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Peer Review of
Norway 2019
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1. Global efforts for sustainable development

1.1 Efforts to support global sustainable development

Norway has been actively involved in building the international architecture developed since the Second World War. We are firm believers in global cooperation and the multilateral system, and we will continue to develop, adjust and strengthen our work in order to make the most efficient and effective contribution to a peaceful and more just world free of extreme poverty.

The Sustainable Development Goals challenge the way we look at development and aid. The goals are universal and illustrate how we all have areas that we need to develop. Development is first and foremost a national responsibility. Going forward, we see our main contributions to global sustainable development as the following:

Advocacy for SDG efforts. Prime Minister Solberg is Co-chair of the Sustainable Development Goals Advocates, appointed by the UN Secretary-General. This gives Norway a special responsibility for raising awareness about, engagement in and ownership of the SDGs at all levels, internationally as well as domestically.

UN reform. Norway believes in a strong, rule-based multilateral order with the UN at its centre. The multilateral system is our most important buffer in response to complex global challenges. The government mobilises to enhance progress for peace and security, sustainable development and human rights. Reform is necessary for the UN to deliver results and remain relevant. Norway supports the UN Secretary-General’s reform agenda across the three pillars of the UN: Peace and security, human rights and development. Norway has a record of solid and consistent support to the UN, and is one of the top ten financial contributors and a driver behind initiatives such as the UN70 group, building cross-regional support for the Secretary-General’s ongoing reform efforts.

Play a constructive role in international forums and processes. Norway actively participated in the negotiations leading up to the SDGs, to the Paris Agreement, the Addis Ababa Action Agenda and the Sendai Framework for Disaster Risk Reduction. We continue to prioritise participation in international processes. Building alliances and engaging in diplomacy across regions, and our efforts to promote human rights and respect for international law will become increasingly important. The UN and the multilateral development banks are central, but we will seek to use all possible arenas to contribute to greater global order. Norway is often perceived as an ‘honest broker’. For decades, we have been seen as a reliable, generous and flexible donor, both multilaterally and bilaterally. All our aid is untied. We believe this puts us in a good position to play a role in building bridges between different groups taking part in various negotiations.

Focus on global thematic efforts. Investing in global health has for a long time been a key priority for Norway. We support the important work of global funds such as the Vaccine Alliance (GAVI), the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the Global Financing Facility for the UN Secretary-General’s global strategy for Every Woman Every Child (EWEC). We are also a key partner to the innovative financing mechanism for maternal, child and adolescent health; ‘The Global Financing Facility’ (GFF), and we will be hosting a
replenishment conference for GFF in November 2018. Norway was recently instrumental in the establishment of the Coalition for Epidemic Preparedness Innovations (CEPI), an important contribution to health security in low-income countries. Over the last few years, Norway has also taken a lead role in mobilising funds for education.

**Focus on global public goods and challenges.** The Norwegian International Climate and Forest Initiative (NICFI), launched in 2007, indicated a shift in Norwegian development policy towards increased attention to global public goods and challenges, albeit with a clear link to development and poverty reduction. We are currently endeavouring to increase international attention to the world’s oceans. With its extensive experience and knowledge of ocean-based activities, Norway is well placed to contribute towards the work related to SDG 14. We have taken the initiative to create a window for activities to combat marine litter and microplastics under the PROBLUE Trust Fund, which the World Bank is about to establish.

**Resource mobilisation for development.** Low-income countries need to benefit from international trade. Being able to trade on a level playing field makes a difference. Norway strongly supports the integration of developing countries, and, in particular, the least developed countries, into the global trading system. We will encourage efforts to create a climate conducive to foreign and domestic private investment. Norway is increasing its efforts to support countries mobilising their own resources through fair, transparent and efficient tax policy and collection systems. We work diligently through appropriate normative policy work and concrete capacity-building to plug the leaks from development financing; particularly illicit financial flows and corruption.

**High level of development aid – more strategic use of aid.** Development cooperation will continue to be an important part of our international engagement and the Government has in its manifesto committed to spending 1% of GNI on aid. The Storting (Norwegian Parliament) also supports this goal. Aid alone is far from enough to reach the SDGs. This makes it even more important to use scarce resources in the most effective way possible, and we increasingly try to use aid to mobilise other sources of funding.

**Peace and reconciliation.** Norway has been engaged, over the years, in several peace and reconciliation processes. The work related to the processes in Colombia and the Philippines is well known. The Oslo Forum, established in 2002, has become one of the most important global meeting places for peace and reconciliation work. Norway supports women’s participation and the integration of a gender perspective in all processes where we have a role, and works to promote women in mediation. A Nordic Women Mediators network was launched in Oslo in 2015, and Norway has initiated a process that will hopefully lead to a global alliance of regional women mediators networks.

### 1.2 Policy coherence for sustainable development

Most policy areas have effects beyond the country’s borders, directly for other countries or indirectly through global common goods or challenges, such as security, pandemics and climate change. As a consequence of the SDGs, Norway is committed to deepen its engagement for increased national policy coherence.
The 2030 Agenda is a Policy Coherence for Development (PCD) agenda. In particular, the SDGs call for coherence between foreign and domestic policies to foster inclusive development in partner countries and to secure global common goods and combat global threats. Doing no harm is therefore an underlying premise for Norway’s international development policies.

In 2009, the Ministry of Foreign Affairs (MFA) was commissioned by the Storting to issue annual reports on PCD. To this effect, the MFA has led the dialogue with other ministries on the effects of their policies on low-income countries. Climate, trade, investments, tax havens, security, knowledge sharing, health and education are among the topics that have been addressed.

A recent evaluation of the Norwegian PCD efforts recognises the efforts made so far. It concludes, however, that there is room for improvement. There has also been a strong push from civil society organisations (CSOs) to strengthen PCD efforts. In response, the Government has recently established a special PCD Forum. It will be chaired by the MFA at the political level, in cooperation with the Ministry of Finance, the Ministry of Climate and Environment and the Ministry of Health and Care Services.

The Forum draws its membership from civil society, the private sector, academia, labour unions and employers’ associations. Its main tasks will include contributing to the elaboration of the annual report and encouraging a public discourse on the significance of policy coherence for development as a crucial building block for sustainable development. The Forum will engage in selected topics that are highly relevant in the context of improved PCD. Globally, investment and trade are more important for development than aid. Advancing the dialogue with the private sector to engage in responsible business conduct in low-income countries, will be key on the agenda of the Forum.

1.3 Global awareness

Substantial efforts are made to promote interest in and debate on development issues. The responsibility to provide information to the public is delegated to Norad.

The website norad.no presents information on development issues, including publications, reviews and reports. The website includes information on key partner countries, a database presenting narrative reports on project results as well as a statistics portal including all Norwegian aid statistics dating back to 1960. The website has more than 40 000 individual visitors on a monthly basis.

Norad develops thematic annual result reports, which include analyses and examples of results coming out of Norwegian development aid.

Norad arranges public seminars and conferences on various topics related to development cooperation. The major event is the annual Norad Conference with approximately 600 participants. The topic of the 2017 Norad Conference was ‘Aid in the Era of the Sustainable Development Goals’.

The Norad Policy Forum is another arena that facilitates discussions on general and topical issues related to development policy and cooperation.
Norad publishes a magazine, ‘Bistandsaktuelt’, which although funded by Norad, is independent and in accordance with the Rights and Duties of the Editor. The magazine is published ten times per year. It includes editorial material covering the entire field of development cooperation and aid.

In 2016, Norad launched a campaign to create awareness of the SDGs, and this has increased awareness from 35% in 2016 to 50% in 2017.

**SDG Mountain Hikes**

Hiking is a widespread passion among Norwegians, and Norad has taken advantage of this, linking ascending mountains to climbing towards a better world. Two SDG mountain hikes have been organised so far, mobilising a total of 20,000 hikers. The hikes have taken place during night-time, and the participants have carried torches, making it a spectacular sight. Along the way, information has been provided about the different SDGs. Bloggers, musicians, UN agencies and Prime Minister Solberg have been engaged in the hikes. The campaign has so far generated over 100 media stories including coverage in all major national media outlets. The films from the events have been viewed over 5.5 million times in social media.

In 2017, Statistics Norway conducted a survey on attitudes to development aid in the Norwegian population. The survey shows that nine out of ten Norwegians support development aid. Despite this widespread support, familiarity with Norwegian partner countries is low and many express doubt concerning the results of aid. In 2017, four out of ten Norwegians believed Norwegian development assistance led to “good” results. In 2010, six out of ten responded similarly to the same question. This is a paradox and it challenges us to become even better at highlighting both the effects and limitations of development assistance. This is a paradox and it challenges us to become even better at reaching out. We need to communicate a narrative that expresses how Norwegian development cooperation contributes to development results, but at the same time communicate the challenges and complexities of international development.

### 2. Policy vision and framework

#### 2.1 Framework

**Vision**

The coalition government 2013–2017 of the Conservative Party (Høyre) and the Progressive Party (Fremskrittspartiet) outlined its views on Norwegian development cooperation in a declaration from October 2013 (the Sundvolden Platform). One of the main messages of the declaration was an increased focus on results and the effects of aid.

Following the elections in 2017, the coalition was expanded to also comprise the Liberal Party (Venstre). The new Government manifesto from January 2018 (the Jeløya Platform) commits the Government to continue to give 1% of GNI in international aid, while at the same time
stressing that quality is more important than quantity. It confirms adherence to the principle of policy coherence for development and emphasises that the ultimate purpose of development aid is to make it superfluous.

The SDGs constitute the overall framework for Norwegian development policy and priorities in aid allocation. The way the SDGs change the way we look at development and the consequences for Norwegian development policy are described in a white paper to the Storting, presented in June 2017: ‘Common Responsibility for Common Future – Development Policy in light of the Sustainable Development Goals’ (Meld. St. 24).

The white paper recognises that the world can no longer be divided into ‘developing’ and ‘developed’ countries. The global power structure has changed dramatically since the beginning of the aid era. In a globalised and interconnected world, it is less relevant to talk about ‘our’ and ‘their’ interests. We have all committed to strive towards the SDGs, although we are differently equipped to reach them and therefore need to cooperate.

The paper underlines that development is not a matter of aid, and that aid must increasingly be used strategically to mobilise other sources of funding. Furthermore, the private sector is seen as a key driver for development.

Several other white papers have been presented since the current government came to power in 2013.

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<tr>
<th>Reports to the Storting (white papers) from the Ministry of Foreign Affairs under the Solberg Government of relevance to development policy:</th>
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<tr>
<td>Meld.St.17 (2017-2018) <strong>Partner Countries in Norway’s Development Policy</strong></td>
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<td>Meld. St. 22 (2016–2017) <strong>The place of the oceans in Norway’s foreign and development policy</strong></td>
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<td>Meld. St. 36 (2016–2017) <strong>Setting the Course for Norwegian foreign and security policy</strong></td>
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<td>Meld. St. 37 (2014–2015) <strong>Global security challenges in Norway’s foreign policy — Terrorism, organised crime, piracy and cyber threats</strong></td>
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<td>Meld. St. 35 (2014–2015) <strong>Working together: Private sector development in Norwegian development cooperation</strong></td>
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<td>Meld. St. 29 (2014–2015) <strong>Globalisation and trade: Trade policy challenges and opportunities for Norway</strong></td>
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<td>Meld. St. 10 (2014–2015) <strong>Opportunities for All: Human Rights in Norway’s Foreign Policy and Development Cooperation</strong></td>
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<tr>
<td>Meld. St. 25 (2013–2014) <strong>Education for Development</strong></td>
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Meld. St. 24 discusses the need to revisit the basis for selecting partner countries and the majority of the Storting wanted an in depth discussion of the criteria for selection. The
Government presented a white paper outlining the partnership categories and criteria for selection of partner countries to the Storting in June 2018. A white paper on cooperation with the multilateral system is in progress and is expected to be presented to the Storting in May 2019.

**Scope**

The development budget has grown substantially over the last decades, from around NOK 10 billion in 1990 to around NOK 35 billion in 2018. This has provided Norway with options, among them to move into new sectors and countries without necessarily terminating other sector and country programmes. This, according to critics, has resulted in fragmentation and resources being spread too thinly.

Efforts have been made to refine our focus and strengthen geographic and thematic concentration. Meld. St. 24 provides a comprehensive summary of Norwegian development policies and principles. It singles out five thematic areas, and provides guidance on geographical focus as well as providing the rationale for the choice of channels and partners.

**Five Thematic Areas**

Five thematic areas have been selected as priorities for Norwegian development cooperation: 1) Education; 2) health; 3) private sector development and job creation; 4) climate, renewable energy and the environment; and 5) humanitarian aid.

In line with the integrated understanding of development in the 2030 Agenda, we see these areas of engagement as interconnected. Education, health and job creation are mutually reinforcing and central to economic growth and poverty reduction. Climate change is the backbone of sustainable development, and is strongly linked to energy and humanitarian challenges.

**Education.** Funding for education has doubled since 2013. We have worked to improve the quality of education, for example through teacher qualification and the use of new and innovative technology. We have taken a lead to ensure that children and young people in crisis and conflict situations have access to good quality education. Girls and marginalised groups of children and young people, including those with disabilities, are a priority. We have intensified our efforts to ensure that young people have vocational training opportunities, and have linked this work to our investments in private sector development and job creation. Norway initiated and financed the International Commission for Financing of Education Opportunities to build an investment case for education, and to raise awareness of the financing gap for education. Work is under way to implement some of the recommendations.

**Health.** Norway continues its longstanding efforts to improve women’s, children’s and young people’s health, to fight the major infectious diseases and to strengthen health systems in the poorest countries. Our efforts to promote access to sexual and reproductive health services, particularly in crisis and conflict situations, have been intensified. We increased our contribution to sexual and reproductive health and rights (SRHR) by NOK 700 million from an already high level for the period 2017–2020. We have also stepped up our efforts in the areas of non-communicable diseases and air pollution. Antibiotic resistance is an important
field and will become more important in the time ahead. The Coalition for Epidemic Preparedness Innovations (CEPI) is the Government’s most important new initiative in the area of global health.

**Private sector development and job creation.** The private sector plays a key role in promoting development and poverty reduction. The Norwegian Development Finance Institution, Norfund, is our most important instrument for fostering private sector development and job creation. In addition, aid programmes are in place that aim to facilitate Norwegian private sector investments in low-income countries. The programme *Building skills for jobs* supports cooperation between private companies, educational actors and official authorities in Norway and in low-income countries, with the aim of providing job-relevant skills.

**Renewable energy for job creation and climate change mitigation.** Renewable energy is important from both a business development perspective and a climate perspective. Access to energy is essential for business development, job creation, tax revenues, and hence economic and social development. At the same time, the energy sector is the main emitter of greenhouse gases. Through initiatives such as *Oil for Development*, Norway contributes to the management of energy resources. This work has included cooperation on legislation, environmental issues, transparency, and transfer of knowledge and experience. We see engagement in the energy sector not only as important for growth and development, but also as an effective means of promoting good governance.

**Climate and environment.** Norway will continue to be at the forefront of efforts to safeguard the climate and environment, and will increase funding for climate measures to achieve the targets set out in the Paris Agreement. We constantly strive to take a more coherent approach, seeking to integrate a climate and environment perspective into the fields of health, sound natural resource management and business development. We try to promote effective models for public-private cooperation in order to use aid to trigger private sector investments in renewable energy as well as in environment programmes or projects.

The Norwegian International Climate and Forest Initiative (NICFI) is Norway’s largest climate initiative. NICFI funding is used to pay for verified emission reductions in partner countries, to finance efforts to build up global and national Reducing Emissions from Deforestation and Forest Degradation (REDD) frameworks, build satellite technology to monitor global forests in real time, and to support civil society and indigenous peoples around the world.

**Food Security** is an important part of Norway’s efforts to support climate change mitigation and adaptation as well as private sector development. Food security is strongly linked to humanitarian needs. We are increasing our focus on nutrition, an area that will complement our efforts within health and education. During the deliberation on the annual budget proposition (Prop. 1 S), the Storting requested that more support and attention be given to food security and agriculture. A new Plan of Action for sustainable food systems in Norwegian foreign affairs and development policy will be launched this autumn, emphasising a system-based approach to food.

**The Oceans and Blue Economy.** The oceans are a key focus area in Norwegian foreign and development policy, and three priority areas are highlighted: 1) Sustainable use and value
creation; 2) clean and healthy oceans; and 3) the role of the blue economy in development policy. A program to combat marine littering has been launched.

**Humanitarian aid.** During the past decade, humanitarian crises have become increasingly complex, and they last longer and affect more people. The Norwegian Government has increased its humanitarian budget in order to respond to the increasing needs. A new strategy for humanitarian assistance will be launched in August. Reference is made to chapter 7 for further information.

**Geographic priority areas**

With a few exceptions, Norwegian aid is concentrated in countries with a high degree of vulnerability, according to criteria defined by the OECD. We are committed to low-income and least developed countries, and surpass the target of 0.15-0.20 % to LDCs (0.27 % in 2015 and 2016 when including imputed multilateral flows). Sub-Saharan Africa continues to be a priority geographical area for Norwegian aid. In 2017, 40 % of aid attributable by country and/or region went to Sub-Saharan Africa (not including ‘Africa regional’, amounting to an additional 3 %).

One of the main objectives of NICFI is to address climate change as a global threat, and the countries chosen for intervention in the initial phase were those with large reserves of rain forests. This made Brazil a major recipient of Norwegian aid, in spite of it not being a development cooperation country as such.

Over the last few years, a larger share of the development budget has been allocated to countries in the belt stretching from Niger and Mali in West Africa via Somalia, South Sudan and Syria to Afghanistan, where war and conflict have led to enormous humanitarian needs. Syria was the largest recipient of Norwegian aid last year.

**2.2 Principles and guidance**

In line with the SDGs, Norway has a holistic approach to development, and seeks to address the 2030 Agenda in a comprehensive manner. No one can do everything, but we can all do something.

The following factors are **cross-cutting issues** in all Norwegian development cooperation: 1) Human rights; 2) women’s rights and gender equality; 3) climate change and environment; and 4) anti-corruption.

Norway regards the 2030 Agenda with the SDGs as a transformative roadmap for the elimination of global poverty. The commitment to ‘leave no one behind’ goes to the core of our humanity. It addresses our ability to promote equality and rule of law for all.

Norwegian development aid has long sought to reach the marginalised and less privileged. Support for health, education, fisheries and agriculture programmes, through both CSOs and official authorities, dates back more than 60 years. The motivation at that time was to ensure the elevation of the poorest to a more decent livelihood, in which they could manage their lives on their own.
That commitment still permeates the support offered through the five key priorities and the cross-cutting issues. However, it is important to note that the 2030 Agenda places the responsibility for inclusive development entirely on the national authorities. This also includes the responsibility for marginalised groups of people.

When the 2030 Agenda defines ‘Leaving No One Behind’ as an overarching goal, it commits national authorities to pursue the needs of these groups. Hence, our role as partner is to seek a political and technical dialogue with partner countries that includes the needs of these groups. The support to health and education, and our cooperation with CSOs are examples of how we can support the principle that no one should be left behind.

Fragility and risk

In 2017, Norway launched a strategic framework for engagement in conflict prevention, stabilisation and building resilience. The framework integrates key issues in development assistance, security related concerns and displacements, and links long-term investments in development with humanitarian action. The framework seeks to strengthen the coordination of instruments and promote cooperation between actors at the national and international levels.

The strategic framework has two parts:

- Part I describes priority areas for Norway’s engagement in conflict prevention, stabilisation and resilience-building in fragile settings, in both the short and the long term.
- Part II sets out guidelines and operational principles for our engagement, including choice of partners, and what steps we can take to improve internal coordination and ensure the most effective use of our resources.

Norway’s designated budget line for transitional assistance to countries affected by conflict increased significantly this year (2018). The budget line is used for strategic measures to prevent and resolve crises as well as to contribute to stabilisation as a basis for peace-building and long-term development.

Norway has established country teams to ensure an integrated and coordinated effort in states affected by conflict and fragility in which Norway is engaged.

Norway is developing a new strategy for the Sahel region to provide a strategic framework for our combined efforts to provide support to the whole Sahel region.

2.3 Basis for decision-making

Meld. St. 24, together with several of the thematic white papers that have been prepared under the current government, provide guidance for decisions on most aspects of our development engagement and choice of channel or partner. Furthermore, strategies and frameworks have been devised on, for example, engagement with states in conflict, and cooperation with CSOs and research institutes. A new humanitarian strategy will be launched in August, and a white paper on the strategic engagement with multilateral organisations will be presented to the Storting next year.
Country, regional and global engagements and public goods

In line with the SDGs, Norway sees development policies in light of global politics and global development challenges. Consequently, Norwegian development policies have a strong focus on global development issues such as climate change, international peace and security, human rights, control of infectious diseases and a well-functioning financial system. Aid only constitutes a part of the policy. Building alliances and supporting global initiatives that will benefit low-income countries is a priority. The UN and the multilateral development banks (MDBs) are important partners both in this regard, for normative work and as implementing agencies and partners for Norwegian aid programmes.

With the aim of strengthening and speeding up global efforts, Norway has been among the drivers behind the establishment of thematic global funds on health, education and climate change – both independent funds and funds placed within the UN system and the MDBs.

We believe regional cooperation holds substantial potential, and regional organisations are becoming increasingly important partners for Norway. Many of the challenges facing the most fragile and vulnerable countries transgress borders and require regional approaches. Regional organisations are also central in normative work and have a role in ensuring regional peace and security. Cooperation with organisations such as the African Union (AU) is increasing in areas such as peace and security, governance, human rights, flight and migration as well as sustainable development. Norway has entered into a partnership agreement with the AU to support implementation of its Agenda 2063 development plan.

The background for choosing a country for extended bilateral cooperation varies. Many of our main countries of cooperation are countries with which Norway has had a longstanding relationship. Others are countries where Norway’s involvement started with a humanitarian crisis or natural disaster, or fragile states particularly vulnerable to conflict. The recent white paper on partnerships describes how partner countries\(^1\) will be selected based on two sets of criteria; objective criteria such as fragility, poverty, lack of health and education, and inequality, and criteria related to Norway’s priority areas, comparative advantages, the MFA’s resources and competence, and country level presence. Many of these proposed partner countries are in Sub-Saharan Africa, a region where Norway has been engaged in development cooperation for several decades.

As the aid budget has grown, an increasing share of the funds have been channelled through multilateral organisations and global mechanisms. Consequently, bilateral aid channeled directly from the Norwegian government to governments in low-income countries now constitutes a low share; about 4% of the budget.

While we believe that multilateral funding holds several advantages, including the reduction of administrative transactions costs, no comprehensive assessment has been made of the pros and cons of multilateral versus bilateral aid in our partner countries. Ideally, such an assessment should have been part of the basis for deciding on channels and mechanisms for

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\(^1\) Norway has developed a partnership concept for selecting countries that it aims to develop a more comprehensive cooperation with. The Government is proposing 16 such countries divided into two categories – countries for strategic long-term development cooperation, and countries with a high degree of fragility and instability. This replaces the concept of ‘focus’ countries introduced in 2014.
funding. This is an area it would be interesting if the Peer Review Team could focus particularly on.

**Partnership approach**

Partnership is key in Norwegian development cooperation, and our approach is to have an open and frank dialogue with partners.

Around 20% of the aid budget is channelled through CSOs. International, Norwegian as well as local CSOs, are considered valuable partners, advocates for change and in many cases are able to reach out to population groups others cannot. Norwegian CSOs are highly competent, they participate actively in the domestic debate on development policy and aid, and have a great deal of influence. Most organisations are largely financed over the aid budget, but have a strictly independent position.

We engage with research institutes and think tanks both internationally and in Norway, and endeavour to continuously improve our development policies based on updated knowledge.

All Norwegian aid is untied, and private enterprises generally do not receive aid funds. However, we see private business as an important partner in development cooperation. Private companies do not only provide capital, but also technology and transfer of knowledge.

Norway has initiated two new programs to promote private sector engagement; 'Enterprise Development for Jobs' and 'Cooperation on Framework Conditions for Private Sector Development in the South'.

We strongly encourage partnerships between different partners, and we see some interesting partnerships evolving between private sector companies, UN organisations and CSOs, involving national or local government entities at country level.

**Multilateral cooperation**

Joint investments through multilateral organisations and global funds have clear advantages for a medium-sized provider like Norway. They provide opportunities for achieving good results in countries with less local presence, and the potential to mobilise significantly larger resources. Collective funding from several donors may also mean more predictability and lower transaction costs than the assistance of many bilateral donors.

In 2017, almost 54% of Norwegian development assistance was channelled through multilateral organisations, NOK 10.2 billion as multi-bilateral assistance and NOK 8.2 billion as core contributions.

We are active members of the boards of the MDBs and the UN organisations. We have regular bilateral consultations with our main partner organisations. This gives us the opportunity to influence their programme activity, and to monitor their follow-up of adopted guidelines. We have been particularly active in promoting results-based management and

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2 There are some exceptions; 1% of the aid budget was channeled through the private sector in 2017. This is support to donor-based private sector partners that have projects in developing countries, as well as support to private sector partners in developing countries. In 2017, more than 50% of grants to the private sector was funds through Norway’s International Climate and Forest Initiative (NICFI).
results reporting. We take active part in replenishment negotiations and capital increase discussions in the multilateral development banks.

In general, we strongly promote coordination between the MDBs and the UN. We have consistently supported UN reform, including support to the Secretary-General’s reform agenda and joint funds that incentivise UN entities to work as one at country level.

In principle, Norway promotes core funding of the UN organisations and the MDBs. In practise, it has proven difficult to live up to this principle and core funding has decreased as a share of our multilateral support. Organisations that are able to demonstrate results and considered to be well performing are likely to receive a higher level of core support. Soft earmarked thematic support and earmarked support is often used to promote areas of political priority, such as education. However, earmarking can also be a sign that we are not completely satisfied with results reporting or documented results. Earmarking can be used strategically in order to improve the multilateral organisation’s competence and/or performance within a certain area. We are conscious that earmarking risks undermining the role of decision making bodies, and we are careful not to divert the focus of the organization away from commonly agreed policies.

As a part of our efforts to promote the effectiveness of the multilateral system, we participate in donor forums such as the Utstein Group and the Geneva Group, as well as cross-regional groups such as the UN70. We are actively engaged in the Multilateral Organization Performance Assessment Network (MOPAN), and have taken on the role of Chair of the network in 2018. The annual national budget proposition presented to the Storting for 2018 (Prop.1 S) included findings from the MOPAN assessments. In addition, a survey conducted by MOPAN found that staff used the findings from MOPAN reviews in their work. Furthermore, findings from the Multilateral Development Reviews, conducted by the UK, are used for learning and knowledge management, both by the MFA and Norad. All assessments and evaluations provide input to decision-making processes, including for aid allocation.

It has proven difficult to pull out of organisations, even when assessments are negative. The reason is usually that the organisation has a mandate that is critical for development, or corresponds well with Norwegian development priorities, and the services of the organisation are needed. Our strategy is usually to stay with the organisation and contribute to change from within. In several cases, our assessment is that our active involvement at board level or through other communication has contributed to positive change. For instance, we believe that we have contributed to better coordination between organisations at country level.

3. Financing for development

3.1. Overall ODA volume

*Unless otherwise specified, all figures in Chapters 3.1–3.3 refer to net disbursements.*

In line with the Storting’s decision, 1 % of annual GNI is set aside for ODA eligible financing (NOK 35.1 billion in 2018).
In 2017, Norway contributed NOK 34.1 billion (USD 4.1 billion) in ODA. From 2016 to 2017, Norwegian ODA dropped from 1.12 % of GNI to 0.99 % due to lower levels of reported in-donor refugee costs. In 2016, a total of NOK 6.7 billion in aid was spent on costs for refugees in Norway, equivalent to 18.3 % of development assistance. In 2017, the refugee costs in Norway fell to NOK 1.2 billion, corresponding to 3.6 % of development assistance. Excluding in-donor refugee costs, ODA rose from 0.92 % in 2016 to 0.96 % in 2017. Norway has surpassed the UN target of contributing 0.70 % of GNI to ODA every year since 1976.

Norwegian ODA is mostly financed by the budgets of the Ministry of Foreign Affairs, 91 % in 2017, and the Ministry of Climate and Environment (KLD), 9 %. Administration costs of Norwegian ODA amounted to NOK 2.1 billion, or 6.1 % of total ODA in 2017.

*In aid statistics registered as MFA – Oslo as extending agency, but administered by the Ministry of Justice and Public Security, the Ministry of Children and Equality and the Ministry of Local Government and Modernisation and the Ministry of Education and Research.

**In aid statistics registered as MFA – Oslo as extending agency.
## Development assistance by type of assistance 2013–2017. NOK million.

<table>
<thead>
<tr>
<th>Type of assistance</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>1 780</td>
<td>1 778</td>
<td>1 958</td>
<td>1 958</td>
<td>2 087</td>
</tr>
<tr>
<td>Bilateral assistance</td>
<td>16 709</td>
<td>14 416</td>
<td>16 863</td>
<td>18 888</td>
<td>13 645</td>
</tr>
<tr>
<td>Multi-bilateral assistance</td>
<td>6 870</td>
<td>8 313</td>
<td>7 846</td>
<td>8 146</td>
<td>10 172</td>
</tr>
<tr>
<td>Multilateral core contributions</td>
<td>7 440</td>
<td>7 543</td>
<td>7 829</td>
<td>7 802</td>
<td>8 205</td>
</tr>
<tr>
<td>Total use of multilateral channels</td>
<td>14 311</td>
<td>15 856</td>
<td>15 675</td>
<td>15 948</td>
<td>18 377</td>
</tr>
<tr>
<td>Total</td>
<td>32 800</td>
<td>32 050</td>
<td>34 496</td>
<td>36 794</td>
<td>34 109</td>
</tr>
</tbody>
</table>

### Increased development assistance to least developed countries in 2017

The least developed countries (LDCs) received half of Norwegian development assistance distributed by country in 2017, a total of NOK 6.1 billion. After several years with some reduction in aid to LDCs, 2017 saw an increase to 50 % of aid distributed by country – from 47 % in 2016. The lower share allocated to LDCs is mostly due to the Norwegian effort to help protect the world’s tropical forests while at the same time improving the livelihoods of those who live off, in and near the forests. In 2008–2017, Norway paid NOK 7.7 billion to the Amazon Fund (BNDES) for reduced deforestation in the Brazilian Amazon. The consequence is that Brazil, an upper middle-income country (UMIC), ended up being the country that received the highest total amount of Norwegian development assistance over the last ten years.

The five largest recipient countries of aid distributed by country in 2017 were Syria (NOK 1 070 million – LMIC), Afghanistan (NOK 621 million – LDC), South Sudan (NOK 604 million – LDC), Palestine (NOK 584 million – LMIC) and Somalia (NOK 547 million – LDC).

### Increased effectiveness

As part of a strategy to increase the effectiveness of its development assistance, Norway has reduced the number of countries receiving aid. Excluding the four exceptions to the geographical concentration strategy, Civil Society Organisations, Norfund, Humanitarian and ‘Peace, reconciliation and democracy’, Norway has reduced the number of countries receiving aid from 109 in 2013 to 85 in 2017³.

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³ Excluding humanitarian assistance (163.70 (163.70-71 for previous years)), peace and reconciliation (164.70), Norfund (161.75-95) and CSO support (160.70), which are exempt from the principle of geographical
Timeliness and statistical reporting

For the 2017 *Main DAC Questionnaire and Creditor Reporting System* (CRS)\(^4\) statistical reporting, Norway received full score on completeness and accuracy and a slight deduction for timeliness, as it was reported at the second deadline of 31 August 2017. Reporting on the 2018 DAC Advance Questionnaire met the deadline of 15 March, as did the Forward Spending Survey. Furthermore, the statistical team at Norad is committed to reporting this year’s Main DAC Questionnaire and CRS report by the deadline of 15 July. If the same level of completeness and accuracy were upheld, this would move reporting from “good” to “excellent”. Norway aims to report to the International Aid Transparency Initiative (IATI) on a quarterly basis.

3.2 Bilateral and multi-bilateral ODA allocations

*Bilateral + multi-bilateral net disbursements (equivalent to total aid excluding core contributions to multilaterals and administration costs).*


<table>
<thead>
<tr>
<th>Group of Agreement Partner</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multilateral organisations (excl. core contributions)</td>
<td>6 870</td>
<td>29.1%</td>
<td>8 313</td>
<td>36.6%</td>
<td>7 846</td>
</tr>
<tr>
<td>Norwegian NGOs</td>
<td>4 308</td>
<td>18.3%</td>
<td>4 511</td>
<td>19.8%</td>
<td>4 682</td>
</tr>
<tr>
<td>International and local NGOs</td>
<td>2 425</td>
<td>10.3%</td>
<td>2 537</td>
<td>11.2%</td>
<td>2 484</td>
</tr>
<tr>
<td>Public sector in Norway</td>
<td>2 843</td>
<td>12.1%</td>
<td>4 018</td>
<td>17.7%</td>
<td>6 257</td>
</tr>
<tr>
<td>Public sector other donors</td>
<td>375</td>
<td>1.6%</td>
<td>393</td>
<td>1.7%</td>
<td>327</td>
</tr>
<tr>
<td>Public sector in recipient country</td>
<td>5 564</td>
<td>23.6%</td>
<td>2 432</td>
<td>10.7%</td>
<td>2 708</td>
</tr>
<tr>
<td>Private sector</td>
<td>941</td>
<td>4.0%</td>
<td>338</td>
<td>1.5%</td>
<td>216</td>
</tr>
<tr>
<td>Public-private partnerships</td>
<td>193</td>
<td>0.8%</td>
<td>91</td>
<td>0.4%</td>
<td>110</td>
</tr>
<tr>
<td>Unspecified</td>
<td>59</td>
<td>0.3%</td>
<td>97</td>
<td>0.4%</td>
<td>78</td>
</tr>
<tr>
<td>Total bilateral + multi-bilateral aid</td>
<td>23 579</td>
<td>22 730</td>
<td>24 708</td>
<td>27 034</td>
<td>23 817</td>
</tr>
</tbody>
</table>

Bilateral ODA, including multi-bilateral aid (thematically and/or geographically earmarked) amounted to NOK 23.8 billion in 2017. Of this amount, 42.7 % was channelled through multilateral organisations, 59 % was attributed regionally and 41 % was not geographically concentration. **Note:** These exclusions mean that we only look at NOK 6.6 billion of a total of NOK 12.2 billion of funds attributed by country (2017).

\(^4\) The *Main DAC Questionnaire and Creditor Reporting System* (CRS) is the main reporting of resource flows to the DAC. While the DAC Questionnaire refers to the different tables to be filled out based on our statistics, the CRS report refers to the template for reporting the entire database.
allocated. The region receiving most bilateral + multi-bilateral ODA in 2017 was Africa with NOK 6.2 billion, followed by the Middle East with NOK 3.6 billion.

The share of bilateral incl. multi-bilateral ODA that is not geographically allocated, has grown from 28% in 2008, to 41% in 2017. This increase is caused in part by the capitalisation of Norfund being reported as ODA as from 2014 (according to the institutional approach), and substantial thematically-earmarked, multi-bilateral agreements focusing especially on education and health. The Global Partnership for Education (GPE) and thematic contributions to UNICEF are examples of the former, while the Global Financing Facility (agreement partner – World Bank) is an example of the latter.

**Thematic allocations**

In 2017, emergency assistance amounted to NOK 4.43 billion, corresponding to 19% of bilateral aid. This represents an increase of NOK 653 million compared to 2016. More than half of the emergency assistance was provided to the Middle East, where Syria (NOK 907 million), Lebanon (NOK 368 million) and Yemen (NOK 265 million) were the main recipient countries. Significant emergency assistance was also given to Africa, where the countries receiving the most assistance were South Sudan (NOK 317 million), Somalia (NOK 187 million) and Nigeria (NOK 174 million). Multilateral organisations and Norwegian CSOs were the main channels for emergency assistance, and the largest partners were the Norwegian Red Cross (this includes earmarked funding to the International Committee of the Red Cross channelled through the Norwegian Red Cross), the Norwegian Refugee Council, United Nations High Commissioner for Refugees and the World Food Programme.

A total of NOK 3.16 billion in bilateral aid went to the education sector in 2017. The countries that received the most were Ethiopia (NOK 129 million), Malawi (NOK 128 million) and Nepal (NOK 110 million). However, more than half of the aid targeting education comprised agreements at global level. UNICEF and the Global Partnership for Education (GPE) were the main partners in 2017. Education is also an important objective as an integrated part of Norwegian humanitarian assistance in crises and conflict. For tracking purposes, Norway implemented a policy marker to better track these efforts in 2016. Altogether, NOK 393 million went to emergency assistance interventions with education as a
main objective in 2017. Most of this support was channelled through UNICEF. Lebanon, Syria and Jordan were the main recipient countries.

3.3 Multilateral core contributions and total use of multilateral channels

In 2017, Norway contributed a total of NOK 18.4 billion to multilateral organisations, consisting of NOK 8.2 billion in core contributions and NOK 10.2 billion in multi-bilateral (earmarked) development assistance. This corresponds to 54 % of total aid, an increase from 43 % in 2016. Multi-bilateral development assistance has increased in particular over the last five years, from NOK 6.9 billion in 2013 to NOK 10.2 billion in 2017. Core contributions have also increased, from NOK 7.4 billion to NOK 8.2 billion. Core contributions, as a share of total use of multilateral channels, has fallen from 52 % in 2013 to 45 % in 2017. Fifty-one per cent of the multilateral aid went to UN organisations, 17 % through the World Bank Group and 7 % to regional development banks. The effort to support education and health as a major part of Norwegian development assistance is also reflected in the considerable amounts channelled through other multilaterals concentrating on these issues, such as GAVI, GFATM and GPE.
3.4 Financing for development

In line with the Addis Ababa Action Agenda, Norway seeks to stimulate resource flows that promote sustainable development. Trade, investment and domestic resource mobilisation are crucial in this respect.

The Government will actively use trade as an instrument of development policy. Trade is necessary for generating employment and economic growth. An equitable distribution of resources helps to ensure that business development and trade benefits everyone, including the poorest sections of society.

We will work through multilateral organisations and, where possible, at country level to lay the groundwork for increased trade opportunities for low-income countries. In line with SDG 17, Norway’s top trade policy priority is maintaining the World Trade Organization as the relevant forum for a rules-based multilateral trade regime. The multilateral trading system is a global common good. Both developing and developed countries benefit from open, predictable and enforceable trade rules in the WTO.

Furthermore, we will support work to create a better business environment, in order to foster both domestic and international private investments. The multilateral development banks are crucial partners in this regard. Norway has been particularly active in promoting the ‘from billions to trillions’ agenda of the MDBs, including innovation in development funds (IDA and AfDF) and supporting capital increases in IBRD, IFC and AfDB.

Norfund is our main vehicle for private sector development in low-income countries, and for mobilising private capital. Norfund invests in sectors with high development impact in ODA.
eligible countries with priority to countries in Sub-Saharan Africa. Norfund is a strategic, long-term minority investor. Preference is given to equity investments (85%). Priority sectors are clean energy, financial institutions, and food and agribusiness. Norfund seeks to collaborate with partners and co-investors in specific business areas and geographical areas. Norfund receives an annual capital allocation over the development budget, which will increase by 50% over a four-year period from the level of NOK 1.5 billion in 2017.

We also encourage Norwegian companies to invest in low-income countries. Norad administers programmes financing feasibility studies and vocational training linked to potential Norwegian investments.

The global funds have served as mobilisers of private capital. GAVI, GFATM and the GFF have all managed to mobilise financial resources from the private sector.

The Government is stepping up its Tax for Development Programme, partly by providing technical assistance to partner countries and partly through multilateral efforts (through the IMF, WB and OECD). Increased activity under this programme will count towards the fulfilment of our Addis Tax Initiative commitment.

Norway supports the OECD-BEPS (Base Erosion and Profit Shifting) initiative, which aims to combat tax avoidance and evasion, and contributes to the UN Tax Committee on development of normative standards in tax policy and collection.

Norway supports several broad Public Financial Management reforms in partner countries, usually together with other donors at country level or through multi-donor organisations. The Oil for Development Programme aims to secure domestic benefits from natural resources.

Anti-corruption work features high on the development policy agenda for Norway. Considerable efforts are made to improve global normative and regulatory mechanisms to counter corruption. A no-tolerance for corruption policy is mainstreamed in our development portfolio.

On illicit financial flows (IFF), our work has focused on developing the normative framework for curtailing the flows. This includes activities such as working for a UNGA resolution on IFF, working to strengthen the multilateral development banks’ work on IFF, as well as supporting knowledge-generating activities through research and support to civil society.

4. Structure and systems

4.1 Authority, mandate and coordination.

Authority and leadership

When the current government came into power in 2013, a minister was not appointed for international development. The rationale was that development policy is closely linked to overall foreign policy, and should therefore be covered by the same minister. While this principle is still valid, the post as Minister of International Development was re-established in January 2018.
The Minister of Foreign Affairs is responsible for development policy and aid to the OSCE area, the Middle East, North Africa and Afghanistan. She is responsible for humanitarian assistance, security, peace and reconciliation as well as human rights. She is also responsible for parts of the Norwegian initiative to preserve the world’s oceans.

The Minister of International Development is responsible for development policy and aid to countries and regions not covered by the Minister of Foreign Affairs, and for development cooperation with the UN system, the World Bank, regional development banks and other global funds and programmes. He is, furthermore, responsible for the development aspects of the initiative to preserve the world’s oceans. He is also constitutionally responsible for Norad, and FK Norway (Det norske fredskorpset).

In 2013, it was decided that the Minister of Climate and Environment should be constitutionally responsible for the part of the aid budget allocated to the Norwegian International Climate and Forest Initiative. The internal organisation of NICFI within the Ministry for Climate and Environment (KLD) is not covered in this memorandum.

At the civil service level in the MFA, the Secretary General has the main responsibility for management issues related to foreign policy as well as international development cooperation. Previously, a Deputy Secretary General was responsible for development, but this position has been vacant since August 2017. Together with the Secretary General, a Political Director and a Strategy Director constitute the upper strategic management level reporting to both ministers. The position as Director for Development Policy, in place during the previous peer review, was abolished in 2014. At the same time, the Ministry was reorganised and a new Department for Economic Relations and Development (ØKUT) was established.

The two ministers have separate secretariats, but a common Communication Unit dealing with press and media. A Central Control Unit reports to both ministers.

The Secretary General, the Political Director, the Strategy Director, the heads of all departments, the heads of the secretariats and the Communication Unit constitute the Ministry’s Strategic Management Team.

**Organisational set-up**

The Jeløya Platform’s section on development states that the government will reform the organisation of Norwegian development policy aiming at more knowledge-based and efficient development aid, including the division of labour between the Ministry of Foreign Affairs and Norad. In late May this year, a project group was established and given a mandate. A new organisational set-up is expected to be in place by 1 January 2019.

The report and recommendations from the Peer Review will come too late to inform the reform process. It would still be interesting if the team could look particularly at how the aid administration is set up, review the status of the reform work at the time of the visit, and based on this provide some reflections. In particular, it would be interesting to compare how recent aid administration reforms have been implemented in other OECD countries.

The main organisational entities dealing with development cooperation are the MFA, the embassies and Norad. In addition, there is FK Norway and Norfund. Norad and FK Norway

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5 The Political Director and the Strategy Director are positions that will be abolished in 2018.
are the two subordinate bodies under the Ministry and are governed by the Ministry according to well-established rules and regulations.

The Ministry of Foreign Affairs is directly responsible for the lion share of the aid budget. In 2018, 49.5% of ODA is managed directly by MFA in Oslo, while around 25% is delegated to Norad, 12% to the embassies, 5% is allocated to Norfund and 8.5% is under the auspices of other ministries (99% under the Ministry of Climate and Environment).

Within the MFA, around 55% is administered by the Department for UN and Humanitarian Affairs, 27% by the Department for Economic Relations and Development, 9% by the Department for Regional Affairs, and 6% by the Department for Security Policy and the High North and 3% by other departments.

Norad’s role is defined by its statutory document from 2013 and the annual appropriation letter signed by the Minister of International Development, where priorities and key tasks are listed and budget funds are commissioned. The follow-up of Norad is delegated to the Department for Economic Relations and Development (ØKUT), with the Section for Development Policy (SUP) as secretariat. Three management meetings are held between the MFA and Norad annually, chaired by the Director General of ØKUT.

After a major reorganisation in 2004, the role of Norad has primarily been to provide technical advice and quality assurance, with the exception of delegated responsibility for the budget lines for private sector development and support through CSOs. Norad also retained responsibility for evaluation and communication related to Norwegian development cooperation after the reorganisation.

In 2013, Norad was delegated responsibility for management of substantial funds under the Norwegian International Climate and Forest Initiative by the Ministry of Climate and Environment.

Norad’s responsibility for administering Norwegian development aid increased further in 2017, when the MFA delegated the responsibility for management of support to the three priority areas health, education and climate/environment/energy to Norad, partly reversing the reorganisation of 2004. From 2016 to 2017, the aid budget delegated to Norad increased by 136%.

Norad was assigned another major responsibility in 2017, when it was decided that a so-called ‘Knowledge Bank’ was to be established, hosted by Norad. The Knowledge Bank became operational in early 2018. The purpose of the Knowledge Bank is to coordinate and refine technical cooperation aiming at strengthening the capacity of the public sector in relevant countries. This type of knowledge sharing and transfer is to be demand-driven and pertains to sectors where Norway has particular experience and expertise, for example fish, oil and tax.

FK Norway, like Norad, is accountable to the MFA, and the follow up is delegated to ØKUT/SUP. The Minister issues an annual appropriation letter to FK Norway, authorising the use of funds on the basis of approved reports and plans as well as prevailing political priorities. Two management meetings are held annually between the Ministry and FK Norway, chaired by the Director General of ØKUT.

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6 KLD does to a large extent delegate the management of funds to Norad and relevant embassies.
The main purpose of FK Norway is to contribute to development by bringing people together to learn from and share their knowledge and experience. FK Norway also contributes to strengthening civil society in low-income countries by facilitating reciprocal exchanges between a diverse range of institutions and organisations globally, including a successful South-South exchange programme.

As part of a plan to decentralise state institutions, the Government decided in June 2017 to move FK Norway’s main office from Oslo to the town of Førde in Western Norway. The new office in Førde will be inaugurated in August 2018.

Norfund is a wholly-owned state company that obtains its capital through allocations from the aid budget and from dividends and sales of assets in former investments. The fund operates within the framework of general Norwegian development policy, but investment decisions are made by its board. Norfund is regulated by law (the Norfund Act, 1997) and statutes, which were amended in 2017 by the Annual General Meeting. Norfund’s purpose is to promote private sector development and job creation in developing countries, which it mainly does through equity investments.

**Coordination**

The administrative organisation for managing Norway’s development cooperation in general and the division of labour between the MFA and Norad in particular, has been a recurring subject of discussion for decades. Several reviews have pointed to a lack of clarity in the division of labour and a substantial overlap.

Similarly, there has been an ongoing discussion in the MFA about whether aid administration diverts resources away from political and diplomatic work. After the reorganisation in 2004, when most of the aid budget was transferred to the MFA, this issue became more pertinent. The above-mentioned delegation of responsibility for three priority areas from the MFA to Norad in 2017, was an attempt to reduce overlap and the MFA staff burden related to aid administration. However, the experience with this model is not entirely satisfactory. It did not eliminate duplication and the number of staff maintained in the MFA responsible for these areas proved less than a critical minimum. Aid administration can be seen an iterative process, often leading to a question of where to draw the line between political and technical discussions. The mandate of the aid administration project refers to this issue.

Although there is still room for improvement, coordination within the ministry has improved significantly over the last few years, and reflects the increased linkages between development policy and foreign policy.

A more integrated MFA is in line with the holistic approach of the SDGs. Aid only constitutes a component of international development, which must work in interaction with other measures to be successful. It needs to be an integrated perspective in our overall foreign policy. One minister for both policy areas probably facilitated increased integration. Even though responsibility again is divided between two ministers, policy decisions are anchored in common strategic documents such as the Government manifesto (Jeløya Plattform), the Annual Budget Proposition and Meld. St. 24. This is important, not least, in continuing efforts to bridge the gap between humanitarian and long-term assistance.
Regional meetings of heads of missions are held bi-annually. The purpose of these meetings is to share experiences and best practices, and to discuss current trends and the further development of Norwegian policies. All heads of missions also meet in Oslo in August every year for a week-long conference with a broad agenda. This conference facilitates a direct dialogue between the political leadership and the career staff. The conference also includes other ministries and their international activities, and presents an opportunity for the discussion of a wide range of development issues that are important seen in a PCD perspective.

Several other ministries are involved in shaping and implementing development policy within specific sectors and thematic areas. The Secretary Generals of the MFA and the Ministry of Climate and Environment meet twice a year to discuss issues of coordination and cooperation, including matters related to NICFI. There is also close cooperation between the MFA and the Ministry of Health and Care Services, the Ministry of Education and Research, the Ministry of Petroleum and Energy, the Ministry of Justice and the Police, the Ministry of Defence, the Ministry of Finance and the Office of the Prime Minister. The newly established PCD Forum is expected to further improve cooperation and coordination with other ministries.

The MFA has established country teams for several fragile states in which Norway is engaged, in order to coordinate the efforts within the MFA and between the MFA and other ministries. Norway advocates a whole-of-system approach for all the UN’s activities in countries affected by conflict and fragility, while at the same time recognising the different objectives of humanitarian efforts and long-term development assistance.

*The Oil for Development Programme* has a special set-up, consisting of a Steering Committee with members from the following ministries: the Ministry of Foreign Affairs, the Ministry of Petroleum and Energy, the Ministry of Climate and Environment, the Ministry of Finance and the Ministry of Transport and Communications. The Steering Committee meets four times a year to oversee the programme and make decisions.

At country level, the ambition is to operate as Team Norway, comprising official entities as well as CSOs and Norwegian commercial engagement. This is increasingly materialising.

### 4.2 Systems

**Policy/programme approval mechanism**

The Annual Budget Proposition (Prop. 1 S) presents the priorities of the Government. When discussed by the Storting, alterations to the proposition may be made, sometimes at quite a detailed level. The Storting adopts around 400 petition resolutions every year, an increase from an average of 22 resolutions per year in the period 2007 to 2013. A petition resolution may entail request for follow-up by the Government through the Ministry in question, and in some cases it leads to the development of new white papers or strategies. Several of these relate to development policy.

In the last parliamentary session, there was a growth from 82 resolutions in the parliamentary session 2013-2014 to almost 400 resolutions in 2015-2016 and 2016-2017.
Upon the adoption of the budget by the Storting, the MFA has the authority to approve programmes, projects or initiatives regardless of volume within the scope of each budget line in the proposition. However, decisions on reallocations between budget lines must be approved by the Storting.

Different units in the MFA are responsible for the different budget lines. These units propose how their part of the budget should be allocated. Typically, they will draft an allocation document (fordelingsnotat) that serves to operationalise the political priorities set out in the budget proposition, and that are approved at political level. This document indicates specific areas and programmes for support.

The MFA devises grant scheme rules, which concretise and operationalise how a budget line or a certain part thereof (a grant scheme) should be managed. The purpose of the grant scheme rules is to provide guidance for the desk officer’s appraisal of grant applications and to make sure that funds are administered in line with the applicable rules and regulations. In some cases, the responsibility for a grant scheme is delegated to Norad (for example grant schemes for private sector development and CSOs).

Departments, sections and embassies develop Annual Work Plans that are approved by the Secretary General. The work plans are based on the guidance provided in the budget, and propose priorities for the coming year, including major areas of development cooperation.

The unit responsible for a budget line, part of a budget line or parts of different budget lines is assigned budget authority. The budget authority gives the unit the right to approve applications, sign agreements and disburse the funds on behalf of the MFA. The unit will be responsible for the results and all phases of support – choice of partners, assessment of project/programme proposals, the quality of agreements, follow-up, documentation of results and closing the agreements.

**Quality Assurance**

Important pillars of the quality assurance system are the Central Regulations on Financial Management, the Grant Management Manual (GMM) and the agreement templates.

The Central Regulations are issued by the Ministry of Finance and contain the general requirements for the administration of public funds.

The GMM provides comprehensive guidance on how different types of programmes and projects should be assessed and administered. In 2017, the MFA launched a project to update and digitalise the entire grant management manual.

Norad’s Department for Quality Assurance (AMOR) provides advice and quality assurance on statistics, legal issues, aid management and result and risk management. All units in the MFA that handle aid funds can request assistance from AMOR.

The MFA’s Section for Grant Management has overall responsibility for the development of the grant management system, including guidelines and other administrative tools. In recent years, substantial efforts have been made to harmonise systems, to introduce general rules and regulations and to establish common standards for the management of grants. This constitutes
a clear improvement compared to the previous approach, which can be described as decentralised, incoherent and based on various individual requirements.

Due to its position as an integrated part of the MFA, the Section for Grant Management has gained a good overview of the functioning and shortcomings of the grant management procedures and systems in use. The section identifies areas that need to be addressed and proposes amendments to the existing systems. Norad assists the MFA in developing new systems on request. In addition, Norad can establish its own additional standards and requirements to follow up funds delegated to Norad. In 2016, Norad introduced obligatory quality assurance of all its agreements above 50 million NOK, and the Resource Allocation Model (RAM) for allocation of grants to civil society organisations was introduced in 2017.

Transparency

The MFA’s Grant agreement templates contain a requirement to publish the grant agreement on the recipient’s web site in order to enable the public to learn about the MFA’s funding of the supported project.

In addition, digitalization of grant management is under development. The system includes the entire process from application to agreement, management and follow-up of grants as well as final reporting. The Minister for International Development has also taken the initiative to develop a new digital platform for managing, measuring and publishing results from development projects. This results portal together with the new grant management system will improve the ability to collect and disseminate information on results.

Grant agreements and procurement

Norwegian ODA primarily takes the form of grants. The MFA and Norad have a common set of agreement templates that are mandatory to use when entering into agreements with governmental and private entities. When agreements are entered into with multilateral organisations, agreements that have been pre-negotiated between the MFA and the organizations are normally used.

The templates were recently revised. The new templates are more standardised and provide explicit guidance and requirements on a number of topics, such as financial management and reporting, audits and procurements. The templates are designed to provide a sound legal basis for the MFA’s follow-up of projects, while at the same time allowing the flexibility required to complete projects in an efficient manner.

Before entering into a grant agreement, the MFA’s Section for Grant Management evaluates whether the planned measure constitutes a grant or whether it constitutes the purchase of goods or services, which should be procured in line with the procurement rules.

Legal quality assurance (by AMOR or the MFA’s Section for Grant Management) of agreements is mandatory for certain categories of grant agreements, based on criteria such as the total value of the grant and the degree of deviation from the template.

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7 Norwegian aid is grant-based, and almost all Norwegian aid takes the form of grants. In addition to traditional grants, Norway has some capital injections, such as the transfer of funds to Norfund, which in turn invests in the private sector by means of private sector instruments (reported as Other Official Flows).
Risk management

In order to reduce risk and concentrate efforts to achieve better development results, the MFA has been working to reduce the number of grant agreements and grant recipients over the last four years. The number of active agreements was reduced from 7,000 to 3,300 from 2013 to 2017. Most of the reduction was achieved through the closure of old agreements. At the same time, new strategic measures have been taken, such as reducing the number of partners or reducing the number of agreements with each partner.

Prior to entering into an agreement, desk officers are required to carry out a risk assessment, which should be proportionate to the value of the grant in question. In general, risk tolerance should be defined and the probability of a negative event and its consequences for the project should be assessed. The risk management also includes carrying out partner reviews of new grant recipients, where appropriate. The MFA has devised a set of questions on which such an assessment should be based.

The GMM’s guidance on results and risk management was revised in 2016. This resulted in a major change with regard to how the four mandatory cross-cutting issues (human rights, environment, gender equality and anti-corruption) should be managed. These issues are both thematic priority areas in themselves and a prerequisite for efficient and sustainable development.

Evaluations, reviews and control of compliance have clearly shown that mainstreaming cross-cutting issues is a time-consuming approach, which rarely delivers the information and results required. Hence, the MFA has moved away from a mainstreaming approach towards a do-no-harm approach. The cross-cutting aspects are now to be included in the risk analysis of a project in order to understand and manage any potential negative consequences relating to the intervention of these aspects.

Norway has a ‘zero tolerance policy’ on corruption. Successful implementation of this policy requires a high level of managerial skill and a thorough understanding of how to prevent, expose, report and deal with cases of impropriety. The Foreign Service Control Unit was established to ensure that appropriate procedures, systems and routines are established and followed for all funds under the responsibility of the MFA. The unit is the focal point for all cases involving the misuse of funds, and reports directly to the Secretary General. Norad has its own fraud unit that follows up reports on financial mismanagement in Norwegian funded programs and projects, but this unit also reports to the MFA.

On request from the MFA, Norad conducts grant management reviews of selected Norwegian embassies. These reviews include results and risk management. Previously, these reviews focused solely on compliance with rules and procedures. As of 2018, they will also focus on the quality of the assessments made by the embassies.

While improved systems for control and compliance were a necessity, how they affect the willingness or ability to take risks is under discussion. Strict rules and procedures, in what is often a challenging context, may discourage engagement in activities that have a high potential which, at the same time, are high-risk. Compliance can in such contexts be cumbersome and require substantial staff resources, at the cost of dialogue and technical follow-up.
Norway is engaged in some of the world’s poorest countries, many of which are affected by conflict. This is also likely to affect aid administration and the likelihood of success.

**Innovation and adaptation**

Norway continuously tries to adapt to the changing development landscape. The SDGs challenge us to look at development from a different angle, and we seek to place stronger emphasis on normal bilateral relations, also in countries that receive Norwegian aid funds. We see the value and importance of both a whole-of-government approach in our humanitarian and development engagement, as well as to policy coherence for development. We strive to find new ways to mobilise investments in low-income countries. Our role in establishing global funds can be seen in this context. In the long run, global solutions must be found for global challenges – including poverty and inequality, and we need to look for win-win opportunities rather than keeping a strict dichotomy between ‘our’ and ‘their’ interests.

Digitalization and new technology holds the potential to change the way we promote international development and cooperation at country level. A strategy how digitalization can contribute to more efficient and effective development cooperation will be launched in August this year.

**4.3 Capabilities throughout the system**

The MFA employs approximately 2 600 persons, of whom around 840 are based in Oslo, around 600 are posted abroad and around 1 200 are locally employed staff abroad. There are 99 missions abroad, 88 of which are embassies. Of these, 43 are embassies managing development programmes (through government entities or CSOs at country level). Norad employs around 250 people, and FK Norway around 42.

The overall objective formulated in the personnel policy is to have competent, motivated and engaged personnel in a dynamic and inclusive work environment. The focus is on leadership, recruitment, feedback systems, competence development, use of information and communication technology, equality and non-discrimination, as well as family policy.

Qualified locally employed staff are increasingly being recruited to the embassies, both as programme officers and for support functions. In 2005, the number of locally employed staff was around 870. In 2018, the number is 1155. By decision of the Ministry of Finance, locally hired programme officers may be responsible for disbursements and reporting on funds allocated to their portfolios.

Formal training is offered by the Foreign Service Institute (FSI). Spring terms focus on staff assigned to missions abroad, while autumn terms address Foreign Service staff returning home after end of term. In addition, FSI offers a number of regional training opportunities in Asia, Africa and Latin America.

In addition to regional training programmes, the various embassies have a special responsibility to provide training for locally employed (national) staff in development policy and cooperation.
A number of young graduates are hired annually under the Trainee Programme for the Foreign Service. All Foreign Service trainees go through an extensive training programme, including development cooperation.

The MFA participates in the ‘Train 4 Dev’ joint donor training programme, in which a number of likeminded donor countries pool resources and staff to offer training at both country level and at regional hubs on topics such as poverty reduction strategies, sector-wide approaches, harmonisation etc.

On-the-job training, such as short-term assignments assigned by the MFA and Norad to embassies, is an effective way to boost workforce capacity. The MFA also has a popular internship programme, inviting newly graduated professionals at bachelor's level to apply for a six-month internship at the embassies.

Globalisation and geopolitical change are placing high demands on the Ministry. The MFA has drawn up a strategy for the period 2017–2021, entitled Strategy 21. The strategy has six key measures for developing a more strategic and effective Foreign Service:

- Develop a more flexible organisation that is also able to ensure strategic management and effective implementation.
- Promote close coordination and effective exchange of information with other parts of the government administration.
- Continue to develop the role of the missions in spearheading Norwegian foreign policy efforts.
- Find efficient and smart ways of working, and take advantage of the benefits of new technology.
- Raise awareness of security issues, with a focus on addressing security threats and reducing our vulnerability.
- Develop and make use of the knowledge and skills of our employees, in line with the Foreign Service’s needs.

The silos between staff working on foreign policy and on development issues respectively, have to a certain extent been built down, and there is mobility between different areas. This has clear advantages, as the two policy areas are interconnected and experience of different parts of the system is usually beneficial. At the same time, many express concern that this will make it difficult to maintain competence and expertise on development issues over time.

The Government wants to make the public administration more efficient, and this means, among other things, increasing the efficiency of both the Ministry of Foreign Affairs in general and the administration of ODA in particular.

The number of staff\(^8\) at the Ministry has been reduced by an average of around 17 employees per year from 2015 to 2018 (from 1485 to 1432). Excluding the trainee programme, there are limitations on how many new staff can be hired.

Norway’s development aid budget has increased steadily for many years, and has almost doubled from around NOK 18 billion in 2005 to around NOK 35 billion in 2018. In the same

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\(^8\) Not including locally hired staff
period, the number of positions funded under the development aid budget has increased by about 30%. This includes positions at the Ministry, embassies and Norad. In all, roughly 42% of all positions at the Ministry and embassies⁹ are funded under the development aid budget. In line with the broader trends in development policy, it has become increasingly difficult to make a clear distinction between foreign policy staff and development staff. However, an analysis of the numbers clearly indicates that the increase in the budget has not been accompanied by a matching increase in staffing levels. Steps have been taken to increase efficiency, but there is little doubt that there is room for improvement in quality assurance and project/programme follow-up.

Restrictions have been introduced on the opportunities to engage temporary staff and consultants. The proportion of multilateral aid has increased – partly because we see that joint financing has clear advantages, but also because this is a way of reducing the administrative burdens on our staff. However, salaries and consultancy fees may be higher in some multilateral organisations than is the case in the Ministry. This form of outsourcing only makes sense as long as the totality of administrative costs in the multilateral organisations remains reasonable. Today, we lack a thorough benchmarking of costs to be able to fully compare the various channels for our aid flows. In the long-term, outsourcing may also reduce the expertise in our own system to a level that is unacceptable.

As described in chapter 2.3, Norwegian civil society organisations are mainly funded under the development aid budget. There is currently no complete overview, but it is reasonable to assume that the positions of a substantial number of staff working in these organisations are financed under the aid budget. This is also the case for a number of research institutions that are engaged in development issues.

5. Delivery modalities and partnerships, globally, regionally and at country level

5.1 Partnering

Partnerships are key to Norwegian development cooperation, at country level as well as globally. We strongly believe that joint efforts have a stronger impact. Reference is made to Chapter 2.4 where we describe the rationale for selecting partners and channels.

The SDGs broaden our perspective on partnerships and encourage us to think outside the box. We want to look for innovative partnerships, not only based on aid.

The SDGs give the private sector a clearer role as a development actor, and we see some interesting partnerships emerging between private companies, CSOs, UN organisations and the multilateral development banks. The private sector not only contributes funding, it also contributes knowledge and technology that other players do not possess. Business enterprises

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⁹ Not including locally hired staff
do not receive Norwegian development assistance directly, but we try to find ways to stimulate new and innovative partnerships between various stakeholders.

Multi-year agreements are entered into with the clause ‘subject to parliamentary approval’. Multi-year agreements are important tools for ensuring predictability for partners, but also contribute to efficient ways of working in aid administration.

In general, Norway is perceived as a generous and predictable donor, with the exceptions of cuts in the autumn of 2016 as a result of the refugee influx and the diversion of aid funds to cover in-donor refugee costs according to the DAC directives.

5.2 Country level engagement

Twelve focus countries were selected in 2014. Six of these were countries that were considered relatively stable and on track for long-term development. The other six were fragile states in conflict or at risk of conflict. This categorisation has been further developed through the new partnership concept, introduced in Meld.St.17 (2017-2018) Partner Countries in Norwegian Development Policy10.

The overall framework for selecting partner countries will be similar to that of the focus countries, with two categories of countries: 1) Countries for long-term development cooperation and where Norway is present on the ground and has a well-established cooperation; and 2) countries that are directly or indirectly affected by conflict, that have significant humanitarian needs, and where conflict could spread beyond the region.

By further developing the focus countries concept into the partnership concept, Norway’s goal is to develop mutual partnerships based on the SDGs. The partnerships will not be limited to aid, but will include all areas of cooperation relevant to development.

As was the case for the focus countries, being a partner country is not synonymous with being a large recipient of Norwegian bilateral aid. Partner countries could be countries with potential for increased private sector engagement, trade or alliances for promoting or securing global public goods.

Norwegian aid is based on national development plans. The principles that have come out of Paris and Busan on development effectiveness have been internalised in our way of working. We use national systems wherever possible, and also in many cases when capacity is weak and substantial follow-up and technical support are required.

We participate in relevant coordination bodies, and work in partnership with other donors, both bilateral and multilateral. The phasing out of budget support has, in our view, affected donor coordination and the dialogue with partner governments. Furthermore, the fact that strong government leadership and alternative development investors (for example, China, Turkey and India) are increasing their engagement in many of our partner countries means a different kind of dialogue is required.

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10 In the white paper, the term partner country is used for a specific number of countries that will be subject to comprehensive Norwegian engagement, but not for all countries receiving Norwegian aid funds.
We increasingly apply a more holistic perspective to our presence at country level, and we try to build on potential synergies between multilateral and bilateral aid, aid provided through CSOs, research and cultural cooperation as well as engagement of the Norwegian private sector (Team Norway). We look for opportunities for evolving from a situation where our relationship with the country is based on aid to a more equal partnership based on normal bilateral diplomatic relations.

A clear understanding of the context is essential for achieving results. This was the background for contracting a national research institute in 2016 to conduct political economy studies of each of the focus countries. Ten such analyses have been completed\(^\text{11}\). The remaining work will have to be revisited in light of the implementation of the new partnership concept.

In line with the framework for engaging in conflict situations, we will cooperate with legitimate authorities where they exist. In areas where the authorities do not have control or are not functioning, we will work with other actors at both the local and national level to provide services and security for the population. We will actively work to ensure that plans and agreements have the support of broad sections of the population, and that women, young people and marginalised groups are included in decision-making processes. If there is a lack of political will to engage in an inclusive peace process, this will have consequences for our cooperation with the authorities.

The principles of country ownership and leadership outlined in the *New Deal for Engagement in Fragile States* guide Norway’s whole-of-government engagement in fragile states. The New Deal commitments resonate strongly with Norway’s experiences and approaches.

In April 2016, Norway endorsed the *Stockholm Declaration on Addressing Fragility and Building Peace in a Changing World*, which commits members to use the New Deal principles as a way of ensuring that the 2030 Agenda leaves no one behind in fragile and conflict-affected settings. Currently, Norway is a member of the steering group of the International Dialogue on Peacebuilding and State Building.

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### 6. Results, evaluations and learning

#### 6.1. Management for development results

Meld. St. 24 (2016-2017) *Common Responsibility for Common Future* highlights the importance of setting realistic goals and ensuring that we have good systems for planning, implementing and measuring results.

Since 2007, Norad has published an annual results report. The reports provide an overview of results by a specific theme or type of cooperation. The aim is to generate public as well as professional interest and spur debate on development issues. For example, the title of the results report for 2016 was *Civil Society*, and the report for 2017 was entitled *Knowledge to fight poverty, Capacity development of the public sector in developing countries*.

\(^\text{11}\) [http://www.nupi.no/Om-NUPI/Prosjekter-og-sentre/Political-economy-analyses](http://www.nupi.no/Om-NUPI/Prosjekter-og-sentre/Political-economy-analyses)
We are working on developing an efficient and accountable way to include the SDGs in monitoring and results reporting. Norway was one of the first countries reporting to the High-level Political Forum on Sustainable Development (HLPF) in 2016: *Norway’s progress towards the implementation of the 2030 Agenda for Sustainable Development – One year closer.*

There has been an increased focus on portfolio management during the past years. Even though this has not been systematic, some larger programmes have developed overall results frameworks at portfolio level. For example, this has been done within the Climate and Forest Initiative, the education portfolio and the Norwegian Programme for Capacity Development in Higher Education and Research for Development (NORHED).

A recent evaluation of the Norwegian aid administration’s practice of results-based management was, however, quite critical with respect to measuring results at portfolio level, and pointed to a lack of systems for building on evaluations to improve operations.

The report included findings and recommendations that we will incorporate into further improvement of our results-based management systems and guidelines. One of the evaluation findings was a need for a more systematic approach to learning and use of results information. We have satisfactory systems for presenting results at project level, but weak systems at portfolio level (grant scheme or budget line). A better system for presenting results to the public is currently being developed.

### 6.2 Evaluation system

The Evaluation Department is responsible for initiating and implementing independent evaluations of programmes, activities and initiatives financed over the Norwegian development aid budget, and communicating the results and recommendations to the public and decision/policy makers. The Evaluation Department is located in Norad. The key objective of evaluations is to identify lessons learned in a systematic way, so that they can be used in policy development and serve as the basis for operational activities.

The Department is guided by a mandate from the Ministry of Foreign Affairs (MFA). The Department’s function and role is defined in the ‘Instructions for Evaluation Activities in Norwegian Aid Administration’ issued in 2015. Evaluation policy documents are defined even if there is no *one* evaluation policy as such (see *OECD Evaluation Systems in development co-operation 2016 review*). The Instructions empower the Evaluation Department to decide what to evaluate, how to evaluate and to provide and communicate recommendations for follow-up.

The Department reports directly to the Secretary General of the Ministry of Foreign Affairs and the Ministry of Climate and Environment. The constitutional responsibility to manage the Norwegian aid budget is shared by the two ministries. The issues related to Reducing Emissions from Deforestation and Forest Degradation (REDD) are reported to the Ministry of Climate and Environment. The Evaluation Director reports to Norad’s Director General on administrative matters. The separate instructions regulating the Department’s responsibilities are in line with the overall instructions for Norad (OECD 2013). There is no Evaluation
Advisory Board or Committee in the evaluation framework for Norway’s development cooperation.

The Evaluation Department formulates a three-year rolling Evaluation Programme. The selection of evaluation subjects is based on the three criteria defined by the Ministry of Finance: risk, type and strategic importance. Proposals to the Programme are widely sought from internal and external stakeholders. The final approval of the programme is made by the Evaluation Director and is subsequently submitted to the secretary generals of the ministries.

The Evaluation Department conducts different types of evaluations including thematic/cross-cutting evaluations, organisational performance evaluations, sector-wide evaluations, programme evaluations, country evaluations and policy/strategy evaluations. The evaluations are guided by the OECD DAC criteria and the Department conducts on average between 10 and 12 evaluations and studies per year.

Competitively selected external consultants and researchers are engaged in the majority of the evaluations and studies conducted by the Evaluation Department. The Department prepares Terms of Reference for the evaluations in consultation with other parties such as the operations departments, embassies and other stakeholders. It is also responsible for assessing and selecting the external consultants, quality assurance of the work, providing recommendations and for communication. In its advisory capacity, the Department supports Norad, the embassies and the MFA in relation to evaluation methodology and represents Norway in the international evaluation arena.

Joint evaluations and actual collaboration with other donors is limited. For the past five years, five joint evaluations have been carried out with other Scandinavian bilateral organisations, the African Development Bank, the World Bank and the UNDP. The Evaluation Department is an active contributor to a number of international evaluation forums, including the DAC Network on Development Evaluation (EVALNET).

6.3 Institutional learning

All evaluation reports and evaluation plans are made public. For each evaluation, full access is provided to written and verbal sources in the ministries, Norad and the embassies. The ministries are required to respond to the recommendations made in the evaluation reports within six weeks, by providing an action plan for follow-up. Annual updates are provided on the implementation of the action plan. Once an evaluation report is officially published, the evaluation author is permitted to republish the work externally in other forms, which makes evaluation findings available to larger audiences and increases dissemination. Evaluation reports are shared internally and are used to support budget proposals, providing evidence of the merits of the approach. The evaluation results are in some instances shared with partner countries through presentations and production of separate communication materials in local languages.

One of the recommendations from the OECD Peer Review in 2013 was that Norway should ensure consistent quality across all evaluations, including decentralised ones. An evaluation of the quality of reviews and decentralised evaluations commissioned by the Ministry of Foreign
Affairs, Norwegian embassies and Norad (Evaluation Department, Norad, Report 1/2017), shows that more than half of the reports are of inadequate quality in terms of their methodological basis, and that their findings and conclusions are not sufficiently well-founded. This may mean that decisions end up being made on an unsound basis. The evaluation also found that many reviews have inadequate assessments of the results achieved in projects and programmes. This is being addressed in the latest version of the GMM on results and risk management. This includes the development of a separate guide on how to develop a good Terms of Reference for a review or decentralised evaluation, and a separate training session on conducting such evaluations. Further guidance and advisory services are under development.

The newly established Knowledge Bank may also contribute to capacity building and knowledge transfer methods. The Knowledge Bank is still under development, but has the potential to become a hub for knowledge sharing and learning within and across the selected programmes as well as for the MFA and Norad as a whole.

7. Humanitarian assistance

7.1 Strategic framework


In light of the changes in the humanitarian landscape and the increase in the humanitarian budget in recent years, a new humanitarian strategy will be launched in August this year.

The Government’s goal is for Norway to be one of the leading political and financial partners in the field of international humanitarian assistance and to help the international community to be as well-equipped as possible to meet future challenges. The principal focus is on ensuring a rapid, flexible and effective response to enable us to meet changing humanitarian needs in both acute and protracted crises.

Norway’s humanitarian actions are based on international humanitarian principles, international humanitarian law (IHL) and human rights law as well as the Good Humanitarian Donorship principles. In the field, core activities include promoting the rights of victims and granting protection to civilians. Implementing partners are expected to follow IHL and relevant guidelines. In 2016, the MFA developed a guidance note on ensuring respect for humanitarian principles to support CSOs’ work. Since 2016, our commitment to the Grand Bargain is reflected in policy documents and helps guide operational decision-making.

Coherence between humanitarian aid and development co-operation in crisis-situations

Norway seeks to take a comprehensive approach that both addresses the immediate humanitarian needs and identifies durable solutions for those affected by crises. This is one of the main messages in Meld. St. 24. The humanitarian development nexus is also a key topic in
the strategic framework for Norway’s engagement in conflict prevention, stabilisation and resilience building. Coherence between humanitarian assistance and long-term development cooperation will obviously be a central theme in the new humanitarian strategy.

By being flexible, providing multi-year humanitarian financing and core support to key UN agencies, we contribute to a more predictable, adaptive and cost-effective humanitarian response with stronger links to long-term development.

The multi-year pledge to Syria and its neighbouring countries (2016–2019) continues to make up a substantial share of Norwegian humanitarian aid. The lion share of Norway's support is directed at immediate needs, but, when and where possible and in accordance with the humanitarian principles, humanitarian funds may also be used to reduce vulnerability among the affected population.

Norway is committed to the scale up of cash in humanitarian assistance. Beyond responding to immediate humanitarian needs, cash assistance often serves the purpose of empowering affected populations and supporting local economic recovery, thus connecting humanitarian and development outcomes.

The humanitarian-development nexus is particularly prioritised within thematic areas such as education, health, food security and in response to the displacement challenges.

In line with the Sendai Framework for Disaster Risk Reduction, we see the necessity of including disaster risk reduction both in humanitarian and in development work.

In response to the growing global humanitarian needs, the Government has increased its humanitarian budget by more than 50% since 2013. The humanitarian budget includes the budget lines for core support to World Food Program (WFP) and the United Nations High Commissioner for Refugees (UNHCR), and the flexible budget line for humanitarian aid and assistance. The total budget approved by the Storting for 2018 is NOK 5 151 billion. In comparison, the total budget approved by the Storting for 2014 was NOK 3 382 billion.

7.2 Effective programme design

Norwegian humanitarian support is mainly allocated to the UN, the International Committee of the Red Cross (ICRC) and Norwegian CSOs. Funding through international CSOs is mainly on normative work, and on some thematic operational areas such as global demining support. For prioritisation of funding, the MFA relies on UN needs assessments/Humanitarian Response Plans (HRPs) and assessments made by major Norwegian humanitarian partners as well as the assessments made by the International Red Cross Movement. These external assessments are complemented by internal reviews addressing policy considerations and work plans, including strategies and policies relevant to the geographical area in question.

Funding decisions are made on the basis of humanitarian needs, the humanitarian principles, human rights and the gender perspective. Reference is made to Chapter 4 for further information on decision-making and systems.

Norway works actively to strengthen the international humanitarian system, and to make the humanitarian efforts more coordinated, effective and harmonised. Significant contributions to UN HRPs and the ICRC/International Federation of Red Cross and Red Crescent Societies
appeals, pooled funds (Central Emergency Relief Fund ((CERF)) and country level) as well as multi-donor funds, such as the Disaster Relief Emergency Fund (DREF) and UN agencies’ own emergency funds, are important elements in Norway’s humanitarian response.

Norway is the fifth largest contributor to CERF, and has in 2018 for the first time committed its support through a multi-year agreement (2018–2021). Through this support, Norway aims to ensure that the UN has access to sufficient, rapid, flexible and balanced funding for humanitarian efforts, with a focus both on sudden-onset crises and underfunded crises.

The practice of keeping non-allocated funds as a reserve near the end of the budget year provides the necessary leeway to be able to respond to a crisis during the budget year. Humanitarian funds are generally allocated on a yearly basis, but to ensure predictability funding is also subject to multi-year commitments. The aim is to be a predictable donor that maintains sufficient flexibility to be able to respond rapidly to emerging or escalating crises. When responding to an acute humanitarian crisis, appeals and applications are assessed. The decision is dependent on what type of support will be most effective to fulfil the objectives of the support, but key criteria are humanitarian access and value added in the response.

Norway supports the ‘cluster approach’ and works to strengthen leadership, coordination and accountability throughout the UN-led cluster system. Furthermore, we support the comprehensive response to refugee crises currently piloted by the UNHCR in cooperation with host countries and key development partners, such as the World Bank.

When responding to UN HRPs, Norway supports organisations that assist and protect the most vulnerable and involve the affected population, with a particular emphasis on women.

To reduce risk, we mainly support organisations we know well and have experience working with. All organisations are assessed on the basis of former experience and knowledge of the applicant. New applicants undergo a particularly rigorous review.

Norway is committed to the Grand Bargain target relating to localisation of humanitarian aid. However, we are not in a position to fund local organisations directly on a large scale. Hence, we promote and support localisation through dialogue with our partners, with particular emphasis on the Norwegian CSOs. Furthermore, the humanitarian pooled funds are important funding mechanisms for national and local responders, and this is something Norway advocates in the boards of the pooled funds we are represented in. Many of our Norwegian CSO partners work with local and national organisations. Capacity development and duty of care are issues that have gained increased attention in Norway.

### 7.3 Effective delivery, partnership and instruments

Norway has met the Grand Bargain commitment to unearmarked funding in the last two years. The MFA has multi-year framework agreements with several Norwegian CSOs. Additional support is given to organisations with framework agreements throughout the year based on applications.

Norway has a flexible approach to project support. Under normal circumstances, Norway will approve changes in a project during the implementation phase if changes in the humanitarian situation in the target area require a different response than originally agreed.
As is the case with the UN in general, we accept the organisation’s annual report when funding is allocated to the HRPs, and we also accept the ICRC Annual Report for funding to ICRC’s appeals. The MFA is committed to reducing the reporting requirements on our CSO partners. Norway participates in the Grand Bargain pilot on the harmonisation of reporting, and for some CSOs we accept the organisation’s annual report for narrative reporting. Formal annual consultations are held with both CSOs with framework agreements and with key multilateral partners such as UNHCR, WFP, the UN Office for the Coordination of Humanitarian Affairs (OCHA) and ICRC. Norway participates in various donor forums such as the OCHA Support Group and the Grand Bargain Annual Meeting. Consultations with other donors are held on a regular basis, and Norwegian missions and embassies participate in local humanitarian coordination mechanisms.

In line with our commitment as a Grand Bargain signatory, we will increase and improve the use of cash in humanitarian response. We seek to take a leading global role in this area, with a special focus on donor coordination. During the course of 2017 and to date in 2018, Norway has consistently raised and discussed the topic of cash with all humanitarian partners, conveying the message that cash should be considered alongside, or in combination with, other modes of delivery from the outset.

**Rapid response tools and mechanisms**

The MFA has tasked the Norwegian Directorate for Civil Protection (DSB) with giving advice to and participating in relevant international civil protection forums in the humanitarian field. DSB draws on the Norwegian Civil Defence, which offers equipment or personnel resources to the UN or CSOs. The Norwegian Civil Defence participates in the International Humanitarian Partnership (IHP), established to respond to humanitarian crises with resources from the Nordic countries, the UK, Germany and Estonia.

In addition, Norway, through DSB, contributes to natural disaster response at the request of the relevant country via the EU (ERCC), the UN (UNDAC) or NATO (EADRCC). DSB is the national focal point for ERCC, UNDAC and EADRCC, and can provide experts for teams or equipment as a part of the EU’s disaster response efforts. DSB manages a pool of experts ready to mobilise at short notice if requested by the EU, ERCC or UNDAC. In addition, DSB may request assistance from other Norwegian agencies.

In 2018, DSB established an emergency medical team (EMT) following the WHO model. EMT should be able to operate on-site 24-48 hours after the event occurred, as a pre-hospital unit, and is one of the rapid medical response tools available in a humanitarian crisis.

**Coordination across government**

DSB has the overall coordinating role for civil protection and emergency planning in Norway. It coordinates and carries out audits of emergency management in all ministries and underlying agencies.

DSB is the national focal point of the Sendai Framework for Disaster Risk Reduction and thus follows up the International Strategy for Disaster Reduction (ISDR) both nationally and internationally. DSB participates in the annual European Forum for Disaster Risk Reduction (EFDRR) and the bi-annual Global Platform for Disaster Risk Reduction, as well as various working groups. DSB played an active role in the preparation of the Sendai Framework for
Disaster Risk Reduction and worked to establish stronger coherence between the Sendai Framework, the Paris Agreement and the SDGs. At present, DSB holds the Chair of the UNFCCC Expert Committee on Disaster Loss and Damage.

**Approach to civil-military coordination**

Norway has taken an active role in the development and dissemination of international guidelines aiming at ensuring civil-military coordination in sudden and protracted crises, and adheres to the guidelines when considering the use of military, law enforcement and civil defence assets in sudden and protracted crises. The guidelines, and the humanitarian principles inform education and training of both military and civilian personnel and capacities.

Norway's national position towards civil-military cooperation and coordination is also described in the reference paper *Support and Cooperation: A description of the total defence concept today (2015).*

**7.4 Organisation fit for purpose**

Reference is made to previous chapters, describing approach to fragility, whole-of-government, coordination, PCD, and capabilities throughout the system.

**7.5 Results, learning and accountability**

Although the measurement of humanitarian aid results does not differ materially from the measurement of other aid results, it does have certain unique characteristics. Humanitarian aid is concentrated on acute situations, and often involves re-establishing an earlier state of affairs rather than generating change and development.

Norway reports all humanitarian funding regularly to OCHA's Financial Tracking Service.

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Evaluation of Norwegian Efforts to ensure Policy Coherence for Development

Organisation Chart MFA

Organisation Chart Norad
### List of Abbreviations

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<th>Abbreviation</th>
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>AsDB</td>
<td>Asian Development Bank</td>
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<td>CAP</td>
<td>Consolidated appeal</td>
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<td>CERF</td>
<td>Central Emergency Response Fund</td>
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<tr>
<td>CHF</td>
<td>Common Humanitarian Fund</td>
</tr>
<tr>
<td>CIMCOORD</td>
<td>Civil-Military Coordination</td>
</tr>
<tr>
<td>CRS++</td>
<td>Creditor Reporting System (extended)</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee (in OECD)</td>
</tr>
<tr>
<td>DCD</td>
<td>Development Cooperation Directorate (in OECD)</td>
</tr>
<tr>
<td>DG</td>
<td>Director General</td>
</tr>
<tr>
<td>DREF</td>
<td>Disaster Relief Emergency Fund</td>
</tr>
<tr>
<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
</tr>
<tr>
<td>ERF</td>
<td>Emergency Relief Fund</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FSI</td>
<td>Foreign Service Institute</td>
</tr>
<tr>
<td>GAVI</td>
<td>Global Alliance for Vaccines and Immunisation</td>
</tr>
<tr>
<td>GenCap</td>
<td>Gender (standby) Capacity roster</td>
</tr>
<tr>
<td>GFATM</td>
<td>Global Fund to Fight Aids, Tuberculosis and Malaria</td>
</tr>
<tr>
<td>GFF</td>
<td>Global Financing Facility</td>
</tr>
<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>IASC</td>
<td>Inter-Agency Standing Committee</td>
</tr>
<tr>
<td>IATI</td>
<td>International Aid Transparency Initiative</td>
</tr>
<tr>
<td>ICRC</td>
<td>International Committee of the Red Cross</td>
</tr>
<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IDMC</td>
<td>Internal Displacement Monitoring Centre</td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Person</td>
</tr>
<tr>
<td>IDRL</td>
<td>International Disaster Response Law</td>
</tr>
<tr>
<td>IDSG</td>
<td>(ICRC) Donor Support Group</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>IFF</td>
<td>Illicit Financial Flows</td>
</tr>
<tr>
<td>IFRC</td>
<td>International Federation of Red Cross and Red Crescent Societies</td>
</tr>
<tr>
<td>IHL</td>
<td>International humanitarian law</td>
</tr>
<tr>
<td>IIIE</td>
<td>International Initiative for Impact Evaluation</td>
</tr>
<tr>
<td>IPDET</td>
<td>International Program for Development Evaluation Training</td>
</tr>
<tr>
<td>ISDR</td>
<td>(UN) Office for Disaster Risk Reduction</td>
</tr>
<tr>
<td>Meld. St. 24</td>
<td>White Paper to Parliament; Common responsibility for common future</td>
</tr>
<tr>
<td>MDB</td>
<td>Multilateral Development Bank</td>
</tr>
<tr>
<td>MCDA</td>
<td>Military and Civil Defence Assets</td>
</tr>
<tr>
<td>MFA</td>
<td>Ministry of Foreign Affairs</td>
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<tr>
<td>MOPAN</td>
<td>Multilateral Organisation Performance Assessment Network</td>
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<tr>
<td>NOK</td>
<td>Norwegian Kroner</td>
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<td>NORCAP</td>
<td>Norwegian Refugee Council’s standby roster</td>
</tr>
<tr>
<td>Norfund</td>
<td>Norwegian Investment Fund for Developing Countries</td>
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<tr>
<td>NPA</td>
<td>Norwegian People’s Aid</td>
</tr>
<tr>
<td>NPC</td>
<td>Norwegian Peace Corps</td>
</tr>
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<td>NRC</td>
<td>Norwegian Refugee Council</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Aid</td>
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<tr>
<td>ODSG</td>
<td>(OCHA) Donor Support Group</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>PCD</td>
<td>Policy Coherence for Development</td>
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<td>ProCap</td>
<td>Protection (standby) Capacity roster</td>
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<tr>
<td>Prop 1S</td>
<td>The annual budget proposition</td>
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<tr>
<td>QCPR</td>
<td>Quadrennial Comprehensive Policy Review</td>
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<tr>
<td>RC</td>
<td>(Norwegian) Red Cross</td>
</tr>
<tr>
<td>REDD</td>
<td>Reducing Emissions from Deforestation and Forest Degradation in Developing Countries</td>
</tr>
<tr>
<td>SUP</td>
<td>Section for Development Policy</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>---------</td>
<td>-----------</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
</tr>
<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
</tr>
<tr>
<td>UNOCHA</td>
<td>United Nations Office for the Coordination of Humanitarian Affairs</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WFP</td>
<td>World Food Programme</td>
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<tr>
<td>ØKUT</td>
<td>Department for Economic Relations and Development</td>
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