Peer Review

REVIEW OF THE DEVELOPMENT CO-OPERATIONS POLICIES AND PROGRAMMES OF NORWAY

DAC's MAIN FINDINGS AND RECOMMENDATIONS

(Note by the Secretariat)

21 October 2008

This document was discussed at the Peer Review meeting of Norway on 21 October 2008 and at the Editorial session the following day with the Delegation of Norway and the Examiners from Canada and the European Commission. The revisions have subsequently been approved by all delegations and the Main Findings and Recommendations are now issued in their FINAL form.

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Summary

Norway committed USD 3.7 billion to development assistance in 2007, a substantial increase over the previous year. It now gives the world’s highest level of official development assistance as a percentage of gross national income (0.95%). The DAC commends Norway for budgeting to reach its 1% ODA/GNI target in 2009 in a climate of global financial crisis.

Norway is also consistently at the forefront of donor efforts to improve the international aid system, as well as its own development policies and programmes. It supports aid effectiveness and its flexible approach to development assistance enables quick reaction to changing situations and new opportunities. Norway’s development co-operation has innovative practices. For example, it is looking at how Official Development Assistance can be a catalyst for non-ODA contributions to the global challenges of development and poverty reduction.

Despite this progress, Norway still faces some challenges. Although its flexibility is generally considered a strength, Norway needs to guard against adding too many new priorities to an ever-expanding list of initiatives, resulting in the country’s aid being spread thinly across a growing number of countries and activities. Norway should maintain a strategic and focused approach to development assistance. Its newly reorganised aid system fully integrates development and foreign policy within the Ministry of Foreign Affairs and makes Norad a technical directorate. This has brought some benefits, such as increased ability to respond to embassy demands. However the new system is not yet fully functional and roles and responsibilities are unclear. Norway aspires to lead on selected cross-cutting issues such as women’s rights, gender equality and the environment but it is still struggling to fully ‘mainstream’ these objectives into programmes and projects.

1. Overall framework and new orientations

1.1 Legal and political orientations

The foundations and aims of Norwegian policy: beyond development assistance

1. Norway has a long, proud history of more than 50 years involvement in development co-operation. It is a progressive donor, prepared to promote new and innovative ways of thinking. Its development aims and interventions are outlined in the government’s policy platform, in the government’s addresses to the Storting,¹ and in successive White Papers. Until a new White Paper is published in 2009, one of the most important documents remains White Paper Report No. 35 (2003-2004) to the Storting, Fighting Poverty Together: A Comprehensive Development Policy. This outlines Norway’s priorities which include: providing 1% of gross national income (GNI) as official development assistance (ODA), a firm commitment to a rights-based approach to development co-operation, and the pre-eminence of the Millennium Development Goals (MDGs). It also underlines the importance of “donor reform – more

¹ The Storting is the Norwegian Parliament.
assistance and more effective assistance”, and stresses the centrality of increased country ownership and donor harmonisation.

2. More recent thinking on Norway’s strategy and policy for its development co-operation is presented in the Soria Moria Declaration (2005), International Development Minister Erik Solheim’s Statement to the Storting 16 May 2006 and the extract from the Ministry of Foreign Affairs’ budget proposal for 2008: Proposition No. 1 (2007-2008) to the Storting: Norwegian Development Assistance in 2008 – Priority Areas, June 2007. These documents continue to stress the MDGs, the 1% ODA/GNI target, aid effectiveness, governance reform, results and quality assurance. However, the rights-based approach has less prominence – hence clarification of what the rights-based approach to development co-operation means in practice and how it is implemented is needed. Also, a greater emphasis is given to fragile states, United Nations reform and aid to Africa.

3. The 2004 White Paper also emphasises the importance of “the global partnership for development”. This concept situates development policy in the context of wider foreign policy and security issues, as well as signalling the importance of policy coherence for development. These ideas have been taken further in Proposition No. 1 which positions development co-operation as one of a number of factors that play a role in lifting people out of poverty, along with peace and security, economic development, trade and environment. This recognition that development co-operation will be more successfully integrated as part of a holistic approach is positive, but further clarification is needed of what this vision means in practice, and how it will be implemented. Furthermore, Norway will need to ensure that its core focus on poverty reduction and the MDGs is not diluted.

An increasing number of priorities

4. Proposition No. 1 outlines the government’s main “five plus one” priorities. These are a broad mix of sectoral, thematic and cross-cutting issues: i) climate change, the environment and sustainable development; ii) peace building, human rights and humanitarian assistance; iii) women and gender equality; iv) oil and clean energy; v) good governance and the fight against corruption; and vi) supporting the health related MDGs. The government states that it will use increases in the development budget to focus on these six priorities, whilst maintaining support for its 11 other traditionally important priority areas.

5. At present, with increasing oil revenues bolstering the development assistance budget, Norway is able both to maintain current development priorities and add new ones. But this creates tension between the desire to focus in line with aid effectiveness principles versus the pressure to expand. Embassies are under pressure to add new objectives to existing programmes which can lead to a lack of clarity in the objectives of country programmes. Moreover, it introduces concerns over the stability of Norway’s priorities over the long term. This could have implications for aid effectiveness – an area in which Norway is rightly seen as a leading player. Failure to make headway in concentrating activities geographically, sectorally and strategically could affect progress towards implementing harmonisation and division of labour principles.

2 The 11 other important priority areas are: public welfare services, children and young people, human trafficking, HIV/AIDS, universal access to medicines, public-private partnerships, microfinance, trade, new and innovative funding mechanism, debt cancellation and the Global Forum on Migration and Development.
A high level of public awareness but a strategy required

6. The reported level of Norwegian public support for ODA is on a par with other donors, with 90% of the population supporting it. Currently, two units are responsible for communicating and building public awareness: i) the Communications and Information Team in the Minister of International Development’s office, which targets local and international media; and ii) the Information Department in Norad, which targets the development community, students, journalists and key policy-makers. The two communication departments have developed separate two-year communication strategies guiding their efforts, but neither strategy mentions the existence of the other unit. Although there is informal co-operation between the two units, the formal and systematic co-ordination requirements are unclear.

1.2 Promoting policy coherence for development

Mechanisms for policy coherence for development

7. Norway is committed to policy coherence for development, with broad consensus among officials, parliament, researchers and civil society organisations that ODA is only one way of supporting progress in developing countries. A good example of coherent policy is in the area of environment where there has long been strong co-ordination between the Ministry of Foreign Affairs (MFA) and the Ministry of Environment. Norway’s Action Plan for Environment in Development Co-operation also aims to integrate environmental issues into development co-operation. In the area of labour migration an informal network of officials produced a report in 2006 on coherence in migration and development. Another good example is women’s rights and gender equality, where four ministries (MFA, Ministry of Defence, Ministry of Justice and Police and Ministry of Children and Equality) work together and are responsible for the Action Plan on UN Security Council Resolution 1325.

Need to strengthen policy coherence for development strategy, monitoring, analysis and reporting

8. The previous peer review suggested that Norway should consider setting up a “whole of government” mechanism to strengthen inter-ministerial co-ordination, but this did not happen. Members of the Storting’s Foreign Affairs Committee believe that a more strategic approach is needed and that policy coherence for development should be more institutionalised than at present.

9. There are a number of formal and informal policy co-ordination arrangements between ministries. However, there is room for improvement. The lack of monitoring of inter-ministerial policy coherence is also a recognised weakness of the Norwegian system. The MFA does not appear to monitor other ministries’ initiatives systematically for their coherence with development policy. While Norway has strong capacity for development research, it lacks institutional capacity for long-term analysis and research into policy coherence issues. It may also need a robust method to trace policy coherence impacts. In addition, there is a lack of reporting on policy coherence for development.

10. To promote further thinking on policy coherence for development, in December 2006 the government established a Policy Coherence Commission made up of highly qualified people from a broad cross-section of the development assistance community. Its role was to consider ways to make Norwegian policy for development more coherent and effective and it produced a report in September 2008 which will feed into the forthcoming White Paper. In formulating its recommendations, the commission has therefore considered: how to strengthen the arrangements for resolving potential policy conflicts; how to increase the authority to demand information from other ministries; and how to promote positive examples of win-win situations. The DAC suggests that one option may be to enhance the responsibility for policy coherence in the Prime Minister’s office, which has a good overview of government policy. This could be complemented by a dedicated unit in the MFA as recommended by the Commission.
Recommendations

- The DAC commends Norway for its forward-looking vision in which development co-operation is seen as one element of a broader set of issues affecting a country’s development, and expects to see this further elaborated in the forthcoming White Paper. This broader vision of development encompasses some notable contributions to global public goods, including peace building, conflict prevention and climate change. In practice, this requires improving the linkages between ODA and non-ODA activities for the good of development. In doing this, Norway will need to ensure that its core focus on poverty reduction is not diluted.

- Norway needs to ensure that the process of identifying objectives is strategic and well managed, both centrally and at partner country level. The process must lead to a manageable number of clear and focused priorities. Norway will need to resist the temptation to add new *ad hoc* initiatives to an ever-expanding list of priorities.

- Norway needs to articulate its over-arching approach to communication in order for the two communication units to convey consistent and complementary development messages to the public.

- Norway should develop an overall approach to policy coherence for development and institutional mechanisms for analysis, monitoring and policy feedback to deliver on its broad vision. Consideration could be given to the location, mandate and authority of an institutional focal point responsible for analysing potential areas of policy conflict; commissioning longer term studies; co-ordinating research; and analysing, monitoring and championing policy coherence for development among the ministries.

2. Aid volume, channels and allocations

11. In 2007, Norway’s net ODA amounted to USD 3 727 million, representing 0.95% of its GNI. This is the highest percentage of all DAC donors, and Norway is one of only five countries to exceed the UN target of 0.7%. Norway is commended for having surpassed the 0.7% figure continuously for more than 30 years, and for having set itself a higher target of 1% ODA/GNI. The DAC also commends Norway for budgeting to reach its 1% ODA/GNI target in 2009 in a climate of global financial crisis.

12. According to Norway, only 18% of total aid is programmed at the field level by the embassies. Other parts of the programme which sometimes count as bilateral aid, such as thematic, humanitarian, aid to non-governmental organisations and earmarked multi-bilateral aid, are planned and programmed by headquarters. Consequently, individual embassies may have limited knowledge of all the different channels through which Norwegian aid reaches the country in which they are located. This raises challenges for ensuring that the totality of Norway’s instruments, interventions and objectives in development not only work in synergy but also reinforce each other at country level. Making this clear to all development partners enhances predictability and accountability. With such a relatively small proportion of funds programmed at country level, Norway must clarify the kind of bilateral donor it wants to be.

13. Norway is a strong supporter of the multilateral system. The World Bank is the single largest recipient of Norwegian multilateral ODA, and Norway’s contribution to the UN is proportionately higher than in most other donors’ portfolios. In recent years Global Funds have seen the greatest increase in Norwegian multilateral assistance. Another trend has been the increase in earmarked multilateral contributions. In the past, much of the earmarked multilateral aid was country specific, but now it is more likely to be sector or theme specific. In general, Norway’s strong core support to multilateral organisations
leads to Norway having considerable leverage and impact on the multilateral system. The challenges for Norway, with its large commitment and investment in the multilateral system, are to develop a performance-based allocation system, and to continue to be a leader in helping the multilateral organisations to increase their efficiency for better development outcomes.

The challenges of greater geographical dispersal

14. In the past eight years, development assistance has doubled in real terms, allowing Norway to increase the number of new partner countries in its portfolio. Whereas previously Norway had 7 “main partners” and 17 “other partners”, it now has 28 partners – 15 in Africa, 11 in Asia, and 2 in Latin America. Many DAC countries have concentrated their development assistance in fewer partner countries, and Norway has also increased its aid to some key countries. At the same time, because of new initiatives such as the Oil for Development programme and, no doubt soon the new forestry initiative, Norway has also added a number of new recipient countries to its programme. This geographic dispersal of aid causes some concern, notably within parliament, that resources will be spread too thinly and impact diluted.

A high level of aid to Norwegian Non-Governmental Organisations

15. Non-governmental organisations (NGOs) – and in particular Norwegian NGOs – play a prominent and important role in Norwegian development assistance, with over 30% of bilateral development assistance channelled directly through them. There is no overall policy on NGOs, but Norad is currently revising guidelines. These will outline the aims and objectives of funding to NGOs, and will confront two other issues: i) increasing the focus on results; and ii) increasing the use of Southern NGOs. NGOs appreciate the open dialogue they have with government and generally welcome the flexibility of the system. However, as funding can come from both the MFA and Norad and from more than ten different budget lines often with different procedures, the system can be confusing and time-consuming for NGOs. Funding procedures and standards as well as reporting requirements for NGOs (development and humanitarian) need to be made clearer, streamlined and more coherent among mechanisms.

The challenges of managing cross-cutting issues

16. Norway has taken a number of measures to address women’s rights and gender equality such as: producing several action plans, appointing a Gender Equality Ambassador, multiplying funds for UNIFEM fourfold, conducting a significant amount of work with multilateral partners, and being an active participant in the DAC’s GenderNet. But, like other donors, while trying to “mainstream” women’s rights and gender equality, Norway had lost focus and spending had declined. It therefore reintroduced some targeted funding and used some of the measures listed above to try to rectify this situation. However, resources are still limited, with only a small team in the MFA and three staff in Norad dedicated to increasing the gender equality focus of activities. Furthermore, technical knowledge is spread thinly across the organisations and gender equality is still often considered as a postscript after the formulation of projects and programmes, rather than being factored in at the beginning. This was the case in Tanzania, where Norway’s attention on women’s rights and gender equality appeared to be an afterthought: there was little pro-active or specific focus on the issue, and local implementing partners had limited understanding of good gender practices.

17. Norway has ambitions to be a leader in the environment and development area, but needs to turn this ambition into action. It has an Action Plan for Environment in Development Co-operation, which makes clear that the environment is both a cross-cutting issue, stating that “environmental concerns must be taken into account in all development co-operation”, and a separate sector with development co-operation targeted specifically at sustainable management of natural resources and environmental protection. It is difficult to assess the extent to which environment is considered systematically in the
absence of clear guidance such as impact assessment tools; current requirements leave impact assessments to the recipients. In addition, there are a limited number of environment or natural resource specialist staff positions in either the MFA or Norad, and even fewer in the field. It is, therefore, difficult to envisage how such an ambitious action plan could be fully implemented.

**Recommendations**

- As a mid-sized donor engaged in development peace building, state building, and humanitarian work, Norway could develop a strategy for allocating the growing ODA budget via different channels, instruments, sectors and countries. Norway should consider a more integrated, strategic and explicit approach at the country level to ensure synergy and to optimise impact.

- In line with the aid effectiveness principles, notably division of labour, Norway should manage carefully the increasing geographical dispersal of its aid. Norway should take care not to spread its resources too thinly as this could lessen its potential impact. Norway should also seek greater clarity on whether it wishes to pursue a sectoral or a country approach.

- The introduction of revised guidelines for Norad’s approach to NGOs in the development field is welcome and the focus on results and the increasing use of local NGOs is encouraging. Norway should also ensure increased clarity, coherence and simplification of the funding and reporting systems and standards for NGOs by increasing co-ordination and amalgamating some of the many budget lines. The NGOs should be supported further to build capacity required to meet the legitimate demand by the MFA/Norad that they demonstrate results.

- Recognising that Norway treats cross-cutting issues as thematic priorities in their own right, Norway also needs to ensure that they are fully mainstreamed. Norway has put significant effort into developing policies on women’s rights and gender equality, and the environment, but it needs to ensure that its policy ambitions become reality. It should make certain that its cross-cutting priorities are institutionalised, have sufficient resources and are considered systematically at the early stages of and throughout its programmes and projects.

3. Aid management and implementation

*Reorganisation has been beneficial, but further clarification of roles is needed*

18. In 2004 Norway’s institutional set-up underwent significant reform. Development policy and foreign policy are now fully integrated within the Ministry of Foreign Affairs which has become the lynchpin of the whole system. The embassies’ role in managing bilateral aid to partner countries has been strengthened. Norad has become a technical directorate responsible to the MFA. Norfund, responsible for private sector development, has become independent of Norad.

19. Those involved feel that this reorganisation has generally been positive. The MFA, Norad and the embassies have become a well-integrated system able to respond to today’s development challenges whilst ensuring management flexibility. In the MFA, country teams can respond flexibly to requests from embassies whose authority has increased following decentralisation. Norad is an entry point for contracting Norwegian development expertise and provides quality assurance for this flexible system. Furthermore, reorganisation has enabled the MFA to respond to various political initiatives while alleviating the risks of political micro-management.

20. However, some challenges remain from the reorganisation. The roles of policy-making, implementation and knowledge provision have not yet been fully clarified within the system. For example,
although decentralisation means the embassies deal with country level relations, headquarters has become more involved in some micro-level aspects of aid management. Furthermore, Norad is still defining its new core knowledge management and support role while retaining significant grant management activities.

**Knowledge management is still being developed**

21. The reorganisation put more emphasis on knowledge management in the development system. The government is keen that a culture of results-based management should be embedded across the system and key documents (e.g. the Development Co-operation Manual) set out the rationale and procedures for tracking results. This is to be commended, but Norway needs to address the lack of a universal system for management by results in its aid administration. Such a system would allow policy goals, thematic priority areas, partners and funding channels to be prioritised.

22. Since the 2004 peer review, the MFA has established the Policy Analysis Unit, with five staff, which has improved policy analysis in the ministry. Norad carries out necessary programme-related analytical work for the MFA in its role of providing advice and support. However, Norway could further develop structures that increase long-term analytical and research capacity.

**Human resources management is striving to meet capacity challenges**

23. The government has been increasing staff capacity in the MFA, embassies and Norad but could do more. Embassies still lack sufficient capacity, so significant management responsibility remains at headquarters. While the strong upward curve of the budget and the slower rise in staffing numbers may have resulted in increasing administrative efficiency on paper, it is challenging to maintain quality programmes under the pressure to spend and launch new initiatives. Furthermore the increase in funding to multilateral and global issues has not been reflected in departmental staffing numbers. In addition, there are a broad range of human resource challenges including attracting and retaining expertise including grant management competency, ensuring that a diplomatic career in development is valued, and providing appropriate training to maintain cutting-edge knowledge on key issues/sectors.

**Recommendations**

- Norway could consider how to clarify and better distinguish between the MFA and Norad’s different roles, notably in grant management. Norway needs to develop an approach to optimise synergies between instruments and sectoral and country strategies, notably by establishing clear over-arching objectives for its interventions at country level. Norad also needs to better articulate its role of creating a knowledge-based system to inform the decision-making process.

- Norway needs to address the staff recruitment and retention challenges arising from the reorganisation and shifting priorities. There are also particular staffing and management challenges to be addressed at the country level in order for Norway to remain an agile and flexible donor.

- Norway needs to develop a results-based management approach at the institutional, programme and project levels.
4. Practices for better impact

Commitment to aid effectiveness

24. Norway is one of the donors at the forefront of the global aid effectiveness debate and aid effectiveness is well-embedded in the Norwegian aid system. Although Norway does not have a single all-encompassing aid effectiveness action plan, position papers are distributed to embassies, and the MFA expects the aid effectiveness agenda to be mainstreamed and well-established in all its activities. Throughout the system, including at field level, staff appear to have a detailed understanding of the principles underpinning the aid effectiveness agenda and the challenges these pose. Furthermore, Norway plays a pro-active role among other donors, such as with like-minded donors in the Nordic Plus group.

25. In Tanzania, Norway has put the principles actively into practice. It supports the Joint Assistance Strategy, and Norway’s activities are factored into, and flow from, this strategy. Discussions with the Tanzanian government also confirmed that Norway’s activities dovetail with the government’s own priorities. However, questions were raised regarding the planning process and instruments. The embassy only has a rolling three-year plan for internal use. This, however, does not guide Norway’s interventions through all its available channels and instruments, and is not shared, or co-owned, with the Tanzanian government.

Broadening the scope of aid effectiveness: multilateral organisations, global funds and NGOs

26. Norway stresses that although it prioritises the aid effectiveness agenda, only 18% of its development assistance is programmed by the embassies at country level. It is acutely aware that the vast majority of its funding is distributed through other means; i.e. multilateral organisations, the global funds and Norwegian NGOs. Thus greater aid effectiveness will occur by improving how aid is disbursed via these other channels. Norway is making efforts to address this issue. In addition to involvement in the Multilateral Organisations Performance Assessment Network (MOPAN), Norway lobbies for multilateral partners to have a greater focus on ownership, to use national systems and ensure fewer parallel implementation units, and to engage in joint exercises such as the Joint Assistance Strategies and Public Expenditure and Financial Accountability. In the replenishment negotiations and in the Boards of the multilateral financial institutions, Norway has advocated that the Banks should contribute more to enhance national ownership.

Providing more guidance for capacity development

27. The importance of capacity development is emphasised in Norway’s memorandum and in the Development Co-operation Manual. Capacity development is not, however, included in the list of current priority areas for Norwegian development co-operation, and, as for most other donors, there are no overarching policies or guidelines to indicate how to design and implement capacity development or how to integrate capacity development into development programmes overall.

28. The Norwegian approach to capacity development appears to focus largely on mainstreaming such activities into sectoral and thematic development policies and programmes. However, although the Development Co-operation Manual states that capacity development should be at the core of any development activity and provides some suggestions on how to assess institutional capacity as part of the process of preparing development programmes, there is little specific guidance on how to integrate and address capacity development in specific sectors or how to monitor and measure the results of such interventions. Capacity development seems to be dealt with primarily through an emphasis on using national systems and priorities as a basis for delivering Norwegian development assistance. Evidence from
Tanzania suggests that Norway performs well in this respect, as it is a strong supporter of joined-up approaches to delivering development aid and is a champion of aid effectiveness.

29. The focus on linking development priorities with areas of Norwegian comparative advantage means that the country can be better targeted in its capacity development efforts, and can draw on a well-established pool of experts to fill technical assistance needs. Norway could usefully share its good practice from country-level capacity development experiences, and could, like other donors, also play a more active role in the DAC capacity development work.

30. Norway also earmarks resources to finance specific capacity development activities at the country-level, thus maintaining its ability to provide sector development activities with targeted technical assistance and training. Each embassy with a development co-operation budget has a consultancy fund for hiring local expertise and building capacity among trained professionals in-country, rather than bringing in consultants from Norway.

Strong focus on governance, accountability and anti-corruption

31. Governance and anti-corruption is one of five priority areas for the current government, and Norway’s approach is marked by a high level of innovation and a strong focus on behavioural change. Norway is among the world leaders in its efforts to make government officials accountable for corrupt behaviour, and has made strenuous efforts to establish global initiatives to this end. Examples include: i) its push for the establishment of the Stolen Asset Recovery Initiative, which works actively to assist poor countries in repatriating public assets stolen by corrupt leaders; and ii) its continued support to the Corruption Hunter Network, which provides a meeting place for prosecutors, judges and heads of anti-corruption entities. Through activities such as these, Norway has been able to create and sustain global structures to establish incentives and capacities through which poor countries can tackle corrupt behaviour systematically and transparently.

32. In Tanzania, Norway is a key player in anti-corruption efforts. It is also playing an important role in reacting appropriately to a general budget support corruption scandal by maintaining its support to a multi-donor pooled funding initiative.

33. Norway has also been a key player in ensuring the enforcement of the UN Convention against Corruption, and participates actively in the work of the OECD Working Group on Bribery, e.g. in its monitoring mechanism for the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Furthermore, Norway currently hosts the Extractive Industries Transparency Initiative’s (EITI) international secretariat in Oslo and is the only developed country that has signed up to the implementation of the EITI Transparency Principles.

Recommendations

- Norway is commended for making considerable progress on aid effectiveness and for largely embedding the aid effectiveness agenda into its development system. Norway is encouraged to continue this work, and to develop specific aid effectiveness policy guidance.

- Norway should ensure that it has an effective set of instruments with clear objectives and intended results to guide its country interventions through all its available channels, respecting recipient government ownership. It also needs to ensure that its sectoral/thematic approach and its country approach fit well together.
Norway needs to broaden its efforts to apply the aid effectiveness principles to funding channels beyond government-to-government.

Given Norway’s approach to capacity development, further safeguards might be needed to ensure that capacity development mainstreaming is institutionalised. Such safeguards could include frequent sharing of lessons across the MFA and Norad on successful mainstreaming interventions.

Norway could consider taking a leading role in facilitating common donor approaches to tackling corruption in-country. It could also look at ways to ensure that global initiatives (e.g. the UN Convention on Corruption, the Extractive Industries Transparency Initiative), are properly linked to, and anchored in, country-specific activities and responses.

5. Humanitarian action

34. Humanitarian action is a central pillar of Norwegian foreign policy – an intrinsic expression of Norwegian values and international solidarity – as well as a core priority area for the development co-operation system. Norway has endorsed the Principles and Good Practices of Humanitarian Donorship and has adopted a principled yet pragmatic approach to humanitarian action in line with its GHD commitments. These commitments are underpinned by disbursements that are well above the DAC average for humanitarian aid. Consequently, Norway has acquired considerable credibility and influence within the international humanitarian system. This reputation has been further strengthened through Norway’s strong and consistent support for the United Nations humanitarian system, its leadership in key fora (e.g. the UN Peacebuilding Commission, the Somalia Contact Group and the recent Sudan donor conference) and initiatives such as the recent Oslo Policy Forum, Changing the Way We Develop: Dealing with disasters and climate change.

35. The national policy framework is evolving, with a new humanitarian action strategy launched in September 2008. This reaffirms the centrality of humanitarian action in development co-operation policy and expands the humanitarian agenda to new areas (e.g. addressing the humanitarian impacts of climate change). It builds on the recent Storting report, Norwegian Policy on Prevention of Humanitarian Crises, as the cornerstone in integrating conflict and disaster risk reduction perspectives across the development co-operation system. Nevertheless, like other donors, Norway is likely to encounter institutional obstacles and will have to adapt internal systems and processes if these objectives are to be translated into effective aid in partner countries.

36. In general, Norway is regarded by key partners as a good humanitarian donor. In 2007, nearly 23% (NOK 547 million) of Norwegian humanitarian assistance was provided completely un-earmarked and a further 26% (NOK 625 million) was earmarked to the country level only. A significant proportion went to under-funded UN and Red Cross Movement appeals, representing a serious commitment to providing flexible and needs-based assistance. Norway has, however, elected not to enter into multi-year agreements with implementing partners. This decision supposedly increases the government’s own flexibility in allocating assistance across financial years, but in effect reduces the year-on-year predictability of funding streams for implementing agencies. The MFA is aware of the consequences of this limitation and has entered into discussions with Norwegian NGOs about processes to improve the reliability of Norwegian Government support.

37. There are three distinct strands to learning and accountability practices within the Norwegian humanitarian system – internal thematic evaluations, external evaluations of individual activities, and external support to international accountability initiatives. The points of convergence between these evaluation processes are unclear, leaving the impression that corporate learning in the humanitarian sector
is weak and rather unsystematic. Norway could develop a programme-wide results framework for its forthcoming humanitarian strategy that might bind these individual elements into a corporate learning and accountability framework for humanitarian action.

**Recommendations**

- The new humanitarian action strategy is welcome. Norway should develop an implementation plan – including measurable targets and indicators – for the strategy to translate commitments into practice, as well as ensure transparency.

- Norway should also review and, where necessary adjust, internal systems and processes to ensure the removal of institutional obstacles to the integration of humanitarian objectives within the development co-operation system. In particular, special attention should be paid to ensuring appropriate linkages between humanitarian and development assistance.

- Norway should review the scope for multi-year funding agreements in order to improve predictability – as well as reduce administrative costs – for key partner agencies (including NGOs). This is not withstanding the high level of flexibility given to humanitarian agencies to allocate resources according to need.

- Norway should increase efforts to systematise learning and accountability within the humanitarian domain and exploit opportunities to augment in-house evaluation capacity (e.g. through participation in shared and/or joint evaluation exercises). Norway should also seek to better embed quality benchmarks in humanitarian evaluations.