

Chapter 6: Results and accountability of Norway's development co-operation

Results-based management system

Indicator: A results-based management system is in place to assess performance on the basis of development priorities, objectives and systems of partner countries

Norway has continued its efforts to build a stronger culture for managing results. It uses its partners' monitoring frameworks as the starting point for results management, primarily geared towards capturing results at the programme and project level. However, Norway has problems linking these outcomes to its broader development objectives, a challenge shared by many DAC members. In recent years, Norway has enlarged its output-based aid portfolio. As the Government moves forward, it should prioritise supporting its partners' capacity to manage for results.

Norway is strengthening its results-based management system

Norway has invested significant effort in building (and integrating within its aid system) a culture of results-based management since the last peer review. Norway currently has in place a set of guidelines and tools for managing results and risks in the development aid context.¹ Norad, as lead in quality assurance, has made it a priority to strengthen results management practices in its *Strategy Towards 2015*, with a specific follow-up to direct quality assurance of aid towards results (Norad, 2011a). Norad's results management section, comprising a staff of seven, is responsible for supporting the Ministry, embassies and Norad departments in their work related to results management issues, including training. The Department for Quality Assurance regularly carries out, on behalf of the Ministry and other Norad departments, reviews of the Norwegian embassies that manage grants to assess, inter alia, their results and risk-management practices, then provides training as needed. The past grant management reviews have shown that results and risk-management practices, to some extent, have been strengthened over the years, but officials acknowledge that there is still room for improvement.²

Norway has also standardised the procedures for managing all funds administered by MFA, embassies, and Norad in a new *Grant Management Manual* (MFA, 2013), integrating operational guidelines for results and risk management, as well as financial management. Under these new procedures all administrative staff in Oslo and at foreign missions are required to use a common electronic system for financial management and project monitoring. The new manual is a positive step towards a more comprehensive approach to funding partners. This should allow more systematic assessment of results and risks, including the misuse of ODA funds at all stages of the programme management cycle, although it is too early to gauge the effects on the system.

Norway needs to make its planning and budgeting processes more results-oriented

The overarching objectives of Norway's ODA policies and programmes are set annually in the national budget, with resources allocated to various budget lines. However, the annual budget bill remains a compilation of programmes and their allocations; budget lines are not explicitly tied to outcome and output indicators of performance. Furthermore, there appears to be a break in the chain of results at the ground because Norway's embassy work plans, or appropriation letters, do not contain a results framework, making it difficult to assess the amount each programme contributes to its partner country's development objectives and, in the broader sense, to Norway's objectives. The Ministry of Foreign Affairs is encouraged to incorporate concrete and measurable objectives and projected results in its national budget as well as country-level work plans for better results-based reporting, and to improve the link between budgets, objectives and results.

Norway takes an innovative approach to results measurement but should also prioritise supporting its partners' capacity to manage for results

Norway has made progress on the recommendation for a results-based management approach. In a number of prioritised sectors, namely forestry, energy, and health, the Government has expanded its output-based aid (i.e. disbursement of funds to the partner conditional on delivering a measurable action or achieving a performance target). In principle, the starting point for Norway's results management is its partners' monitoring frameworks (Norad/MFA, 2008). It neither operates using its own standard indicators, nor imposes indicators on its development partners; instead it draws primarily on its partners' data and reporting systems. Responsible programme units and embassies that manage grants assess the results based on partners' reports. Tools and guidelines are available for grant managers, but these are not always systematically used. Despite Norad's quality assurance and advisory roles, it is not mandatory for programme units and embassies to consult Norad about results frameworks agreed with their partners, or to use a common template provided by the agency, and the resulting variance in quality has been highlighted by Norad as a challenge. As the responsibilities for measuring results largely rest with its partners in the field, Norad could give higher priority to supporting its partners' capacity to integrate effective results management, especially in light of the recent evaluations (Norad, 2011b; OAG, 2011) pointing to the general lack of results indicators and baseline data hindering Norway's ability to report results at the level of outcome or impact.³

Norway's contribution to good practice in results management in fragile states is well appreciated by the DAC

As shown in Norad's 2011 *Results Report: Aid and Conflict*, Norway has a clear understanding of the contexts of conflict and fragility in which it operates, monitors the sensitivity and results of its activities and country strategies in these states, and adapts as required to ensure a "do-no-harm" approach. It channels a substantial amount of its assistance through multilateral organisations, and therefore relies on their planning and results systems. In the follow-up and monitoring of support to fragile countries, the embassies play an active role at country level in co-ordinating and aligning with country priorities. In some cases, evaluations have shown that a lack of resources and staff hinder follow-up

activities and conflict sensitivity assessments during the implementation phase.

Since a lot of the challenges surrounding results-based management are magnified in fragile contexts, donors need to pay special attention to filling learning gaps on which methods work and which do not in these contexts. Towards this end, Norway, together with Belgium, led development of the DAC's *Guidance on Evaluating Peacebuilding Activities in Settings of Conflict and Fragility* (2012), and hosted a feedback workshop in Oslo in 2011 to draw lessons from recent evaluations, including Norway's own. The Government should be commended for its leadership in strengthening learning and improving development results in situations of conflict and fragility. Norway should continue to work on this challenging area jointly with other donors, and share experiences to build methodology on good practice, including results from the implementation of the new DAC guidance.

Evaluation system

Indicator: The evaluation system is in line with the DAC evaluation principles

Norway is an advanced donor within the evaluation community and an active contributor to a number of international development evaluation forums, including the work of the DAC Network on Development Evaluation. Norad's Evaluation Department works according to its mandate to maintain its independence, and has good capacity to conduct strategic and programme evaluations that meet DAC quality standards. Better quality control over decentralised evaluations or reviews could also help improve the programme's evidence base. Norway could also collaborate more closely with other partners to perform joint evaluations and help build evaluation capacity in its partner countries.

Norway's evaluation policy and system are based on DAC principles

The Evaluation Department, an independent unit within Norad since 2004, has a staff of eleven, and is responsible for initiating and organising independent evaluations on all aspects of the Government's development co-operation, as well as for communicating these results to the decisions-makers and the public, combining its advisory and evaluation functions, aid administration and information work. The Evaluation Department also advises the Ministry, embassies, and Norad on technical evaluation matters⁴, and is an active contributor to a number of international evaluation forums, including the DAC Network on Development Evaluation (EVALNET). The work of the Evaluation Department is complemented by the Department for Quality Assurance, which provides guidelines, assistance, and training to staff to improve the evaluability of projects and programmes.

In accordance with the government regulations for financial management, the Evaluation Department performs evaluations “to acquire information about whether aid schemes are effective in relation to resource consumption, organisation and specified objectives” (MFA, 2006). The work of the Evaluation Department is governed by a 2006 mandate from MFA, the *Instructions for Evaluation Activities in Norwegian Aid Administration*⁵, and is guided by the Department's Evaluation Policy, also published in 2006, which meets the DAC principles and has clear objectives.⁶ Evaluations are also guided by the political priorities set out by the Storting and the Government.

Norway's evaluation function is independent and appropriate

The Evaluation Department works according to its mandate to maintain its independence and to be recognised as such. Although a department within Norad, it reports to the Secretary-General of MFA. The evaluation function, independent of Norad's other specialised departments, is subject to separate instructions. Evaluations are independently carried out by competitively-selected external consultants and researchers. The Department selects the evaluation topics in consultation with relevant departments in the Ministry, embassies, and Norad, based on significance, uniqueness, and risk (Norad, 2006). Its practice of broadly consulting with key stakeholders in developing its evaluation programme has been praised in a recent evaluation (Norad, 2013)⁷ although partner countries are not included, an aspect Norad recognises as its weak point.⁸ It is also responsible for facilitating the evaluation process and may act as an observer, but is not to interfere with the neutrality and independence of the process (Norad, 2013). The departments, embassies, and organisations responsible for managing ODA grants are also responsible for control, evaluation, and learnings in connection with their activities. While the Department does not have a formal role in the quality control of evaluations performed by other parts of the aid administration, it is within its mandate to provide advice on evaluation methodology upon request. Better quality control over decentralised evaluations or reviews could help improve the evidence base of the overall Norwegian aid programme.

Norad has clear plans and an appropriate budget for evaluation

The Evaluation Department has good capacity to conduct strategic and programme evaluations on the basis of a rolling three-year programme that is revised annually. It conducts eight to twelve evaluations per year to evaluate the main parts of the Norwegian aid budget over a period of four to five years. The primary objective is to achieve a good balance among evaluations of thematic priorities, programme and policy, and, aid systems and channels. According to the Department, development aid is a well evaluated sector within the Norwegian public sector system. In 2012, Norad allocated NOK 25 million (approximately USD 4.3 million) for all central evaluations, an appropriate budget to deliver on its objectives.

Norway could make its evaluations more participatory by using local expertise and conducting joint evaluations

The Evaluation Department is attempting to work with other partners to perform joint evaluations that are identified as a “preferred” modality in its evaluation mandate. It engages in three to six joint evaluations each year. Norway met the Paris Declaration target on shared analysis in 2010 with its share of analytical work done with its development partners reaching 69%. However, that figure represented a decline compared with the previous levels of 89% in 2007 and 80% in 2005. The officials recognise joint evaluations as a weak area that requires further effort. Still the Evaluation Department views this particular type of evaluation as rather “cumbersome” and prefers to co-operate selectively with fewer like-minded partners, like Sweden (Norad, 2011d). The Evaluation Department supports international initiatives that promote capacity building for evaluation in developing countries, such as the International Programme for Development Evaluation Training and the International Initiative for Impact Evaluations. Involving partners in evaluations, too, is one way to help strengthen their interest in evaluation, while building individual and institutional capacities (OECD, 2013). Norway could further strengthen its support to building the evaluation capacity of developing countries by partnering with local institutions, as well as using and reinforcing their existing capacities in line with the DAC guidance (OECD, 2010).⁹

Institutional learning

Indicator: Evaluations and appropriate knowledge management systems are used as management tools

Although well-developed, Norway's system of learning should be better integrated within its aid system. Evidence is not systematically used within the programming cycle. It is also unclear whether lessons from its results monitoring influence its decisions on bilateral aid. Greater impact might be achieved by creating a system-wide evaluation culture, implementing the formal management response system, and capturing and disseminating findings more systematically.

Norway should ensure proper management of evaluation feedback

Norway has a well-developed system to ensure programme staff buy-in and that management responds to and follows up on evaluation findings (OECD, 2013). However, as highlighted by the recent findings on its evaluation system (Norad, 2013), this formal response process is not always followed. The lack of a systematic process for assigning clear reporting lines and follow-up responsibilities on evaluation recommendations appears to be a major issue, especially for thematic evaluations that cut across various departments and sometimes agencies.

Norad is making innovative efforts to disseminate evaluations for learning purposes

For Norway, evaluations serve the dual functions of keeping the actors in development policy accountable for its administration and contributing to generating knowledge and gaining experience. In the interest of education, Norad has an established system for disseminating the results of Norwegian development co-operation through seminars and other forums, such as publishing all evaluation reports and multi-year evaluation plans on its website. A recent evaluation also found that its evaluation reports have been reposted to a range of other external websites (Norad, 2013). Since 2007, it has published its annual flagship publication, *Results Report*, which provides a glimpse at the array of results by specific theme achieved by Norwegian aid (e.g. aid and conflict in 2011, capacity development in 2010) with an emphasis on lessons learned. Its objective is to generate professional and public interest in the results, even when controversial. In addition, the Evaluation Department uses innovative technologies such as Twitter to inform current development debates with evaluation findings. The Department also places no restriction on the authors of evaluation studies to republish their work externally, such as in a book or in an academic journal, once the reports are formally launched and presented to the public. This encourages further dissemination of Norad's evaluation work beyond the evaluation community and should be continued. Norad's Evaluation Department received a national award by the Government in 2011 for its transparent and proactive communication of its results.

Norway needs to ensure that knowledge is influencing decision-making

As noted above, learning is an explicit objective of the evaluation process. However, as highlighted in a recent evaluation (Norad, 2013), evidence is not systematically used within the programming cycle, and lessons from the results work do not always influence decision-making. For example, new initiatives appear to be launched before a proper analysis is conducted to ensure feasibility, sustainability, and the ability to achieve intended results. Further there does not appear to be a knowledge management system to build upon evaluation results and other evidence for learning, analysis, and improving future programme design. The Office of the Auditor General also noted that the Ministry of Foreign Affairs was not doing enough to use knowledge gathered from the results of development co-operation (OAG, 2011).

Communication, accountability, and development awareness

Indicator: The member communicates development results transparently and honestly

Since 2008, Norway has taken steps to increase transparency in its development co-operation, including by making the entire Norwegian aid data from 1960 to the present accessible on Norad's website, and working towards implementing its Busan commitment on transparency. The Government communicates its development results in a transparent and open manner, but it should develop proper communication plans to ensure a more targeted approach to communicating its results to the right people using the right media.

Norway is making progress on transparency

Norway is transparent about the way it works and the results it achieves with its aid. As discussed earlier, the Government systematically disseminates the results and learnings of its evaluations and reviews in a variety of ways. Norad's annual *Results Report* is its primary tool for communicating the results of Norway's aid to the public, combining information from evaluations and other sources. The statistics portal on Norad's website, launched in 2011, also facilitates transparency into the use of development co-operation funds.¹⁰ Moreover, the active engagement in aid issues by the Storting, through its Standing Committee on Foreign Affairs and Defence, and the annual budget discussion, lend a high degree of transparency to its programme. Two important consequences have resulted: 1) the Storting, and by implication, the Norwegian public, has participated in periodic, extended debates on foreign aid, based on a series of reports and major legislative initiatives; and 2) these debates, in turn, have helped inform parliamentarians and the public on aid matters and have served to develop a degree of understanding and support among the political elites and the public. While Norway is making progress in transparency, it could do more. According to the 2012 Aid Transparency Index, Norway has achieved moderate progress in terms of aid information made public, scoring 44%, or ranked 35 out of the 72 organisations assessed. Norway, an original signatory to the IATI, has announced that it will begin reporting data in line with the IATI standards from 2013, a positive step forward in line with the Busan Partnership for Development.

Norway could consider a more targeted approach to communicating results

Since the last peer review, the Ministry of Foreign Affairs and Norad have aligned their communication strategies, with Norad now responsible for long-term development issues, results, and generating public debate, and the Ministry focusing on the day-to-day development politics. Norway's evaluation policy makes communicating its findings a top priority and, as discussed earlier, has taken steps to expand the usefulness of its evaluation work. Nevertheless, while Norad produces high-quality reports, one criticism has been that they are often too long, too technical, and academic in style, not grounded in practical experience (Norad, 2013).¹¹ Achieving a good balance between the quality and the user-

friendliness of its evaluation reports will be important in order to increase the use of results. Moreover, as different types of evaluations and reviews will aim to reach different audiences with differing information needs, it is important to develop a dissemination and communication agenda as an evaluation is being planned. Norad should consider the inclusion of such communication plan in its future evaluations in order to communicate results better to the public. In addition, to ensure a more targeted approach to communicating the results to the right people, producing a variety of summaries focusing on different parts of the evaluation of interest to target audiences could be effective.

Raising development awareness

Public support for Norwegian aid remains high and fairly stable, according to the most recent public opinion survey.¹² In 2010, nine out of ten Norwegians thought positively about Norway's aid to developing countries. In earlier surveys women have been more positive than men. Today it appears that men and women have become comparable in their attitudes. Six out of ten respondents also thought that Norwegian aid is producing good results. However, compared with the last survey in 2006, the proportion that believes aid produces good results has fallen by 13%, in particular, among the younger population. To target its communication more effectively to younger Norwegians, Norad could collaborate more closely with FK Norway and its former FK participants to strengthen its development education efforts.

Working closely with the Norwegian civil society has been one important way of securing public backing for foreign aid. CSOs of various kinds are involved in Norwegian aid as advocates, implementers, public educators, or a combination of those. Norway channels a much higher share of its ODA through CSOs compared to an average DAC member (see Annex B). MFA and Norad also engage in constructive partnerships with CSOs, encouraging them to cast a critical eye, as overseers, on the development programme, another recommendation from the previous peer review.

Notes

1. These include the Practical Guide on Results Management in Norwegian Development Co-operation, a short guide presenting some basic concepts, methodologies, and other practical aspects of measuring and reporting results, and Risk Management: Methods and Terminology at the Ministry of Foreign Affairs, a guide to strengthen risk management practices in the foreign service.
2. The OAG also pointed to the deficiencies in MFA's efforts to increase knowledge of the results of development co-operation in its 2011 review of Norwegian aid (OAG, 2011).
3. The OAG found that for some projects results were presented without assessing whether the results corresponded to the performance requirements set (OAG, 2011).
4. Norad's Evaluation Policy allocates a maximum of 20% of its evaluation staff time for the provision of technical advice to the aid administration (Norad, 2006).
5. The evaluation mandate has four objectives: i) evaluate effectiveness and results in relation to plans adopted; ii) evaluate whether resources application is reasonably commensurate with results achieved (value for money); iii) systematise experience, so as to ensure quality and improve quality of future activities by means of good learning processes; and iv) provide information to aid policy-makers and the general public.
6. These are: i) promote quality assurance of all development co-operation; ii) promote stronger focus on results of Norwegian aid; iii) adapt evaluation work to new aid modalities; iv) contribute to improved communication of results and improved learning; v) strengthen evaluation as the basis for policy development, making the evaluation as relevant as possible; and vi) strengthen quality and reliability of evaluation activities (Norad, 2006).
7. However, there are trade-offs for being open and transparent and involving others. The Evaluation Department has found that having many stakeholders involved in determining which evaluations should be conducted complicates and extends the length of the consultation process, resulting in delays in timing that affect the relevance of the evaluation studies (Norad, 2013).
8. Evidence from previous DAC peer reviews has shown that the timing of an evaluation and selection of its focus and scope will have a critical impact on how useful the evaluation will be for partner country stakeholders, and how readily the process might lend itself to building capacity (OECD, 2013).
9. OECD (2010), How to Support Capacity Development through Evaluation, OECD, Paris.
10. Norway's aid data are available in a searchable database in English and Norwegian that can be downloaded in CSV or Excel format, and easily converted to IATI format (www.publishwhatyoufund.org/index/2012-index/norway/, accessed 7 June 2013).
11. According to the evaluation, "the reports frequently read more as academic papers than as action-oriented evaluation reports. In part, this may reflect the frequent use of academics for carrying out the evaluation work... Report recommendations in some cases are not well-targeted or practical for implementation" (Norad, 2013).
12. Statistics Norway, "Attitudes towards and knowledge about Norwegian development aid, 2010", published on 18 May 2011 (www.ssb.no/en/offentlig-sektor/statistikker/uhjelphold/hvert-3-aar, accessed on 22 March 2013).

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