PEER REVIEW ON DEVELOPMENT FINANCE STATISTICS

NORWAY
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### Introduction – Overview of Norway’s development co-operation, key priorities and the budgeting process

Norway’s overall governance and policy framework is closely linked to the sustainable development goals (SDGs). Norway’s vision for development co-operation “Leave no one behind” has a primary focus on promoting equality for all, especially for the most vulnerable, marginalised and less privileged ones in least developed countries (LDCs) and Sub-Saharan Africa (OECD DAC, 2019[1]).

The White Paper presented in June 2017 "Common Responsibility for Common Future – Development Policy in light of the Sustainable Development Goals" outlines the overall policy framework and priorities in aid allocation (OECD DAC, 2019[1]). It identifies five priority thematic areas: 1) education; 2) health; 3) private sector development and job creation; 4) climate, renewable energy and the environment; and 5) humanitarian aid; and four cross-cutting issues: 1) human rights; 2) women’s rights and gender equality; 3) climate change and environment; and 4) anti-corruption.

The ODA volume target – provision of 1% of GNI as ODA – is underpinned by broad public and political support. The proportion of ODA channelled through the multilateral institutions and CSOs is increasing. Aid channelled to and through multilateral institutions reached 56% of total ODA in 2018 and about 22% of ODA is channelled through CSOs. Direct bilateral aid represents only 4% of the budget. The Norwegian government perceives the general trend towards increased use of the multilateral system positive. For Norway, multilateral institutions are crucial partners to involve more donors and supporters in the SDGs and their normative functions properly link to implementation work on the ground. The CSOs work on various thematic areas in close co-operation with multilateral institutions. They act as implementing agencies and advocate for development co-operation domestically with valuable “free” voices.

Norway’s technical co-operation focuses on areas where it has a comparative advantage. Various technical assistance programmes aim at strengthening capacity building in public institutions through knowledge sharing. In order to better manage and coordinate these programmes, Norway established a knowledge bank in Norad in March 2018. The knowledge bank brings together expertise from various Ministries and creates synergies with the objective of strengthening institutional capacities. Its programmes are in the areas of oil, fish, gender equality, statistics, digitalization, oceans and food security. For instance, the “oil for development” programme aims to transfer competences for managing petroleum resources in a productive way and to identify the links between oil and corruption.
The budgeting process

The Ministry of Foreign Affairs (MFA) is responsible for the development co-operation budgeting process and allocating the budget to other ministries and embassies. The preparation of the annual budget proposal starts in October. From October to December, the budget can still be modified. The Parliament approves the budget in December, after which the MFA identifies implementing partners within the frameworks and priorities, considering an adequate balance of the geographical and thematic focus. Implementing agencies are asked to confirm their budgets and projects of the year and report what they have achieved with the budget, which serves as a reference for the budget in the following year.

In Norway, the most important factor considered in aid budgeting is the ODA/GNI 1% target, which is broadly supported by both the development community and the public.

Figure 1.1 indicates the ODA framework broken down by Ministry. The majority of the funding comes from MFA. In addition, about 3 billion NOK is provided by the Ministry of Climate and Environment’s budget (Norway’s International Climate and Forest Initiative (NICFI)). Lastly, some other Ministries have budget allocations for smaller ODA-projects. The bulk of MFA’s ODA is budgeted in programme area 03.

Figure 0.1. ODA budget framework 2017-2019 (Mill. NOK)

<table>
<thead>
<tr>
<th>«Bistandsrammen» (ODA budget framework) 2017-2019 (Mill. NOK)</th>
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<tbody>
<tr>
<td><strong>MFA’s ODA budget (programme area 03)</strong>***</td>
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<tr>
<td>VAT/Ministry of Finance’s budget</td>
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<tr>
<td>Office of the Auditor General ODA-projects</td>
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<tr>
<td>Ministry of Climate and Environment ODA budget (NICFI programme)</td>
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<tr>
<td>Ministry of Education and Research ODA-projects</td>
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<tr>
<td><strong>Total ODA budget framework</strong></td>
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<td>Estimated GNI</td>
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<td><strong>Estimated ODA as per cent of GNI</strong></td>
</tr>
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Source: Information provided by Norad (2019).

From 2019 onwards, a new “thematic structure” for the budget will be introduced. The old structure, which was maintained for a long time, divided the budget in four categories: administration of aid, bilateral aid, global mechanisms and multilateral aid. The new thematic budget propositions are expected to help more effectively manage ODA at the portfolio level rather than at individual project level, and measure performance better. This change aligns with Norway’s efforts to reduce the number of agreements to enhance efficiency (the number of agreements active in the management system decreased from 7000 in 2013 to less than 3000 in 2018). In addition, Norway plans to connect all budget lines to the SDGs from 2020 onwards.

In order to deal with mismatches between planning and spending due to changes in situations, for example an influx of refugees, the government adjusts the budget in the course of the year. In recent years, in-donor refugee costs have been a significant part of Norway’s ODA
(representing more than 10% of total net ODA in 2015 and 2016, but decreasing to below 2 percent in 2018). The finance department explained that they try to strike a balance between planning and flexibility.

In the recent DAC peer reviews, Norway was lauded for being the most generous donor and a valued development partner. In order to maintain its reputation, Norway was encouraged to be more active in increasing the transparency of its aid. Norway acknowledges the value of reliable statistics and management, and encourages stability in the Statistical Section to maintain competent staff. However, their workload is heavy, given the demands for data. Currently, Norway is in the process of reforming its development co-operation system, which could impact Norad’s and the Statistical Section’s responsibilities. Due to this restructuring, there is a temporary freeze on recruitment until January 2020 when the reform will be implemented.
1. What are the main statistical policy issues?

1.1. Main statistical policy issues

1.1.1. ODA eligibility

1. Norad has a government mandate to collect and compile financing for development data from all departments; it is in charge of general quality checks and DAC statistical reporting as well as controlling ODA eligibility of activities funded from the ODA budget. Norad expressed that these tasks are time consuming and, with regard to controlling ODA eligibility of activities beyond Norad, sometimes challenging.

2. Verifying the ODA-eligibility of projects is one of the most critical tasks of Norad’s Statistics Section. Norad has a Statistical Handbook, which explains how data need to be entered into the statistical system, but it does not contain guidance on assessing the ODA-eligibility of activities. However, Norad has begun working on a manual focusing on ODA-eligibility issues. Norad’s letter of appropriation entrusts Norad with the responsibility to report Norwegian ODA to the OECD in line with the DAC Directives. This gives Norad in principle a mandate to challenge/validate the eligibility of activities included in Norwegian ODA reporting. To conduct this role, the Statistics Section works both on demand, replying to requests for advice on eligibility by various sections in the Ministry, and through systematic screening of activities on a weekly and yearly bases. However, it is harder to quality assure the ODA eligibility in the following three areas: human rights, humanitarian aid, and peace and reconciliation. MFA verifies these activities before the agreements are signed and Norad can only identify them if MFA notifies them of these activities. The Legal Department can also be involved in ODA-eligibility assessments at an earlier stage of the process when project documents are still being drafted.

3. However, the Statistics Section noted that in practice, it did not have much leverage on MFA on the issue of ODA-eligibility once a project had been designed. Although the MFA has to comply with the Statistics Section’s recommendation on eligibility when it requests advice on a particular project ex ante, it does not have to ask for advice on all projects. If the Statistics Section notices an issue of eligibility ex post, at the time of reporting, it is too late to make a change. However, such activities will be excluded from ODA in the official development statistics.

4. The Statistics Section recognises that the Directives provide sufficient details on some aspects, but they still face difficulties in assessing eligibility on a number of topics. In its view, the fact that the definition of ODA relies on a reference to the “main objective”
creates ambiguities when the project has several objectives, or when the objectives are not developmental but the impacts/effects on development are huge. The areas where ODA-eligibility assessments are not straightforward include peace and reconciliation, global issues, culture, human rights. ODA-eligibility is one of the topics discussed during the meetings of the “NORSTAT”.  

5. Non-ODA projects (e.g. in the field of nuclear non-proliferation) are not included in CRS reporting at present, but Norway will consider doing so in future, especially as it can be useful in the TOSSD context.  

**Challenging areas for assessing eligibility discussed during the session on ODA eligibility:**

### Culture

6. The Statistics Section has had several discussions around eligibility with the Culture section of the Ministry. The Secretariat clarified that the focus in the Directives is on capacity building (eligible) versus ad hoc events (not eligible). For example, the rules do not allow counting in ODA financing the performance of one artist in a developing country. As regards financing the participation of artists from developing countries in a Norwegian movie festival, the eligibility would depend on the capacity building component of the activity i.e. whether there was knowledge transfer to participants in the festival or whether the focus was on their performance.

### Peace and security

7. Norad found that the rules agreed in 2016 had made it easier to assess the eligibility of projects in the area of peace and security. However, they still had doubts on the ineligibility of nuclear non-proliferation programmes, which they noted used to be mentioned in the “Is it ODA?” brochure but were no longer referred to in the recent update. Each year Norway has back and forth communication with the Secretariat on this topic. The Secretariat confirmed that non-proliferation is clearly not eligible. As a reference, it pointed to the WP-STAT document which discussed the calculation of the ODA coefficient for the IAEA [DCD/DAC/STAT(2009)6] where this area of work (“verification”) had been excluded from ODA.

8. The MFA recalled that Norway had participated in the discussions that led to the updated rules; at that time, Norway had followed a conservative approach, as they did not want to dilute ODA to finance military actors. However, some actors in the Ministry would like to use ODA funds to finance disarmament (e.g. non-proliferation), and the safeguard that Norad plays by checking that Ministry’s reporting abides by the rules is important to maintain integrity. Norad recognised that if Norway wanted to count such funds as ODA, they would have to go through a process with the DAC to change the rules to that effect.

### Global public goods

9. The adoption of the SDGs illustrates that the way development co-operation is working has changed. Norway is a strong advocate for global issues; it promotes the protection of human rights and upholding peace and security. Their global and thematic priorities are

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1 The NORSTAT is an informal group consisting of five Nordics (Denmark, Sweden, Finland, Iceland and Norway). It has the objective to share good practices and experiences, harmonise donor reporting practices and preparing e.g. WP-Stat meetings.
in line with the SDGs. The focus is e.g. on climate change mitigation (International Climate Initiative) or work to conserve and sustainably use the oceans (Ocean Plastic Turned into an Opportunity in Circular Economy, OPTOCE) which Norway sees as an area where it has a comparative advantage to contribute to SDG 14.

10. The projects concerned have dual objectives, as they target both the problems of developing countries but also global public goods. To Norway, it seems sensible to use ODA funds to finance global public goods that will in turn also benefit developing countries. However, because ODA activities need to be administered with the promotion of the economic development and welfare of developing countries as their main objective, many contributions to global public goods are not reflected in ODA. For example, contributions in the field of human rights such as the international tribunals, or peace and security such as disarmament beyond Small Arms and Light Weapons (SALW) and demining, are considered as vital contributions to promote universal human rights and to maintain global security, but they are not counted as ODA. The eligibility of conferences where international norms are discussed is also questionable.

11. The Secretariat highlighted that the ODA definition had not changed its focus on developing countries since its inception. The new paradigm that came with the adoption of the 2030 Agenda and a new emphasis on global public goods had not led to discussions towards adjusting the ODA definition but rather created the need for a new, separate measurement framework – TOSSD – for accounting for resource flows in support of sustainable development also beyond ODA. Global public goods, due to their global nature, do not fit well in the ODA definition. There are other challenging areas than environment where the DAC struggles to define the boundaries of ODA and where TOSSD provides a better match, e.g. migration.

Requests to the Secretariat:

- Norway asked the Secretariat to provide further guidance on ODA eligibility in relation to cultural activities and awareness raising.

Request for discussion in WP-STAT:

- On Global Public Goods, Norway is of the view that the WP-STAT should discuss the topic of eligibility, to clarify the Directives and align ODA reporting across the DAC membership.

Observations by the peer review team:

- The peer review team considers the quality of Norway’s ODA-eligibility assessments commendable. They present a strong safeguard for protecting the integrity of the ODA concept.
- The peer review team noted that Norad’s Statistics Section is not involved in the budgeting process. In some cases, the ODA eligibility of activities is checked ex post, so some projects that have already been implemented and reported to the CRS turn out not to be eligible. (In 2018, thirteen projects originally budgeted as ODA turned out to be non-eligible and were ultimately removed from ODA statistics or only partially reported as ODA.) The peer review team was surprised that it was possible to spend funds as ODA and determine they are not ODA a posteriori.
• The discussion on ODA eligibility in relation to cultural activities highlighted that Norway seeks more clarity in the Directives in this regard.

1.2. Calculation of ODA costs for representations abroad

Administrative costs of the Ministry of Foreign Affairs and the Embassies located in ODA-eligible recipient countries

12. From the presentation on administrative costs, it was unclear whether Norway includes in ODA all administrative costs incurred for embassies located in developing countries; those of more developed countries do not appear to be reported except in a few exceptional cases. Upon request from the review team, the Secretariat obtained details from the MFA and confirmation that only costs attached to persons dedicated to developmental work are accounted for as ODA (programme area 03), and that persons working on diplomatic tasks fall under the non-ODA part of the budget (programme area 02). The split is determined based on job descriptions. Norad receives a total figure for ODA-eligible administrative costs from the MFA, but it was not aware of the calculation methodology.

Observation by the peer review team:

• The peer review team noted that Norad could not clarify how administrative costs of embassies were calculated, as it receives a single aggregate figure for these costs. It would therefore be important for the MFA to provide Norad with detailed figures on administrative costs, so that they can review the quality of these data.

1.3. In-donor refugee costs and migration

13. Costs arising from the uptake of refugees are covered under the MFA budget. Since there is a fixed target of 1% for the ODA/GNI ratio, the final expenditures on refugees may have an impact on other development programmes: if more refugees are hosted than initially planned in the budget, there will be less budget available elsewhere. This happened in 2015-16 when the increased number of refugees led to the reduction of budget for other development co-operation programmes, although the decrease was partly compensated by additional budgets voted by Parliament.

14. Norway formed an intergovernmental working group (MFA, Ministry of Justice & Public Security, Ministry of Children and Families, Ministry of Education and Research, Ministry of Finance, Ministry of Defence (observer) and Norad) to conduct a holistic review of its reporting model. The working group aimed to determine the changes to make to their reporting on in-donor refugee costs following the agreement on Clarifications at the 2017 DAC HLM. This working group drafted a document to the attention of the Government, which details, for each of the budget lines concerned, the changes needed and the impact in terms of ODA accounting. The result shows that the ODA share of some budget lines would increase, while others would decrease. Overall, the Clarifications will imply a significant reduction in the amount of in-donor refugee costs that can be reported as ODA by Norway. The Clarifications will be implemented as from reporting on 2019 data. The reduction relates in particular to the removal from the ODA figure of costs for the
integration of refugees (through funding to municipalities), listed as not eligible under Clarification 4.

15. In Norway’s view, there are still areas open for discussion with the Clarifications, and one major point discussed in the working group was in relation to “vacant space”. Norway sees a need for some flexibility in this area because i) the number of refugees to host in reception centres cannot be known with certainty in advance, ii) it is not easy to build up or down the capacity of the centres, and iii) the government has long-term contracts with the reception centres that cannot be changed in the short term.

16. During the session, the possibility of reporting disaggregated figures, in particular for costs related to rejected asylum seekers, was discussed. Norway explained that, in the past, they had in good faith provided and reported as ODA assistance to asylum seekers. Their position did not change during the negotiations that led to the agreed Clarifications, and Norway will continue to report as ODA costs related to rejected asylum seekers before decision. Norway emphasised that the provision of disaggregated data on in-donor refugee costs should not turn into the presentation of figures for “good” versus “bad” ODA.

Observations by the peer review team:

- The peer review team commended that Norway had formed an intergovernmental working group immediately after the 2017 HLM to implement the agreed Clarifications on reporting in-donor refugee costs. All ministries take the task seriously to make sure reporting is in line with the Directives. It is commendable that Norway thoroughly implemented the Clarifications and has decided to change its reporting practice to align with the Clarifications also when this entails a reduction in the expenditures that can be reported as ODA.

1.4. ODA modernisation – Debt relief

17. Norway has expressed a strong position in the WP-STAT on the topic of debt relief accounting on a grant equivalent basis, arguing that no ODA should be counted for the forgiveness of ODA loans, to avoid double counting. The Paris Club has expressed strong concerns that not counting any ODA in such cases would have a negative impact as it would create disincentives for restructuring debt in a multilateral framework.

18. The MFA still has ODA loans outstanding and does not intend to report them as ODA if subject to debt relief. The Ministry of Trade and Commerce is discussing internally how to reach a common position with the Paris Club. Generally, Norway holds a firm position that there should be no double-counting of the cost of risk and is worried about the discussions in WP-STAT. In its view, the accounting in ODA of a loan should not exceed the value of the same activity had it been provided in the form of a grant.

1.5. The Norwegian Investment Fund for Developing Countries (Norfund): Norfund Reporting, OOF, PSI and mobilised private finance

19. Norway is comfortable with the provisional agreement reached in December 2018 for reporting on Private Sector Instruments (PSI), and commended the work by the Secretariat and Eric Postel (who led the negotiations towards the agreement). The temporary solution is not optimal, but it is still a step in the right direction e.g. in terms of improved transparency. In addition, the ongoing trade negotiations between China and
the United States, as well as the reform of the WTO might complicate the issue even further. Norway indicated that it would be willing to help reaching a consensus on the implementation details of PSI, and will be constructive in future discussions. For them, it is important that aid, including in the context of PSI work, reaches the poorest.

20. Norfund has a portfolio of USD 2.5 billion. New commitments in 2017 amounted to USD 430 million, and direct investments to USD 149 million in 850 companies. Norfund focuses on additionality, catalytic effect and project sustainability. Its priorities include clean energy/power plants (50% of portfolio), banks and micro finance (30%), food and agribusiness, and SMEs. Its contribution encompasses risk capital, expertise and support.

21. The accounting of PSI in ODA and the introduction of the institutional approach is important to Norway, as the capitalisation of Norfund is part of government aid. It has taken the necessary steps for being able to comply with the reporting requirements and collaborates well with Norad in terms of reporting:

- **Additionality**: the institutional assessment will be provided as well as the assessment at activity level. Norfund by law needs to be additional as it is part of its mandate. If an investment replaces an existing one, it is deemed as providing low additionality. A framework has been developed to assess additionality through the “investment committee”.

- **Confidentiality**: they will be able to report the data required at activity level.

- **Untying**: Norfund does not give preference to Norwegian companies but does co-invest with some of them on equal, non-concessional terms. They consider they are entirely untied, following the same culture as CDC (while other DFIs may have a national preference).

22. Norway shared interesting insights on the loss of granularity when opting for reporting one aggregate in ODA under the institutional approach. For example, when producing statistics on aid to LDCs, they do not use imputations to include a share of the capitalisation, but describe Norfund’s support through a narrative based on the data available at activity level. For the purpose of reporting to UNFCCC on climate finance, they use OOF details for Norfund (the ODA capitalisation is not marked against the Rio markers). The loss of granularity under the institutional approach may need to be discussed at some point at WP-STAT. Still, the former reporting based on an instrument approach on a cash-flow basis also had disadvantages, as the ODA figures used to show large fluctuations from one year to another in certain countries, due to punctual new investments or sales of equities.

### Mobilisation

23. Norfund supports the WP-STAT workstream on mobilisation and sees it related to the mandate from the G20 to get from billions to trillions. Their priorities lie with LDCs and other low-income countries (LICs) as well as lower middle-income countries (LMICs) while for MDBs and other DFIs, the focus is rather on upper middle-income countries (UMICs).
24. Norfund shared suggestions on possible improvements to the methods used by the DAC to measure amounts mobilised: working with LDCs and other LIC and LMICs, and the additional risk involved in these countries, should be better recognised; investment in equities should also be given more credit, as it has a mobilisation effect on the debt side as well, which is not reflected in the methods. Norfund also indicated that the methods entailed unrealistic expectations on data quality and on the possibility to find out the amounts contributed by other stakeholders in the same project.

25. The “theoretical” versus “cash-based” nature of the figures reported on mobilisation was also discussed. Norfund expressed the view that, in the case of equity which to them was the most appropriate tool for mobilising funds, it was indeed at the commitment phase and at the closing that private sector partners were most present. The method of assessing mobilisation through equity worked well for greenfield projects, but the role of equity in mobilising future investments was indeed less clear in the case of existing companies.

26. Norfund voiced its concern about the two parallel data collections on amounts mobilised – OECD vs MDBs – and had the view that the owners of these institutions should have disciplined them to avoid the current situation where these institutions criticise each other. Norfund reports to both the OECD (through Norad’s CRS reporting) and the MDB group on mobilisation, but is clearly in favour of harmonising the two methods in future. Norad reports its own mobilisation activities to the OECD, but not to the MDBs.

Observation by the peer review team:

- Norfund has taken the necessary steps to comply with the new reporting requirements on PSI ODA. Peers were impressed that the framework for reporting on additionality was already in place.

1.6. The Norwegian Export Credit Agency (GIEK)

27. The OECD Arrangement (OECD TAD, 2018) does not allow export credits to be extended on concessional terms, which has helped maintain the boundary between aid and export credits. The Ministry of Trade, Industry and Fisheries see that this has been challenged by the proposal by the DAC on accounting for PSI in ODA.

28. The WTO provides for a “safe haven” for limited authorised subsidies through the “Agreement on Subsidies and Countervailing Measures” (WTO, n.d.), which is legally binding in the EU. The main principle underpinning the WTO and OECD Arrangement rules is that competition should be based on the nature of the goods and services exported, not on the financing conditions.

29. The Ministry of Trade, Industry and Fisheries noted an evolving landscape of export credits and development finance where some export credit agencies and DFIs are in the same organisation, some export credit agencies are getting more focused on considering development benefits of their export credits and some DFIs have national interest requirements. In Norway, the institutions are in separate organisations with separate

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2 The Ministry of Trade, Industry and Fisheries and the Minister of Trade and Industry is constitutionally responsible for GIEK’s guarantee schemes, but the schemes are independently managed by GIEK.
purposes, but in some instances they may collaborate. As an example, GIEK financed a solar plant in Honduras with participation from Norfund. GIEK has also made an offer for FMO for a solar plant in Ukraine.

The Ministry of Trade, Industry and Fisheries had several remarks on the proposed PSI implementation details:

- Blurring the lines between development finance and export credits. There was a risk that export credits be reported as untied ODA, to circumvent the WTO rules
- Potential trade distortions;
- Lack of transparency;
- Risk of a race to the bottom and crowding out the private capital market.

30. On sustainable lending, the Ministry of Trade, Industry and Fisheries encouraged a joint recommendation between the OECD Export Credit Group (ECG) and DAC and noted that the Chair of the ECG had sent a letter to the DAC Chair regarding this issue.

31. If there is a non-concessional debt limit, then the Recommendation on Sustainable Lending Practices and Officially Supported Export Credits requires that ECAs try to get approval from the Ministry of Finance in the recipient country. Without such approval, GIEK does not finalise a transaction.

32. GIEK is currently considering how it could increase its support to SDGs. GIEK already follows a strong social and environmental due diligence policy based on the OECD Common Approaches for Officially Supported Export Credits and UN Guiding Principles on Business and Human Rights (e.g. by excluding transactions that do not meet GIEK’s minimum requirements, including with regard to forced labour). Three members of staff are involved in work on sustainability. They will also be involved in the assessment of projects’ contributions to SDGs. GIEK has discussed with Norad reporting on TOSSD for the future.

33. In terms of CRS reporting, GIEK assumes its operations are underreported. Historically it has reported suppliers’ credits only (they have a few) but not their buyers’ credits, which they will include in CRS reporting from now on.

Requests to the Secretariat:

- The Ministry of Trade, Industry and Fisheries encourages more coordination and joint work between the DAC and the two expert credit groups (the Expert Credit Group and the Participants to the Arrangement) in the OECD so that the groups can find good solutions to these important issues, and that implications can be thoroughly mapped ahead of decisions.
- GIEK also requested the Secretariat work with the ECG Secretariat on data. DAC data on export credits are more aggregated and there are good arguments to streamline both data collections. The Secretariat informed that trials to streamline export credit data collected by OECD ECG and DAC statistics had already taken place and WP-STAT members concluded that the full streamlining of ECG and DAC statistics on export credits was not possible. They agreed that the regular data collection on disbursement figures in the DAC system needed to be retained (see DCD/DAC/STAT(2016)9/REV1).
Observation by the peer review team:

- The peer review team was impressed by GIEK’s attention to the SDGs and awareness of the fact that they could report some of their finance in TOSSD in the future if on the policy level it is decided that some export credit activity is reportable under the TOSSD.

1.7. Proposed Recommendations – Dimension 1

1.7.1. ODA eligibility - general

- Given Norad’s mandate to check the integrity of Norway’s ODA reporting and that this is in line with DAC Directives, it should be able to obtain more details on expenditures reported as ODA by various sections of the MFA. It should also have more leverage on other sections’ reporting within MFA.
- Norway is encouraged to seek further collaboration between Norad and the teams in the MFA to ensure that any data questions, or ODA-eligibility questions that arise, are answered in a detailed manner ex ante. In particular, the MFA could seek Norad’s advice in the sectors where reporting guidance is currently limited, namely in human rights, humanitarian aid, and peace and reconciliation.
- Norway could consider ways to involve the Statistical Section at Norad in the budgeting process as this would help to ensure that all the activities funded by the ODA budget are ODA eligible.

1.7.2. Administrative costs

- Norway is encouraged to be more transparent and detailed about how administrative costs are calculated for embassies to ensure that administrative costs comply with the Reporting Directives.
- The peer review team encourages a more conservative approach for calculating ODA-eligible amounts within administrative costs and advises that only the costs spent on development co-operation work, excluding those spent on general foreign affairs, should be reported as ODA.

1.7.3. ODA modernisation – Debt relief

- The Secretariat highlighted that a consensus is needed on the reporting on debt relief (as well as on PSI), otherwise the ODA statistical framework will remain fragmented which is not in the interest of any member. As a member of both the DAC and the Paris Club, Norway is encouraged to form a whole-of-government position on this topic and to contribute to reconciling positions at the DAC at a political level.

1.7.4. Norfund

- Noting that the agreement reached in December 2018 on reporting PSI in ODA is provisional and only partially implements the principles agreed at the 2016 HLM, Norway should take a proactive approach to contribute to consensus building at the DAC on the implementation details of PSI principles, in order to finalise full implementation of past HLM decisions.
2. How to make domestic data collection more effective and efficient?

2.1. The statistical system

34. This dimension describes how Norwegian aid data are captured and managed by Norad. It provides an overview of Norad’s aid management system and developments underway.

Data Collection

35. Norad is mandated by the Ministry of Foreign Affairs to collect, verify and publish data on total ODA efforts made by Norway. Norad is also responsible for reporting these to the OECD. Data on grants provided by the MFA, including embassies that operate a development co-operation fund, are entered in a centralised grant management system (Plan Tilskudd Avtale - PTA). In Norad, there are several departments (knowledge bank, climate/energy/environment, education/health, gender/governance, civil society) with a responsibility for managing their grants in PTA. In addition to these departments, there is a department of quality assurance, which provides advice to other departments, ministries and embassies, and serves as a support unit to other departments. The Statistical Section is part of the department of quality assurance.

36. While the MFA and most embassies use the PTA system, other ministries or government departments delivering ODA provide their data in Excel sheets, which the Statistics Section in Norad then merges with data from the grant management system into a statistical system.

The reporting agencies for ODA are:
- UD - Oslo (Ministry of Foreign Affairs – Oslo)
- UD - Embassies (Ministry of Foreign Affairs – Embassies)
- Norad
- Klima- og miljødepartementet (Ministry of Climate and Environment)
- Kunnskapsdepartementet (Ministry of Education and Research)
- Justisdepartementet (Ministry of Justice and Public Security)
- Barne- og familiedepartementet (Ministry of Children and Families)
- Finansdepartementet (Ministry of Finance)
- Peace Corps (Norec)
- Riksrevisjonen (Auditor General)

The reporting agencies for OOF, Officially supported export credits and Other flows are:
- Norfund
- GIEK
2.2. The data management tools: Plan Tilskudd Avtale (PTA) and Statsys

37. The Norwegian grant management system is called Plan Tilskudd (grant) Avtale (agreement), or PTA. PTA is used for planning and following up throughout the project cycle agreements managed by MFA – Oslo, the Embassies – and Norad. It serves two main purposes: i) planning and budgeting, and ii) registration of statistical information. All staff in the MFA, Norad and about 40 embassies enter details on the grants they manage in the system. PTA has been in use for about 20 years.

38. As soon as a programme is signed, programme officers enter the grant information directly in PTA, which facilitates follow-up of agreements with implementing partners. PTA assists management in planning and managing the total portfolio in relation to budgets and political incentives for ODA. It contains all grants provided by the MFA and Norad within programme areas ‘02 – Foreign affairs management’, ‘03 – International development cooperation’ and ‘12 – Climate and Forest Initiative’.

39. PTA is managed using Microsoft SQL, an off-the-shelf package for data management. It has been designed as a very flexible tool, which means that any new requirements for fields (e.g. new markers introduced in the CRS in 2018) can easily be accommodated. Norad is currently assessing the value of including multiple purpose codes in PTA, given that this reporting to the CRS is voluntary. PTA follows the phases as indicated in Figure 2.1.

**Figure 2.1. PTA agreement phases**

- **Phase A**
  - Receive an “application”
  - Assess and decide

- **Phase B**
  - Enter into (Conclude) Agreement
  - Disburse and follow-up

- **Phase C/D**
  - Conclude (Terminate) Agreement

Source: Illustration based on information provided by Norad (2019).

40. The Statistical Section is able to correct data directly in PTA. When they do so (e.g. to correct a purpose code), the system automatically sends an e-mail to the programme officer responsible for the grant to alert him/her that a data item has been modified. Figure 2.2 provides an example of the different fields included in PTA. If the programme officer disagrees with the change, a dialogue ensues with the Statistical Section.
Figure 2.2. Fields included in PTA

Source: Screenshot provided by Norad (2019)

Figure 2.3. The Statistics card in PTA

Source: Screenshot provided by Norad (2019)
41. The Statistical Section in Norad receives financial data in Excel files in February from several other government departments or agencies, for example Ministry of Climate and Environment, peace Corps (NOREC), Auditor General's office, Norfund and GIEK, among others (see Figure 2.3). It then pulls all the data from PTA and data submitted in Excel by other government departments or agencies in a statistical tool, called Statsys, which holds all financial aid data back to 1960. In 2018, about 88% of the ODA funds were registered in PTA.

Figure 2.4. Norwegian Aid Statistics (Statsys)

Source: Own illustration, based on information provided by Norad (2019).

42. When all ODA data have been transferred to Statsys, the Statistical Section reviews them to enhance consistency and ensure completeness. The quality of the data is checked and monitored in order to correct errors before importing the data to Statsys. Most of the corrections are done directly in the PTA grant management system, but some changes are made directly in Statsys. Data can easily be extracted with the Statsys report portal to produce reports in ‘PDF’, ‘XML’ or ‘CSV’ files (see Figure 2.4).
2.3. DAC and CRS Reporting

43. Given all statistical data are contained in Statsys, it is quite straightforward for the Statistical Section to convert the data into CRS format for reporting purposes. Once the data have been converted into the CRS format, the Statistical Section runs some further manual checks to verify the data. It also fills in the DAC tables manually, and these are used to cross-check data. The Statistical Section struggled with the reporting of a few rows in Table DAC1, where they felt the mapping between CRS and Table DAC1 in the Directives was not clear, such as reporting against the HIPC Initiative, debt reduction, or restrictions on channel categories applicable to OOF. In previous years, there had been a lot of exchanges between the Statistical Section and the Secretariat to validate the DAC tables.

44. Some data, such as amounts mobilised by the private sector or additional columns for PSI, are not included in Statsys, so these data are merged manually into the CRS template when Norway reports to the CRS.

45. The Statistical Section was very keen for a clear mapping between the CRS and DAC tables, and suggested that the Secretariat explore whether the DAC tables could be generated automatically from the CRS template3.

46. Norway has challenges in filling in the Forward Spending Survey, given that its ODA budget is provided for one year, which makes aid projections very difficult for the coming four years. In addition, details on the split between bilateral and multilateral aid are not

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3 The Secretariat has made attempts to generate aggregate data in the CRS Excel template, but the volume of calculations to generate DAC1 are so heavy that Excel formulas are not the suitable tool for this.
available in Norwegian future aid allocations and the portion of multilateral aid is not available in the budget documents.

Request to the Secretariat:

- The Secretariat is encouraged to further explore how to automate the production of DAC aggregate level tables, including the validation table, by developing more live and interactive tools, which could be used in a user-friendly manner by all the donors.
- The Secretariat is also encouraged to look at how to simplify the guidance material for filling out flows under Other Official Flows in DAC 1 in Annex 5. Rules for compiling aggregates from CRS++ reporting.

Observations by the peer review team

- Since the Statistical Section in Norad is responsible for the quality assurance of the data, the peer review team welcomed that Norad has the possibility to make changes to the data directly in PTA. It was also impressed that the Statistics Section is well connected with the programme officers. This can harmonise and enhance the quality of the data in PTA.

2.4. The Grants Portal

47. A new system is being developed by the MFA and Norad which will replace PTA in the coming 2-3 years: Grants Portal (MFA and Norad, n.d.[4]). At present, the grants portal is a digital portal for use by organisations that wish to apply for funding in response to calls for proposals. They can fill in the application form found under each call. The submission of the form engenders a dialogue between the MFA and applicant, and an assessment of the application which, if agreed, leads to the generation of an agreement, acceptance and signing of the agreement.

48. The two systems are currently running in parallel. In future, all features included in PTA will be covered in the Grants Portal including the collection of statistical data. The Grants Portal will work like an accounting system.

2.5. Proposed Recommendations – Dimension 2

- Before replacing PTA with the Grants Portal, Norad is encouraged to identify all activities that are non ODA-eligible and captured in PTA under programme area 03. Norway is encouraged to report these flows as OOF and later in TOSSD.
- Norway is also encouraged to ensure that descriptive information can be captured in the Grants Portal.
- Given that Norad will be managing more funds thanks to the growing ODA volume, it will need to ensure that there is enough statistical capacity to maintain the high quality of data it produces and the processes in place to ensure this.
- Norway is encouraged to seek further collaboration with teams in the Ministry of Foreign Affairs to ensure that any data questions, or ODA-eligibility questions that arise, are answered in a detailed manner.
3. How to improve reporting to the OECD and how to consolidate quality reporting over time?

49. This dimension reviews how Norway compiles its statistics for reporting to the OECD.

3.1. ODA statistics and the Statistics Section

50. The Statistics Section is situated within the Department of Quality Assurance in Norad and is responsible for compiling and publishing data on total flows to developing countries from Norway. The Statistics Section in Norad normally consists of five permanent positions (one Head of Statistics and four Statisticians). The main responsibilities and tasks of the Unit are managing the statistical database, reporting to the OECD/DAC, WP-STAT (and DAC) related tasks, climate assistance and international reporting, handling ODA-eligibility questions and responding to requests for aid statistics. It is also in charge of carrying out statistical surveys, producing internal and external reports with data, reporting to IATI, training programme officers, communicating on aid statistics and updating an on-line database on Norwegian aid statistics (Norad, n.d. [5]).

51. Norad collects data from all implementing agencies, including Norfund, CSOs and other ministries to report to the DAC based on the letter of appropriation from MFA.

52. It is recognised in Norad that the statistical functions require dedicated and competent staff to maintain institutional knowledge and historical know-how in aid statistics. There is strong support from Norad’s leadership for the statistical work undertaken by this section. The Statistics Section has extensive knowledge of the Norwegian aid programme, statistics and reporting, and only staff with a certain level of experience can be recruited. The appropriation letter from the MFA, which mandates Norad to compile Norwegian aid statistics, also specifies that statistical officers need to follow rules agreed by the OECD/DAC and ensure a high quality of statistical reporting.

53. Recent changes in aid management have delegated more work to Norad in the field of grant management. The share of aid administered by Norad has increased from 12% in 2016 to 30% in 2018, which has also contributed to an increasing workload on the Statistics Section. Since more grant management will be moved from the MFA to Norad due to the aid management reform, Norad’s share is expected to be much larger for 2020. The grant management process is being digitalised, but staff resources have remained the same.

54. The freeze on recruitments in Norad expected to last until 2020 could have an impact on the statistical capacity if staff were to leave. Since Norad will continue as an underlying agency of the MFA, but with a new mandate and a significantly increased grants budget, Norad must have the capacity to absorb more responsibilities for delegated funds.
3.2. Quality assurance process and DAC Reporting

55. The Statistics Section in Norad assures the quality of statistics for all ODA. It also provides assistance and support to other departments on reporting issues, notably with regard to ODA-eligibility questions. Given that it often finds agreements which seem incorrectly coded, quality assurance work is prioritised. The Statistics Section believes that the usefulness of statistics is dependent on correct coding.

56. The quality assurance of statistics in Norway can begin before projects of Norad are agreed. The Department of Quality Assurance (the grant management, results and legal sections) have to look over every agreement over NOK 50 million before these are signed. In this process they can discover ODA-eligibility issues and forward the agreement to the Statistics Section. Although the latter is not part of the units that must approve an agreement before it is signed, it has an advisory role in the implementation of the aid budget as it takes decisions on what can be counted as ODA. Some decisions on ODA eligibility are also run by Norad’s Director General as a further quality check. However, given there are between 4000 to 5000 new agreements each year, the quality assurance of the data is becoming more and more challenging.

57. The Statistics Section tries to ensure that statistical coding is prioritised in grant management departments. All rules and statistical classifications for use by programme officers are contained in a manual that the Statistics Section updates on a yearly basis following decisions taken at the WP-STAT. The Handbook includes all the statistical variables, with descriptions, examples and rules pertaining to them. The Handbook is currently in a PDF-format, available both on Norad’s webpage and under a Help function in PTA. Norway is working to make a digital version of the Handbook, but has not been able to prioritise this work recently.

58. All new programme officers receive a copy of this manual that aligns with most of standards in the DAC Reporting Directives. They also receive a one-hour training course on statistics. Attending the course is mandatory – otherwise new officers cannot access the PTA system. After taking the mandatory course, staff has to re-take the course every 5 years to ensure awareness of the DAC Reporting Directives.

59. There is a strong demand in Norway for data on new policy issues that do not fit into a sector or a marker. Norway has recently introduced the DAC disability policy marker in order to capture its increasing support to marginalised groups (featured in the UN flagship report on disability). However, there are challenges on how to communicate on these topics without double-counting as the objectives may not be exclusive. The Secretariat advised that statistical presentations should either be prepared for one marker at a time (and resulting totals for each marker should not be added up) or the overlap should be presented and treated to avoid double counting.

3.2.1. Gender equality marker

60. The MFA and Norad\(^4\) presented the Norwegian approach to gender equality in development aid. Gender equality is one of the four cross-cutting issues in Norwegian

\(^4\) Namely, MFA’s section for Human Rights, Democracy and Gender Equality, and staff from Norad’s Department for Economic Development, Gender and Governance as well as from the Statistics Section.
development co-operation. Norway developed an “Action Plan for Women’s Rights and Gender Equality in Foreign and Development Policy 2016-2020” (MFA, 2016[6]). Norway recently introduced a new target of 50% of projects targeting gender equality as a significant or principal objective, but without a defined year for achievement. For the moment, around 27% of their projects are gender equality focused (OECD DAC, 2019[7]).

61. Norad raised the concern that they are probably making a stricter interpretation of the gender equality marker and in consequence could be underreporting. Norway has compared its marking with other donors e.g. Sweden and identified that similar activities had been marked differently, with Norway applying a more conservative approach. The EU and Korea highlighted that they face similar problems with the marking on gender equality. Norway, the EU and Korea mentioned that it is in particular challenging to attribute policy markers in an area where for example both climate and gender play a role.

Request to the Secretariat:

- Norway requested the that the Secretariat produce annual aid at a glance figures to indicate i) the share of ODA focusing on gender equality in bilateral allocable aid and ii) gender equality focused aid as a share of GNI, and iii) data on a disbursement basis.
- Norad asked the Secretariat to investigate whether donors report on gender equality marker consistently and propose a solution as part of the ongoing policy marker review.

3.2.2. Climate Finance and the Rio Markers

62. The Ministry of Climate and Environment gave a presentation on the Norwegian policy on climate finance and the challenges in terms of reporting to the Framework Convention on Climate Change (UNFCCC). Norad encouraged the OECD and UNFCCC to work together to align the reporting methodologies. Their current reporting is based on the OECD/DAC reporting system with markers for climate change mitigation and adaptation and applying the counting methodology used by the EU: 0% when not targeted / 40% when significant objective / 100% when main objective.

63. Norwegian climate finance consists of both earmarked support and imputed multilateral core support (as reported to the UNFCCC). Norfund’s investments in renewable energy are included. The total Norwegian climate finance in 2018 is estimated to NOK 7.42 billion (USD 912 million). The Norwegian Climate and Forest Initiative is a large component of the Norwegian climate finance.

64. Norway reports imputed climate-related shares of core support to selected climate-relevant multilateral organisations. Financing targeted at climate change mitigation, adaptation or both are reported in separate rows for each recipient country/region.

65. The climate markers are essential for the reporting to the UNFCCC. The climate sections in Norad and in MFA undertake a quality review of all projects above NOK 50 million (about € 5 million) based on data extracted by the Statistics Section. The review of climate change adaptation is a real challenge because there are different understandings on the appropriate scoring between all the stakeholders involved.

Request to the Secretariat:

- The Secretariat is encouraged to look into ways of aligning the methodologies between the UNFCCC and OECD/DAC for climate finance in the future.
Observation by the peer review team:

- The peer review team had the impression that it is challenging for Norad to attribute policy markers ex post when agreements have rather general titles/descriptions.

3.3. Humanitarian aid statistics

66. In 2018, Norway spent NOK 4.1 billion (figure based on the purpose codes for humanitarian assistance). Norway stressed an issue with the reporting and monitoring of humanitarian aid. For example, if a humanitarian aid activity includes an education component, the activity is reported as humanitarian and ‘education’ needs to be mentioned in the description to effectively track total disbursements for education. Similarly, some humanitarian aid activities may not be coded using the CRS humanitarian purpose codes. This is quite complicated for monitoring expenses. Overall, Norway has increased support to education, that is linked to humanitarian aid e.g. “education and crises”.

UNOCHA/FTS

67. Norway’s reporting to UNOCHA/FTS is manually extracted from the PTA database, with data sent to the institution every month as a rule. Norway can skip a month if amounts are too low to be notified. It is an easy operation as the information is easily accessible. Indeed, if an activity is coded with humanitarian sector codes (i.e. 72xxx, 73xxx, 74xxx) FTS will include it in its reporting directly, when other codes are used FTS will assess if the support is relevant to include. This reporting is not seen as a duplication or labour intensive. The FTS is used by OCHA to track the financing of Humanitarian Response plans and also by NGOs and others for monitoring and analysis.

Grand Bargain

68. Given that the Grand Bargain has its own definitions, the data cannot be compiled from the CRS and is quite a manual process, though not a difficult one. This reporting has so far been more narrative reporting rather than a statistical one.

Cash transfers

69. The peer review team asked Norway about the existence and possible notification of cash transfer programmes. Norway stated that it was challenging to give aggregate figures on these flows as it would be complicated and demand a lot of resources to retrieve figures on cash expenses from partners. Norway does however expect partners to have systems in place to track and be able to provide the relevant information.

70. In general, Norway noted a tension between leaving enough flexibility to multilaterals for an efficient handling of aid and the increased demand for detailed statistics and granular reporting by donors. Unearmarked contributions to multilaterals are by nature not specified in terms of sectors of intervention or modality or else and there should be a way to still valorise them in statistics.

3.4. Imputed multilateral aid

71. A large share of Norwegian aid is either core support to multilateral organisations (24% in 2018) or support to global funds/programmes. In DAC statistics, purpose codes and/or recipient countries are not collected at a detailed level for this type of support. At the same time, there is an increased demand for statistics on total ODA to specific sectors or to countries/regions. Over the last few years, the Statistics Section has begun to include
imputed multilateral ODA in their presentations of Norwegian aid to sectors and countries. However, Norway highlighted that multilateral shares are published quite late by the OECD, and not all multilateral organisations report their data to the OECD. Moreover, Norway has little insight into the quality or consistency of these data.

72. Besides multilateral aid, about 29% of Norwegian aid in 2018 was registered with recipient country: “Developing countries, unspecified” (excluding administrative costs). This is due to an increased use of multilateral channels to deliver aid. Even though this support is directed towards global programmes and funds, and consequently should be registered with recipient “Developing countries, unspecified”, Norad considers an increased demand for disaggregated data on where these flows end up. Especially, there is a demand for more information about how much of this goes to Sub-Saharan Africa or to Least Developed Countries. At present, there is no overall method of disaggregating these flows by country, region or income group.

73. The fact that some global funds (e.g. GAVI) are included on Annex 2 as eligible for core support and others not complicates communication about the total use of such funds. It is difficult to communicate about the different “types of aid” to people within the MFA and Norad, as they have a different understanding of what qualifies as global funds and what qualifies as core support to multilateral organisations. At times, the statistical codes become obsolete, as they do not provide sufficient information, such as the total use of multilateral funds.

Requests to the Secretariat:

- Norway inquired whether the Secretariat would be able to publish imputed multilateral figures earlier in the year.

*Observation by the peer review team:*

- The peer review team noted that other donors face similar problems with data on the use of multilateral funds and that CSOs seek further information on where funds end up. The Secretariat described that TOSSD could play a role in providing more disaggregated data from multilateral organisations.

### 3.5. Proposed Recommendations – Dimension 3

**3.5.1. Quality assurance**

- Given that Norad will be managing more funds due to the growing ODA volume, it will need to ensure that there is enough statistical capacity to maintain the high quality of data it produces and the processes in place to ensure this.

**3.5.2. Policy Markers**

- Norway is encouraged to attribute and verify policy markers at the design phase of the project so the data are already quality checked when the programme becomes active.
- Norway is encouraged to continue its conservative approach towards the gender equality marker and ensure that the new gender marker target does not impact its integrity. The Secretariat will provide further guidance on how donors can improve the reporting on the gender equality marker to ensure consistency.
4. How to better monitor recommendations and commitments, for example the DAC Recommendations on Untying ODA and on the Terms and Conditions of Aid, and the commitment on increasing aid to countries most in need?

4.1. Untying aid

74. While Norway’s development co-operation activities are 100% untied, Norad clarified that they did not report on contract awards because the scope of this reporting was unclear to them. The issue was due to a misunderstanding of definitions. Since contributions to some CSOs have formal restrictions, Norway sought further clarification on how to report agreements for Norwegian NGOs and agreements for international NGOs. The Secretariat clarified that core contributions to NGOs do not need to be reported (they are considered as untied by definition) and are not covered by the Recommendation anyway. However, ODA through NGOs for procurement purposes needs to be reported and the same applies to ODA through international organisations.\(^5\)

75. After consultations with the Secretariat, Norway confirmed that their agreements do not require a grantee to procure from Norwegian suppliers.

76. With regard to Norfund, it was also confirmed that it does not give preference to Norwegian companies, but does co-invest with some of them on equal, non-concessional terms. For example, KLP, a large privately owned Norwegian pension fund is a partner on commercial terms.\(^6\) Norfund considers itself entirely untied, following the same culture

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\(^5\) Further information can be found in Revised DAC recommendation on untying ODA to the least developed countries and heavily indebted poor countries (OECD DAC, 2014[12]).

\(^6\) Information provided by Norad: “Norfund’s cooperation with KLP is based on Norfund’s aim to mobilise private capital to investments in renewable energy and financial institutions in developing countries. KLP (Kommunal Landspensjonskasse) is a mutual life insurance company delivering financial and insurance services to the public
4.2. Implementation of the 2030 Agenda and TOSSD

77. In Dimension 1 above it was explained that the structure of the aid budget would change and that budget lines would be aligned with SDGs as from 2020. The implementation of the SDG target reporting has not started in the Norwegian system yet, but the Statistics Section in Norad has recommended to MFA to do so in the near future. As regards humanitarian assistance, Norway explained that its mandate is to save lives and that as a result, the SDGs are not the prime objective. Still, it definitely contributes to the achievement of SDGs, and would therefore be assigned an SDG in the CRS.

TOSSD

78. Norway is a strong advocate for global public goods (see Dimension 1, section on ODA-eligibility). Its contributions in this area are aligned with the SDGs and the Agenda 2030. Consequently, they could be reflected in Pillar II of the new measure of Total Official Support for Sustainable Development (TOSSD). Norway also seeks to catalyse resources beyond ODA that promote sustainable development and it is committed to using aid to mobilise private resources to promote the implementation of the SDGs. This narrative is in line with the Addis Ababa Action Agenda (AAAA) and TOSSD, which aims at capturing resources beyond ODA, to provide a more comprehensive picture of resource flows in support of sustainable development in developing countries. Given the place that flows beyond ODA occupy in Norwegian’s development co-operation, the session on TOSSD discussed the major drawbacks that Norway saw in developing a statistical framework that reflects this agenda.

79. The MFA presented Norway’s position on TOSSD. Although they stated they were not “against” the development of this new measure, they were quite critical. Their main argument is in relation to the cost-benefit of developing this new measure: what is its value added? Norway also indicated that it did not sense the need for TOSSD from developing countries. The ODA target of 1% of GNI remains the main political priority in Norway, and given the limited resources to produce high quality ODA statistics, it did not want to divert these to other tasks.

80. Norway has expressed its position on TOSSD at WP-STAT and DAC meetings: they have reflected on possible impacts, and see risks in introducing this new measure. TOSSD could shift the geographical focus of aid and reduce concessional support (ODA), although Norway also recognises that its fixed 1% ODA/GNI ratio powerfully protects its ODA budget. In Norway’s view, TOSSD therefore entails much more than a statistical standard for measuring flows, and is rather a political matter and relates to a decision on the priorities for development co-operation in the future. Norway acknowledges that TOSSD will be presented as a complementary measure to ODA, and could usefully relieve some of the pressure that ODA faces, but the country is worried that it could make the political landscape more complex, with Norway possibly setting two different targets, one for ODA and one for TOSSD.

sector, enterprises associated with the public sector and their employees. The KLP Group has total assets of NOK 650 billion. Technically, the investments is channelled on equal terms through KLP Norfund Investment AS, which is a Norwegian company established with the purpose to make investments in companies within renewable energy as well as financial institutions in development countries.”
81. Despite the reluctance at a political level and the challenges faced at the technical level (they have not yet mapped the support that could be included in TOSSD), the Statistics Section has reflected on practical reporting aspects, and shared some insights with the team:

- Most of Norwegian ODA would fit in TOSSD, there are only a few transactions related to energy production and mineral extraction that would need to be examined more carefully against the sustainability criterion, and excluded if they did not comply. As regards OOF and amounts mobilised from the private sector, Norway is already presenting data encompassing these types of support, at least for reporting on climate finance to UNFCCC, but also internally.

- Norway has the impression that it would take a lot of work to scope the areas that Norway could report as TOSSD that are not yet covered by ODA, and this work is not prioritised by the Ministry at present. Norway expects learning more from the current TOSSD Survey on the types of support that other members will have been able to identify.

- Norway considers TOSSD Pillar II complex and highly political, and it perceives the mixing of concessional and non-concessional flows as problematic.

- Norway faces a time consuming process to check ODA eligibility and would prefer a simpler and more straightforward process with TOSSD.

82. The Secretariat responded to Norway’s main concern about usefulness and added value by explaining that TOSSD was first and foremost a recipient-focused measure developed in response to the AAAA to fill existing gaps in measuring resource flows in support of sustainable development. The TOSSD pilot studies conducted in various developing countries (Senegal, the Philippines, Nigeria, Costa Rica and Burkina Faso) had confirmed the relevance, usefulness and timeliness of developing the TOSSD measure from different development countries’ perspectives on different continents.

4.2.1. **TOSSD Survey**

In addition, the Secretariat presented an update of the TOSSD Survey and clarified several points:

- Given the recipient-focused nature of TOSSD, the TOSSD Task Force has not yet discussed the production of TOSSD figures by provider. In any case, there is no intention to set targets for TOSSD.

- TOSSD reporting will distinguish between concessional and non-concessional resource flows, and the presentation of data can be made on this basis as well, this was a strong request from the CSO community.

4.3. **Proposed Recommendations – Dimension 4**

4.3.1. **Untying aid**

- Follow-up discussions with the Secretariat helped to bring more clarity to the reporting on contract awards. Norway is encouraged to report to the survey on contract awards for 2018.
### 4.3.2. SDGs and TOSSD

- The peer review team welcomed that Norway has started to align its aid budget with the SDGs. Norway is encouraged to report on the SDG focus of its development co-operation and include the SDGs in its reporting systems.
- Norway is encouraged to consider the potential of TOSSD to fill the gap for information on support to global public goods, through its pillar II. This would help to reflect a development co-operation agenda that recognises the importance of resource flows beyond ODA.
- Norway is encouraged to participate in the first round of TOSSD reporting in 2020.
5. How to improve transparency and the related performance on transparency indicators and indices?

5.1. Transparency and IATI

83. Norway is fulfilling its commitment on aid transparency. In 2015, Norway started to report to IATI. They tried to publish on a quarterly basis but are currently doing it twice a year.

84. Norway ranks in the “fair” category in the PublishWhatYouFund (PWYF) Aid Transparency Index since 2016 (see Figure 5.1). This is mainly due to the relatively low frequency of publication, and the lack of results and budget information in IATI format. Norad tries to report more regularly, but has not reached this goal yet because they prioritise CRS reporting. The data that Norway provides to IATI is directly extracted from the PTA system, with only a few quality controls.

85. The Norwegian law promotes transparency, it requires all Norwegian Ministries to publish documents in English and allow access to their documents upon request.

86. During the session, Norway questioned whether IATI is a sufficient measure for transparency. The peers and Norway questioned the quality of IATI data, and described that it is difficult to use the D-Portal. Likewise Norway raised doubts about the extent to which data reported to IATI are being used. By contrast, Norway described that the UNDP Transparency Portal is user-friendly, in particular data are visualised and it is possible to disseminate documents, focusing on results.

87. For historical data, the data published in IATI are identical to those published in CRS, so Norway needs to upload the data in StatSys. However, for forward-looking data Norway imports information from PTA to StatSys, making only minor quality controls.

88. Norway raised the concern that there might be double counting in IATI since Norad reports, but some Norwegian NGOs are reporting both to Norad and IATI.
Observations by the peer review team

- The peer review team noted that only a few members quality check their data before they are submitted to IATI and questioned the quality and usage of IATI data.
6. Are the data fit for purpose?

6.1. An external user perspective

89. During this session, the peer review team met three representatives from NGOs “Save the Children” and “Digni”\(^7\) as well as staff from Norad (Statistics Section and Civil Society department).

90. In 2018, Norad managed approximately NOK 3.2 billion across 250 agreements with NGOs with an objective of achieving a stronger civil society in developing countries to promote democratisation, human rights and to reduce poverty.

91. CSO participants discussed extensively about the reporting to Norad, which they consider laborious and time-consuming. Norad asks the CSOs to fill statistical information in an Excel template. It provides CSOs with relevant training to help them fill the template. The Excel file is then sent to Norad and imported in PTA. The import process is often associated with formatting issues and the reporting on financial flows is made on different bases, i.e. CSOs report what they plan to disburse, rather than actual expenditures. Norad wishes to align its reporting system in the future. While discussing this issue, the CSOs agreed that an online submission form would benefit both parties. The new portal is limited with single contract submissions.

92. The session also discussed whether Norad’s data are fit for purpose. The CSOs admitted not to use Norad’s website on a regular basis. They described that they do not use the data for analytical work (except for DAC donors’ analyses). Analysis is rather built on results, achievements, not on amounts disbursed. CSOs explained that data are missing on support to marginalised groups, e.g. children with disabilities. Another CSO commented that it uses Norad’s website to compare funds distributed to other CSOs and to get an overview of the donor landscape. Save the Children explained they use Norad’s statistics to see e.g. what is the share of aid going to a sector, such as education. They admitted not to use CRS data, explaining that agreements in Norad are for a period of 5 years and since they have their own project cycles, the CRS data do not align with the agreement periods. CSOs report on agreement outcomes, they do both a mid-term and final review, which indicates more actual results.

93. The peer review team also discussed the advocacy role of CSOs in Norway. CSOs have a strong advocacy role and can put pressure on the government in certain areas, such as migration (asylum seekers) or peace and security in the Sahel zone. CSOs requested the government to do a coherence review on the link between development co-operation and humanitarian assistance in conflict areas.

\(^7\) Digni is an umbrella organisation that receives about 186 million NOK annually from Norad. See: What we do (Digni, n.d.\(^{[13]}\)).
94. On an annual basis, CSOs meet government representatives to present plans and to identify achievements from the previous year. Overall, CSOs describe the relationship with the Norwegian government as good and transparent, they have the opportunity for open dialogue. In addition, Norad organised a workshop on reporting together with the CSOs a few years ago.

95. CSOs have to send a financial report to Norad on their administrative costs and procurement. The financial reporting can differ from what is actually disbursed. On Norad’s website, only the budget is displayed, not the final picture. There can be approximately 10% difference between the budget and the disbursements because activities might have been coded differently.

96. Norad’s reports amounts disbursed to CSOs in its DAC reporting. These are usually made on a semi-annual basis to cover CSO budgets for the following six months. The Audited Financial Statements from the CSOs are then sent to Norad in June the following year. These may deviate somewhat from the budget, but there is no separate process to adjust the DAC reporting based on the actual amounts in the Financial Statements as this is considered time consuming and the data provide a fair picture at the global level.

97. CSOs follow discussions at the OECD on PSI, private sector financed mechanisms and tax initiatives with great interest.

Observation by the peer review team

- The peer review team considers a joint online database “The Grants Portal” between MFA and Norad as a good step to improve reporting.
- The peer review team was surprised that CSOs do not use Norad’s website more intensively for analytical purposes.

6.2. Proposed Recommendations – Dimension 6

- Norway is encouraged to discuss further with the CSOs how the data and website could be designed to be more useful for them so that they would use it more frequently.
- Norway could also look into ways of aligning agreement cycles with the CSOs so that the data match from both parties.
7. How are data disseminated?

7.1. Communication and Dissemination

98. The Department for Communication and the Statistics Section at Norad presented their work on dissemination of statistics: publications, websites, specific online data visualisation tools, press releases, campaigns, among others.

99. They presented the Norwegian Aid Statistics website (Norad, n.d.[5]), which provides easy access to all official statistics about Norwegian development assistance from 1960 until 2018. Norway has an impressive website for its aid activities that can be explored with a worldmap, which is available in both a Norwegian and English version.

100. In addition, the MFA manages a separate grant portal with forward-looking data (MFA, n.d.[9]). This web-portal is directly linked to PTA and only includes agreements managed by the MFA (including embassies) and Norad. Funding over the Climate and Forest Initiative is managed by the Ministry for Climate and Environment and not included.

101. The Department for Communication is in charge of the Norwegian Aid Statistics website, while the Statistics Section is in charge of reviewing and uploading the final data on the database system for this website.

102. The Norwegian Aid Statistics had approximately 19,000 pageviews in 2018 (Norwegian version). 14,700 users visited the website, spending on average six minutes each on the website. Compared to 2017, the number of pageviews increased by 16 % and number of users by 19 %. The English version of the Norwegian Aid Statistics is less visited than the Norwegian version.

103. The number of users may vary from year to year, depending on different factors such as general interest and use of the statistics in different campaigns. Norway has for instance organised knowledge competitions where the public could test its knowledge on development co-operation. The competitions were part of the outreach campaign and awareness raising around ODA.

104. The communication team and the Statistics Section in Norad have over the last few years started exploring these data in a way of “story telling” to make statistics more accessible to the public. A highlight is the annual launch of the official statistics from previous year in April. This involves close collaboration between the communication team and Statistical Section and is extremely resource intensive, but both teams felt that it was a very important exercise to better explain Norwegian ODA to the public. The communication team also produces various interactive charts, to show for instance the...
top ten recipient countries of Norway by sector (Norad, 2019[10]).

105. In the future, Norway would like to further enhance the layout, combining historical data with future data, improve the presentation of the lists of projects (e.g. include a function to zoom in data to a single project), and show more information such as geo-localisation codes, videos and photos related to projects.

106. Currently, there is no annual report or statistical yearbook on Norway’s aid programme, which would include results and multilateral aid.

107. The peers shared their experiences in using smart data tools and websites to analyse and share statistics. The EU presented the new EU Aid Explorer that had been released in March 2019 (European Commission, n.d.[11]), which presents the gross ODA disbursements for the EU Institutions and for the 28 EU Member States as of 2007.

Observation by the peer review team:

The peer review team was impressed with Norway’s interactive website and found its efforts commendable.

7.2. Proposed Recommendations – Dimension 7

- Norway is encouraged to continue with its communication on its data on development co-operation by building a narrative around ODA data.
- For better communication around ODA, Norway could produce an annual report on Norwegian aid figures.
8. Bibliography


