows Norway's engagement in peace processes. Sudan, the Palestinian Authority-administered territories and Sri Lanka were major recipients from 2005 to 2008. The promise of aid has made concessions more palatable in negotiations and funding has sought to ensure that an agreed peace will last.

The role as peacemaker is not without its disappointments. Back home the most controversial topic is the Israeli-Palestinian conflict. Successive governments have prided themselves on their balanced relationship of trust with leaders on both sides of the conflict. But with the Israelis and Palestinians both becoming more radicalized since the 1993 Oslo Accords, this 'balance' has become more complicated. Israeli authorities, in particular, have criticized Norway and at home the government has come under repeated fire from the pro-Israel Progress Party and the Christian People's Party.

In recent years, a major factor affecting assistance has been the deployment of the Norwegian army. Humanitarian and development aid have followed Norwegian forces into Bosnia, Kosovo and, above all, Afghanistan. In Afghanistan, the Norwegian government has encouraged its main Norwegian NGO partners to concentrate their work in Maymana in the northern province of Faryab, where Norway runs an International Security Assistance Force provincial reconstruction team. Afghanistan is today the largest single recipient

of bilateral aid from Norway. As such, it may also be said to constitute a major challenge in terms of the politicization of aid. Whereas it is difficult to question the needs of the country, it is clear that aid here is part of a package aimed at 'winning hearts and minds'.

Norway's involvement with the conflict in Sri Lanka gradually became unpopular with both parties. Erik Solheim's readiness early on to talk with the Liberation Tigers of Tamil Eelam angered nationalists and the Sri Lankan government; later in 2009, as the LTTE was approaching its final defeat against the Sri Lankan army, Solheim alienated the Tamils by encouraging the LTTE to lay down their arms.

The situation in Afghanistan also points to the tension inherent in the aim of integrating foreign (and defence) policy with international assistance: traditionally, at least in principle, the former has been seen as an arena of legitimate self interest and the latter one of altruism. A concept of 'expanded self-interest' formulated in the 2009 white paper on foreign policy may be read as an attempt to square that circle.

Questioning Norwegian aid

A common claim by sceptics in Norway, as in other countries, is that large sums are lost to corruption and bureaucracy and that the aid does little, if anything, to reduce poverty in developing countries. Controversies specific to Norway concern the close ties between the MFA, development and humanitarian NGOs and academia. Critics also challenge the country's role as peacemaker – its rationale and its rate of success.

Foreign policy priorities and practice have traditionally been

consensual in Norway. However, discussion concerning Norway's international role and engagement has changed significantly over the last decade or so. To a large extent, this is due to the rise of the Progress Party, Europe's most enduring right-wing populist party. Declaring 'traditional assistance' to be ineffectual, and comparing its costs to the unmet needs of Norway's own sick and elderly, the party has called for drastic cuts in development assistance. Norway's second-largest party, the Progress Party is also sceptical of Norway's role as a peacemaker.

The Conservative Party, the largest on the right before the rise of the Progress Party, on the other hand, has overseen a steady increase in international assistance while in government. In the 2009 election campaign, the party criticized the Labour-led government for turning the 1% target into a 'mantra' and caring less about how the money was actually spent; cuts, however, were not the main point.

In the 1990s, there was also significant scepticism in the Conservative Party over Norway's emerging role as an international peacemaker. However, the 2001-2005 centre-right coalition government, led by Prime Minister Kjell Magne Bondevik of the Christian People's Party, continued on its predecessor's diplomatic course. It was during Bondevik's government, for instance, that Norway's peacemaking efforts in Sri Lanka began – led, incidentally, by Erik Solheim of the Socialist Left Party.

In the September 2009 election campaign, disagreement over foreign and development policy weakened the prospects for a coalition between the Conservative, the Progress and Christian People's Parties. The disagreement between the last two on international aid issues appeared insurmountable, even though the Progress Party softened its 'cut-aid-to-the-bone' image, pledging to

be 'critical of the system of forced contributions to state development aid through taxation' and to focus instead on investment in developing economy enterprises. It may be added that Norway does not have a strong tradition of private philanthropy.



Reuters/ Denis Balibouse

The Norwegian model: Erik Solheim, development minister, during Sri Lankan peace talks, October 2006.

The most significant *intellectual* critiques of Norway's international role in development and peacemaking have been provided by professors Terje Tvedt and Øyvind Østerud. In 2003, Tvedt, a historian at the University of Bergen, published a study that presented a fresh reading of what he termed 'the south-political project'. With new and controversial terminology, Tvedt described a 'do-good regime' [*godhetsregime*] where 'elite circulation' between the political, research and NGO sectors has created a 'national-

corporatist' system. Those inside this system, argued Tvedt, have substantial self-interest in international aid and simultaneously shape the policy and prevent the system from being criticized.

Professor Østerud, a prominent political scientist at the University of Oslo, triggered fierce public debate, later dubbed 'the aid war', with an editorial in *Aftenposten* in 2006. Østerud questioned what had been achieved by decades of Norwegian international assistance or by the country's more recent role as a peacemaker.

In a subsequent magazine article, Østerud described how many former aid workers and experts had contacted him telling how they had criticized over-financed, wasteful and failed projects, only to be told to keep quiet or their contracts would be terminated. Østerud also questioned Norway's achievements – or indeed what any country without leverage can achieve – in bringing about peace. 'There are many indications that what is missing in this world is not primarily brokers and facilitators', he remarked.

The most important critic of Norway's success is probably Hilde Henriksen Waage on the Middle East. Waage argued that the Oslo Accords were not so much the result of brilliant diplomacy, as of the weakness of the Palestinian side at the time. Although controversial when first published, this interpretation has since gained much ground.

As for systematic evaluations of international aid effectiveness, several studies suggest that Norwegian *and* international assistance has had limited success in stimulating economic growth and reducing poverty. But research also indicates that 'aid effectiveness has increased in recent years' and that international assistance can play an important role in poverty reduction. This lends support to the

Norwegian government's focus on the Millennium Development Goals and its renewed emphasis on good governance, national ownership and poverty reduction.

In 2006, a report from a government-appointed committee also argued that aid had done little to increase investment and generate growth. Its main recommendation was that Norwegian long-term assistance should concentrate on 'poor countries with good governance, that are able and willing to achieve poverty reduction and economic development'. These countries, in turn, should, as a rule, be allowed to manage the funds and bring about their own development.

These broad recommendations resonate with government policy. However, optimizing international assistance is a continuous struggle. In November 2008, an evaluation report from the Office of the Auditor General found 'significant weaknesses' in 'realizing the goals of timely and effective assistance of high quality' in the management of Norway's humanitarian assistance. Case processing times were often too long, there were weaknesses in the financing system and follow-up was inadequate, according to the report.

Yet, despite a critical media and fluctuations in support for political parties, public support for Norway's international assistance remains high and fairly stable. The most recent survey by the Central Bureau of Statistics, in 2007, found that 15% of respondents would increase international assistance, while 47% would keep it at the current level and 32% would reduce it. Three-quarters of respondents also thought that Norwegian assistance is producing good results.

Further information

- Norwegian Agency for Development Cooperation: www.norad.no

- A selection of Ministry of Foreign Affairs white papers in English: <http://tiny.cc/whitepapers>
- Riksrevisjonen (2008) The Office of the Auditor General's Investigation into the Effectiveness of Norwegian Humanitarian Assistance, Document 3:2 (2008–2009): <http://tiny.cc/oag>

Photo credit main picture: ANP/ Heiko Junge

Footnotes

- 1.

'Norge har allerede doblet bistanden' [Norway has already doubled international assistance]. *Dagens Næringsliv*, 23 July 2008.

- 2.

Ministry of Foreign Affairs white papers: St.meld. no 15, (2008–2009) *Interesser, ansvar og muligheter. Hovedlinjer i norsk utenrikspolitikk* [Interests, Responsibility and Opportunities: Main Lines in Norwegian Foreign Policy]; St.meld. no. 13 (2008–2009) *Klima, konflikt og kapital. Norsk utviklingspolitikk i et endret handlingsrom* [Climate, Conflict and Capital. Norwegian Development Policy: Adapting to Change]; St.meld. no. 40 (2008–2009) *Norsk humanitær politikk* [Norwegian Humanitarian Policy]. <http://tiny.cc/whitepapers>

- 3.

St.meld. nr. 15, p. 10.

- 4.

St.meld. nr. 13, pp. 6-7; St.meld. nr. 15, p. 11.

- 5.

Assistance given through multilateral organizations but earmarked for specific projects and programmes.

- 6.

All figures in this section are taken from the Norad website:

www.norad.no

- 7.

'Sviende norsk refs av FN-sjefen' [Scathing Norwegian Criticism of UN Boss]. *Aftenposten*, 19 August 2009. Subsequent official comments from the MFA did little to suggest that the assessment was not shared there.

- 8.

St.meld. nr. 13, p. 103.

- 9.

Ministry of Foreign Affairs, Development Cooperation 2009:

http://www.regjeringen.no/en/dep/ud/selected-topics/development_cooperation.html?id=1159

- 10.

St.meld. nr. 15, p. 10.

- 11.

Jan Egeland (1988) *Impotent Superpower-Potent Small State*:

Potentials and Limitations of Human Rights Objectives in the Foreign Policies of the United States and Norway. Scandinavian University Press.

- 12.

Eli Stamnes and Halvard Leira (2007), 'Aktivisme, politikk og forskning i det godes tjeneste' [Activism, politics and research for the purpose of doing good] (interview with Jan Egeland). *Internasjonal Politikk*, 65(4): 123-132, on p.125.

- 13.

St.meld. nr. 15.

- 14.

The main indicator being Norway's membership of NATO and the main exception its non-membership of the European Union.

- 15.

Progress Party statement on http://www.frp.no/no/Vi_mener

- 16.

Terje Tvedt (2003) *Utviklingshjelp, utenrikspolitikk og makt. Den norske modellen [International Assistance, Foreign Policy and Power: The Norwegian Model]*. Oslo: Gyldendal.

- 17.

Øyvind Østerud (2006), 'Lite land som humanitær stormakt?' [A small country as a humanitarian great power?] *Nytt Norsk Tidsskrift*, 4: 303-313.

- 18.

Øyvind Østerud (2004) 'Lite land redder verden' [A small country saving the world] (op-ed). *Aftenposten* 7, June 2006.

- 19.

See Hilde Henriksen Waage (2004) *Peacemaking Is a Risky Business: Norway's Role in the Peace Process in the Middle East, 1993–96*. PRIO Report. Oslo: PRIO.

<http://www.prio.no/Research-and-Publications/Project/?oid=63744>

- 20.

Rune Jansen Hagen and Karl Rolf Pedersen (2002) *Norsk bistand femti år: Resultater og utfordringer*. [Norwegian International Assistance Fifty Years On: Achievements and Challenges]. Institutt for Samfunnsøkonomi, Norges Handelshøyskole. *Samfunnsøkonomisk Debatt*, 19.

- 21.

Nye roller for frivillige organisasjoner i utviklingssamarbeidet. Utredning fra utvalg oppnevnt av Utenriksdepartementet [New roles for voluntary organizations in development cooperation. Report from a committee appointed by the Ministry of Foreign Affairs], 15 June 2006.

- 22.

Jørn Rattsø (2006) 'Bistandsreform: Organisasjonenes roller' [International Assistance Reform: The Role of the Organization] (op-ed). *Verdens Gang*, 22 August. (Rattsø served as chair of

the committee).

- 23.

Riksrevisjonen (2008) *The Office of the Auditor General's Investigation into the Effectiveness of Norwegian Humanitarian Assistance*, Document 3:2 (2008–2009). [View PDF](#)

- 24.

Humanitarian aid amounts to about 1/10 of Norway's total international assistance.

- 25.

Central Bureau of Statistics (2007) *Holdninger til og kunnskap om norsk bistand, 2006*. 17 April 2007 [View PDF](#)