



Content

- 1 Norwegian Agency for Development Cooperation
- 2 Enhancing quality and results in international development cooperation
- 5 Norad's products
- 9 Norad's priorities and competence-building

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Norad

Norwegian Agency for Development Cooperation

Norad

- Aims to be the centre of expertise for evaluation, quality assurance and dissemination of the results of Norwegian development cooperation, jointly with partners in Norway, developing countries and the international community
- Will ensure that the goals of Norway's development policy are achieved by providing advice and support to the Ministry of Foreign Affairs and Norwegian foreign service missions
- Will administer the agency's grant schemes so that development assistance provided through Norwegian and international partners contributes effectively to poverty reduction

These goals will be achieved on the foundation of Norad's current competencies, through highly qualified staff, a flexible and practical organisation, good administrative support functions and a working environment characterised by transparency, respect, equality, responsibility and quality.

May 2006

Enhancing quality and results in international development cooperation

Global development cooperation has ambitious goals of reducing poverty in all its dimensions, promoting peace and democracy and contributing to sustainable development and more equitable distribution of resources. Norway is an active partner in development cooperation, focusing on poverty reduction, national ownership and state-building.

Development cooperation is an important part of Norwegian foreign policy, and development assistance is a primary means of achieving foreign policy goals. In development policy, Norway can exert greater influence through the development assistance mechanism than through other international instruments. Norad is inspired by three key questions on development cooperation:

1. Does it work?

We know too little about the results of development cooperation. Although hundreds of millions of people have escaped the scourge of poverty in the past few decades, more than one billion still live in absolute poverty. Development assistance has helped, but we know too little about how and how much. Norway has been a flexible donor, but we must now make greater demands on both ourselves and our partners for documented results.

2. Can we assure its quality?

Development cooperation requires knowledge. Transferring money and technology is insufficient unless combined with political dialogue and substantive advice to our partners in developing countries on development options and challenges. The Ministry of Foreign Affairs is responsible for the political dialogue, while Norad's role is to ensure that the substantive dialogue and aid management are of high quality.

3. Is Norwegian society involved?

Norway has a strong tradition of international solidarity, based on the work of missionaries and the labour movement. The Norwegian people's active participation in development assistance will be sustained only if it is based on good information about the results of development cooperation. Many Norwegian actors must be involved, and their work carried out professionally, with quality and effect.

Norwegian development assistance must be adapted to key trends in development cooperation:

National ownership: Most developing countries and their international partners now agree to emphasize national ownership, alignment and harmonisation of development assistance in support of national poverty reduction strategies, state-building policies and national institutions and systems. Increased use of sector and budget support calls for new ways of documenting the results of Norwegian assistance.

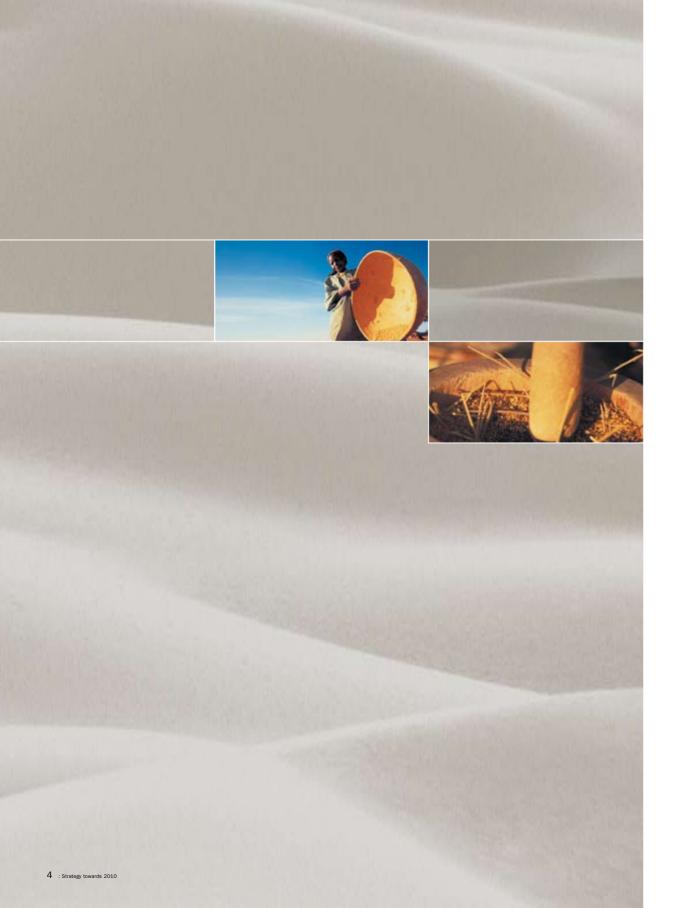
Changing aid architecture: The number of donors and forms of assistance are multiplying. More responsibility is delegated to embassies and country offices. Joint financing and other forms of donor harmonisation are more common. As a result also of greater private sector involvement, developing countries must deal with many more actors. This poses a challenge for all concerned, including Norway, but also makes it possible to focus efforts on areas in which Norway has particularly good expertise.

As a Directorate under the Ministry of Foreign Affairs, Norad's mandate covers all Norwegian official development assistance as defined by the OECD. Norad's goal is effective and high-quality Norwegian assistance, leading to sustainable results. We work towards this goal through six functions: advice and support, quality assurance, evaluation, grant administration, information, and administration.

Norad is not directly responsible for implementing development cooperation. Norad provides advice and support and assures the quality of development assistance through other actors involved in Norwegian development cooperation: the Ministry of Foreign Affairs, Norwegian foreign service missions and other Norwegian and international actors (NGOs, voluntary organisations, the private sector, ministries, directorates and research institutions). Norad can only meet its goal of high-quality development cooperation that produces results, by making its products relevant for these actors.



2 : Strategy towards 2010: 3



Norad's products

Based on Norad's own expertise and that of its Norwegian and international partners, Norad will combine its functions in five products:

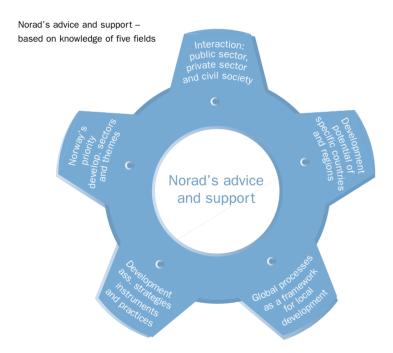
- 1) Advice and support for good development cooperation
- 2) Performance reviews and organisational assessments
- 3) Grant administration
- 4) Evaluation and dissemination of results
- 5) Joint competence-building



1 5

Advice and support for good development cooperation

Norad's most important task is to deliver advice and support on development cooperation to the Ministry of Foreign Affairs, Norwegian embassies in developing countries and Norway's delegations to multilateral development organisations. To give advice and support on good, effective and relevant development cooperation, Norad must draw knowledge from different fields and sources. Norad offers advice during the preparation, implementation, monitoring and evaluation of development cooperation programmes, aiming at realism in goals and measurement of results, identifying risk factors and, if relevant, suggesting measures to reduce risks. Knowledge of Norway's priority sectors and themes will be combined with knowledge of individual countries, country types and regions. This will be linked to knowledge of development assistance strategies, instruments and practices, the interaction between public and private sectors, global and regional processes, and lessons learned as to what is effective and what is not.



The Development Cooperation Manual (*Bistandshåndboken*) and legal expertise are important tools for Norad's advice and support on development cooperation. An intensified focus on results entails linking our expertise more closely to knowledge of partner countries' own performance management systems.

2

Performance reviews and organisational assessments

Regular quality assurance of Norwegian development assistance is the responsibility of the managers of the Norwegian aid budget. Norad provides advice and support, training programmes, methodology and control. At the request of the Ministry of Foreign Affairs, Norad will carry out performance reviews of the development assistance administration. The purpose of these reviews is to verify that rules, procedures and guidelines are being followed. A further objective of the performance reviews is to improve the connection between doing things right and doing the right things.

Norad will assist in organisational assessments of Norwegian, international and multilateral recipients of grants from Norad and the Ministry of Foreign Affairs. Norad will develop methods for organisational assessments that can be implemented by Norad, the Ministry of Foreign Affairs or the development partners themselves. These assessments are intended to evaluate organisations':

- goals and the degree to which these are in accordance with Norway's political priorities
- technical, financial and administrative capacity to carry out programmes that fulfil their goals and strategies
- results in the field of capacity development, service provision and policy and programme changes.

3

Administration of grants to partners in civil society, the private sector and the research community

Norad will simplify the administration of grants and attach primary importance to grant recipients' results and their capacity to achieve agreed goals. This will increase the efficiency of grant administration and provide more scope for technical and professional cooperation with non-governmental organisations, the private sector and research institutions.

Civil society: Norad will support programmes that aim to empower the poor and disadvantaged and fulfil their social and economic rights. Norad will continue to support organisations that promote solidarity and human relations between organisations, groups and local communities in Norway and in developing countries. The private sector: Norway supports improved framework conditions in partner countries for profitable and sustainable private sector development, for both local and international business. Norway also supports cooperation between the Norwegian private sector and their partners in developing countries. Norad will work to ensure that these two approaches reinforce each other, and will contribute towards better coordination of instruments for private sector development. Higher education and research: Support for higher education and research in developing countries shall enable partner countries to produce and disseminate knowledge that is relevant for national development. Support for Norwegian development research shall improve the knowledge base for Norwegian foreign and development policy. We need to engage in close dialogue with research institutions in Norway and developing countries, and to promote the application of knowledge based on research.

6 : Strategy towards 2010: 7

4

Evaluation and dissemination of results

Evaluation covers all development cooperation and shall provide information about what is effective and what is not. Evaluation is independent, based on special instructions from the Ministry of Foreign Affairs. Evaluations shall ensure that the Norwegian development cooperation administration learns from experience by systematising knowledge of results and impact, whether it was acquired by Norad itself, in cooperation with others or by others. Evaluations also have a control function in that they assess the quality of development cooperation and whether the use of resources is commensurate with the results that are achieved.

Due to the increased reliance on joint sector programmes and budget support, it is difficult to follow the use of Norwegian funds from allocation to results. There is a need for better analyses of results that show changes in the livelihood of target groups, and for more evaluations of long-term social impact. Measuring the long-term impact of aid programmes is a challenging task because so many factors, apart from development assistance, play a role. Norway must work with other donors and partner countries to acquire such knowledge. The dissemination of results must be based on close links between advice, evaluation, grant administration and information. It must be adapted for different target groups and implemented in close cooperation with the Ministry of Foreign Affairs.

5

Competence-building

Norad will be a centre for the development and sharing of knowledge relating to development cooperation. This has at least four dimensions:

- Norad aims to be the leading agency in three important areas of international development cooperation, combining Norwegian competencies, Norwegian development priorities and international expertise (see below).
- In cooperation with the Norwegian Foreign Service Institute, Norad will help ensure that expertise relating to good development cooperation management, strategies and instruments shared with other Norwegian actors.
- Norad will develop better platforms for sharing knowledge, learning and experience among operational partners in the non-governmental and private sectors and researchers, politicians and development organisations, as well as partners in developing countries. This requires open debates about development cooperation dilemmas and results.
- Norad will contribute to recruitment and training of qualified personnel for Norwegian development cooperation, e.g. by arranging programmes for visiting students, training and temporary posts at foreign service missions.

Norad's priorities and competence-building

Norad will provide advice and support in accordance with the political directions set by Government and Parliament. Within the time-frame of this strategy, the basic principles and priorities are laid down in Report No. 35 (2003-2004) to the Parliament: *Fighting Poverty Together* and the political directions from the Stoltenberg II Government. Norad's advice and support will be demanddriven and recipient-based. The Ministry of Foreign Affairs and the Norwegian foreign service missions will have access to the expertise of Norad and its partners. At the same time, Norad must put important issues on the agenda and develop expertise that can be utilised in policy-making, development cooperation strategies and programme activities.

Norad will take the following steps to develop the agency's role in quality enhancement of Norwegian development cooperation:

- 1) Ensure basic competence relating to important themes in Norwegian development cooperation and make long-term investments in three priority areas where Norway aims to play a leading role in international development cooperation.
- 2) Develop and apply methods for monitoring and evaluating the results of development cooperation,
- 3) Improve the dialogue with the Ministry of Foreign Affairs and the foreign service missions on continuous advice and support, which includes drawing on the expertise of partners in Norway and internationally,
- 4) Improve Norad as a knowledge-based organisation.



8 : Strategy towards 2010: S

Invest in three priority areas

Within the overarching goal of contributing towards poverty reduction, Norway's development policy emphasizes the use of Norwegian competence – in response to the demand from developing countries and international partners for Norwegian experience and know-how. Norad will seek to achieve this objective by investing in competence-building in three areas that are vital for poverty reduction and where Norway possesses relevant experience:

1. Natural resource management, with special emphasis on governance and sustainability

This is based on the current "Oil for Development" programme. The focus is on anti-corruption, and on fair and transparent distribution of resources and revenues. Priority areas are petroleum, environment, hydropower and fisheries, with emphasis on local, national and international governance.

2. Equality, inclusion and economic rights

To promote equality between men and women and among population groups, Norad will approach economic development from an equity perspective, both in politically stable partner countries and in partner countries affected by conflict. Norad will focus on marginalised groups, including indigenous peoples, and their economic rights and access to resources and services, such as land, credit, technology, education, regulated working conditions, security and protection.

3. Conflict-sensitive development cooperation and peace-building

The absence of serious, violent conflict is a prerequisite for development and poverty reduction. Conflict-sensitive cooperation entails awareness of how violent conflicts affect development assistance and how humanitarian and other assistance may have positive or negative impact on conflicts. Norad will further develop expertise relating to conflict-sensitive assistance and the role of women in conflicts, and acquire more knowledge of how development assistance can reduce conflicts and promote peace-building.

Norad's activities in these areas will be based on the expertise of its own staff in cooperation with our partners in Norway, abroad and in partner countries. Norad will provide advice and support for initiatives from the Ministry of Foreign Affairs and Norwegian foreign service missions, and support capacity development and research in these areas in Norway and in the South.

Develop and apply methods for results monitoring and evaluation

All development organisations strive to achieve and document results. Results are necessary to justify our efforts to partners and taxpayers in Norway, but primarily in order to achieve the international community's ambitious goals for development cooperation. Norad will collate information concerning the results of Norwegian development assistance and, in close cooperation with the Ministry of Foreign Affairs, publish this information in an annual report.

In this strategy, Norad emphasizes results across all its functions. Our staff will provide advice and support, administer grants, evaluate performance and assess quality on the basis of actual and expected results. The advice we give will be based on what has previously been achieved in development and assistance activities in similar sectors, countries and regions. As a first step, Norad will develop methodologies for results assessments in cooperation with our partners in Norway.

Improve the framework for advice and support to foreign service missions

In cooperation with the Ministry of Foreign Affairs, Norad will improve the framework for our advice and support to Norwegian foreign service missions. Embassies and delegations that handle substantial amounts of Norwegian development assistance will, be offered advice and support from Norad and our partners on strategic and management issues relating to development cooperation in sectors and themes to which the missions give high priority, or where they have little expertise. We intend to improve the predictability, continuity and quality of our advice and support whereby each foreign mission will be urged to set thematic priorities for its collaboration with Norad. We will then deploy the necessary staff to follow the prioritised themes/ sectors in each country over a longer period of time.

Norad will integrate the services of expert partners through framework agreements and other consultancy agreements, and clarify the division of labour with them. The use of Norad as a channel to Norwegian public and private expertise will involve our own technical experts. Norad must be more than a manager of contracts. Norad will facilitate demand-driven institutional partnerships among peers from Norway and our Southern partners, while emhasizing national ownership and capacity development.

Strengthen Norad as a knowledge-based organisation

Knowledge-sharing is crucial for high-quality, results-oriented development cooperation. Norad will lead the way in the collection and distribution of information, documentation, electronic administrative procedures, and other ICT-based dissemination of knowledge. Norad will promote project-based knowledge work when this increases the quality of services and is compatible with a secure and inspiring working environment. Norad will develop effective administrative support functions and utilise modern technology in development cooperation.

10 : Strategy towards 2010

What is new in the strategy?

The strategy stresses the importance of quality assurance and results achievement in development cooperation. This will strengthen our partners in developing countries and ourselves as actors, and will provide better information to the Norwegian people as committed donors. We can achieve this by changing our approaches and perspectives.

Furthermore, in the period up to 2010, Norad and the Ministry of Foreign Affairs will launch several activities, some of which are new to Norad:

- Invest in three priority areas
- Assist in assessments of Norway's partners in peace-building, humanitarian, multilateral and transition assistance
- Arrange joint competence-building with our partners
- Prepare an annual report on the results of Norway's development cooperation efforts
- Further develop Norad as a knowledge- and project-based organisation

To show how the various actors, functions, products, and knowledge types interact and are mutually dependent, we have illustrated the strategy as a number of interlinked cog wheels. Norway is one of many actors in international development cooperation, and Norad is only one of many Norwegian actors. If our contributions are to yield maximum results, all actors must collaborate better. We hope that the implementation of this strategy will be a constructive contribution. It is an ambitious strategy that will be realised through human resource and organisational development at Norad, and through the annual activity plans and letters of allocation from the Ministry of Foreign Affairs.



