

## Norad's Strategy towards 2015: Results in the Fight against Poverty

## CONTENT

FOREWORD	1
VISION, MISSION AND VALUES	3
DEVELOPMENT COOPERATION IN A STATE OF CHANGE	4
WORK PROCESSES	5
Norad's task and main responsibility	7
A. Technical advisory services	8
B. Quality assurance, results monitoring and control	9
C. Administration of grants	10
D. Communication	11
E. Evaluation	13
WORKING AT NORAD	14

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## Foreword

This strategy replaces Norad's Strategy towards 2010. Development cooperation is undergoing changes. Most noticeable is the increased importance of contributions to concerted international efforts to protect global common goods. Although much has changed, some things remain constant. In the previous strategy period, considerable priority was given to efforts focused on the quality and results of development assistance. This work will continue unabated in the years up to 2015. Development assistance to alleviate poverty and promote societal change is far too important for us to devote resources to measures that do not produce good results. We shall therefore continue to do our part in maintaining the high quality of Norwegian development assistance.

Norad must draw lessons as to what does and doesn't work. If it works, we must do more of it. If it doesn't work, it should be modified or, if appropriate, phased out.

This strategy is primarily intended for those of us who work at Norad. It tells us how and in which areas we must concentrate our efforts. Norad has a pivotal place in Norwegian development assistance. We must use this position as a basis for providing sound expert advice, efficient management and independent evaluations.

The division of responsibilities and tasks between the Norwegian Ministry of Foreign Affairs and Norad is undergoing review in the spring of 2011. Norad's future tasks must be seen in the light of this review.

Oslo 14 February 2011

Villa Kulild Director General of Norad

## In the years up to 2015, Norad will

- Help to empower recipient countries to achieve their own development goals
- Concentrate most resources on following up on the main priority areas of Norwegian development policy
- Help to promote a focus on and communicate the results of the entire range of Norwegian development assistance activities
- Produce and apply knowledge of what works and what doesn't in order to improve development assistance
- Be an instigator of public debate on development assistance
  and development
- Develop expertise, working methods and leadership that enable Norad to solve complex tasks effectively

Norad – Norwegian Agency for Development Cooperation – a specialised directorate under the Norwegian Ministry of Foreign Affairs

## VISION

RESULTS IN THE FIGHT AGAINST POVERTY

## MISSION NORAD IS COMMITTED TO ENSURING THE QUALITY OF DEVELOPMENT ASSISTANCE

## VALUES RESPECT, INTEGRITY, CREATIVITY

## Norad's values reflect our approach to

- the problems and possibilities of people in poor countries
- partners in Norway and the international community
- the authorities and Norwegian society
- each other and the work that we and our colleagues do

# Development cooperation in a state of change

A great deal has changed in Norwegian and international development policy in recent years. Global challenges such as climate, the environment, conflict, security and global health have assumed greater importance in development policy. More emphasis is placed on the possibilities of developing countries to increase their own revenues by expanding their tax base, combating corruption, halting illegal money flows and managing natural resources for the benefit of the population.

About half of the development assistance budget is channelled through multilateral organisations, in part to contribute to international efforts to address global challenges. In the years ahead, the provision of technical advice to multilateral stakeholders and quality assurance and evaluation of their activities will acquire greater significance.

A large part of Norwegian development aid is channelled to fragile states. At the same time, Norway has placed the issue of global common assets on the development policy agenda. The purpose of development assistance is generate results in countries with difficult framework conditions. It is important to acknowledge this factor as the focus on quick results intensifies.

New actors are now playing an active part in international development assistance. New emerging economies have become key partners for many developing countries. More capital, new technology and new experiences open up new opportunities for poor countries. The values and goals on which development cooperation and investments are grounded are being challenged. Norway and like-minded development assistance donors must address these challenges. Actors with substantial private capital are becoming involved and acquiring growing influence. In the health and education sectors, new systems, structures and mechanisms have emerged. While this has given rise to innovation, learning opportunities and concrete results in certain areas, the large number of different actors are liable to get in each other's way.

Development is the goal and development assistance is one of the means to that goal. Thorough preparations, solid agreements and effective implementation increase the chances of achieving good results. Specialised sector knowledge must be combined with knowledge of the general context in which development assistance is to be carried out. Subsequent independent evaluation is equally important. The lessons learned from Norad's results management approach and evaluations must be used to make future assistance even better. By providing sound, relevant technical advice, Norad will seek to ensure that all development assistance is effective. As far as possible, development assistance must be steered by the recipients in a way that generates results for poor countries and people.

## Work processes

Norad addresses complex development issues where many different factors must be considered in an overall context. Ensuring high quality and relevant advice requires knowledge-sharing, good information flows and demand for colleagues' expertise across specialised fields and departments.

 Norad employees must ensure that all administrative procedures are fully completed This means clarifying matters as necessary with colleagues and external groups, and assuring quality in the line right up until the final decision is made. It is a management responsibility in Norad to make sure that this is done

#### FROM TECHNICAL EXPERTISE TO POLICY

Norad's technical experts will interact with the main multilateral organisations that administer Norwegian development assistance funds. At the same time, Norad must provide close follow-up of embassies and partners in partner countries in areas in which we have specialised expertise. Norad must provide an expert basis for political and budget-related choices in the Norwegian Ministry of Foreign Affairs.

Norad is well placed to ascertain how Norwegian projects and programmes that are implemented by multilateral organisations function in partner countries, and to incorporate the experience acquired at country level into its collaboration with multilateral organisations.

- The lessons drawn from results management and evaluations will reinforce development efforts that work well and help to improve efforts that generate poor results
- Norad will be a centre of expertise for Norwegian development policy. This means, among other things, that we will incorporate different perspectives from partner countries into our work. We will achieve this by
- coordinating knowledge about what is effective in partner countries with the thematic work being done in multilateral organisations
- collaborating with Norwegian and international institutions on providing high-quality, sectoral expertise in fields for which there is a demand among partners in partner countries

- using other institutions to administer budgets that are delegated to Norad, either when this is more efficient, or when the institution is better placed to collaborate more closely with our partners in partner countries
- building knowledge of what promotes change processes and generates results in close professional dialogue with Norwegian and international civil society organisations and communities in partner countries
- using the results of research in our technical advisory services and helping ensure that research programmes and topics are designed to produce knowledge of issues that are relevant to development in poor countries

Development assistance is one of several instruments of an integrated development and foreign policy. The fact that global challenges and framework conditions for growth and development have become more important in Norwegian development assistance impacts on the way Norad carries out its tasks. Norad will devote most resources to following up on the largest, most important projects and programmes. Development assistance funds must be carefully monitored. Through its advisory services, quality assurance and control procedures, Norad will exert active influence with a view to building trust and demonstrating the legitimacy of development assistance.

**NORAD** – The Norwegian Agency for Development Cooperation – is a specialised directorate under the Ministry of Foreign Affairs. Norad's functions are laid down in the agency's terms of reference and annual letters of allocation issued by the Ministry of Foreign Affairs. The majority of Norwegian development assistance is administered by the Ministry of Foreign Affairs and Norwegian foreign missions. In the case of aid funds that are not administered by Norad, the agency provides advice on what is required to achieve results, communicates results and contributes to debate on the effects of development assistance.

Quality assurance is defined as one of Norad's five main tasks, but is also an aspect common to all its main tasks. Norad assures the quality of Norwegian development assistance by means of

**TECHNICAL ADVISORY SERVICES:** Advice on development and development assistance issues and results and risk assessments in every area of Norwegian development cooperation

**QUALITY ASSURANCE AND MONITORING OF DEVELOPMENT ASSISTANCE ADMINISTRATION:** Monitoring of development assistance administration, advice on and assessment of efforts to deal with corruption, legal counselling in connection with agreements and contracts.

**GRANT ADMINISTRATION:** The administration of grants to Norwegian and international organisations, Norwegian companies engaged in development cooperation and Norwegian higher education and research institutions that produce new knowledge in the field of development and development assistance

**COMMUNICATION:** Dissemination of results achieved through the entire range of development assistance channels and facilitation of arenas for public debate on Norwegian development policy and the results of development assistance.

**EVALUATION:** Independent evaluation produces knowledge of what works and what doesn't, and helps to keep Norwegian development policy actors administratively accountable

## A. TECHNICAL ADVISORY SERVICES

Norad is Norway's foremost body of specialists on development assistance, offering a combination of development aid expertise and sector expertise. The agency provides technical advice to the entire Norwegian foreign service on all target areas of development policy. This advice covers administrative and sector-related aspects of all types and channels of development assistance.

To be able to provide relevant advice, it is essential to have a good understanding of the context in which development assistance is to function. This context consists of the political, economic and social conditions in partner countries. Norad must have an insight into and participate in the international debate on development assistance. The work that Norad does is based on Norwegian foreign policy and development policy guidelines.

Norad intends to be a partner and expert body with a clearly defined profile in the years up to 2015. We will provide expert value-added services in priority areas, and ensure that the focus is on recipients' needs. In this work, Norad will utilise its broad, interdisciplinary expertise and collaborate with partners in all aid channels.

The advice that Norad provides must be based on both knowledge and experience. Knowledge must be systematised and produced. Norad will supply expert input in connection with priority areas of Norwegian development policy. This input will form part of the basis for the Ministry of Foreign Affair's policy formulation and budget decisions.

Norad's advice must be relevant and must highlight any conflicting goals and dilemmas. The advice must be grounded in professional integrity and will in some cases serve as a critical corrective. The advice must clearly specify what is necessary and adequate for the purpose.

#### STRATEGIC GOALS

#### Norad strives to

- ensure that the advice it provides is relevant, of high quality and effective
- provide our principals with expert advice that is applicable as possible in practice

## **OPERATIONAL ACTIVITIES**

- highlight the empirical and theoretical foundation for expert advice
- ensure that Norad's advisors have adequate knowledge of development assistance and development
- clearly define the work processes that must be carried out to ensure that the advice provided by Norad is consistent

## B. QUALITY ASSURANCE, RESULTS MONITORING AND CONTROL

Development cooperation requires knowledge of the context in which the cooperation is taking place, interdisciplinary considerations and risks. Results management and the documentation and dissemination of results still need to be strengthened. Norad will give priority to good financial management, prevent corruption, practice a policy of zero tolerance for corruption and increase control of the use of development assistance funds.

## STRATEGIC GOALS

#### Norad's quality assurance procedures are designed to help ensure

- that development cooperation meets high professional and technical standards within the framework of the conditions laid down by the Parlament, political guidelines and the rules governing public administration, and the principle of zero tolerance for corruption
- that Norway complies with international ground rules that seek to instil a sense of ownership and sustainability in cooperation partners, with particular emphasis on results in partner countries
- that Norad, in addition to its responsibility for results achieved with funds administered by the agency itself, fulfils its responsibility for providing advice on results management
- that account is taken of cross-cutting considerations

## **OPERATIONAL ACTIVITIES**

#### Norad will

- systematically review regulatory frameworks and practice relating to grant schemes administered by Norad, in order to ensure compliance with the conditions and political guidelines laid down by the Parlament
- further develop tools to enhance the quality of development assistance administration
- carry out administrative reviews commissioned by the Ministry of Foreign Affairs and regular administrative reviews in Norad for control, quality assessment and training purposes
- carry out reviews of thematic areas in the Norwegian development assistance portfolio, such as women/gender equality and climate/environment. There will be focus on assuring the quality of anti-corruption activities
- further develop methods and tools to follow up on results management in Norway's initiatives that have high political priority, and ensure that they are adapted to international standards and practice (ODA norms). Norad will publish results reports at regular intervals. Methods will be further developed for results-based development assistance allocated to major initiatives.
- Continue to compile high-quality statistics, and prepare its own analyses of data on use of development assistance statistics
- have an effective system for handling suspected irregularities in Norad's grants administration and operations, and practice a policy of zero tolerance for corruption

## **C. ADMINISTRATION OF GRANTS**

Norad administers grant schemes in accordance with the annual letter of allocation issued by the Ministry of Foreign Affairs. Norad provides grants for companies, social institutions, research communities and Norwegian and international organisations that are engaged in development cooperation.

The work of administering grants calls for broad-based specialised expertise on development assistance policy frameworks for such administration, the situation in the individual countries and special technical areas. It also requires knowledge of the partners that Norway uses as intermediaries in development work and of the formal requirements that must be met (legislation, rules, budgets, financial statements, performance management criteria and methods). The combination of all these factors constitutes the aggregate administrative competence that is fundamental to ensuring the quality of the process of providing financial grants to partners. Norad is currently assigned the task of administering grants for civil society, research and higher education, industrial and commercial financing facilities and technical assistance.

### STRATEGIC GOALS

• To achieve the goals for the grants administered by Norad as effectively as possible

## **OPERATIONAL ACTIVITIES**

## To achieve these goals, Norway must have appropriate administrative systems. This entails, among other things:

- assessing how grant schemes can be organised more efficiently and aligned with general goals through systematic assessment of channels and partners
- maintaining effective regulatory frameworks for all grant schemes
- increasing requirements as regards Norwegian voluntary organisations' documentation of roles, relations and results. This will help to increase the added value obtained by channelling funds through the organisations
- promoting closer, more strategic collaboration with higher education and research institutions in Norway and internationally on building up the capacity of our cooperation partners, and on the production and use of knowledge
- through active collaboration with the Research Council of Norway, contributing to effective, high-quality research of relevance to development policy and poverty alleviation
- encouraging the development and more effective use of the entire range of policy instruments to attract investments and improve framework conditions for value creation in developing countries
- concentrating industrial and commercial financing facilities on a smaller number of large projects in areas where Norway has special expertise

## **D. COMMUNICATION**

"The truth well told" will be the platform for communicating Norad's credibility. It is a credibility that is created when Norad succeeds in presenting its activities in a way that generates interest, support and motivation. Or, equally welcome, criticism, debate and a willingness to participate in the difficult discussions on the choices and priorities of development assistance.

Norad aims to: Pinpoint – magnify – disseminate. Pinpoint – identify – what is there, but what must be highlighted to be made visible. Magnify it to make it understandable and create insight – and disseminate it to relevant target groups. This will lay the foundation for a clear definition of Norad's position, and thereby a clearly defined profile.

Norad will emphasise openness and responsiveness in its communication with Norwegian society and our cooperation partners. Different messages will be transmitted by means of familiar and new instruments, channels and working methods, depending on the target groups' knowledge and motivation. When communicating results, there must be emphasis on both good and bad results.

### STRATEGIC GOALS

#### Norad's communication with Norwegian society aims to help

- provide a basis for making good choices in development assistance by means of information, debate and motivation
- ensure that Norad plays an active role in many arenas, both to create confidence in and demonstrate the legitimacy of development assistance and to promote a critical debate
- present a single Norad: Norad must be perceived both externally and internally as a unified entity

#### **OPERATIONAL ACTIVITIES**

#### Norad will

- actively promote a development assistance debate on all aspects of development, disseminate knowledge of and encourage engagement in Norwegian development assistance and its results
- use a variety of social arenas and information activities to establish contact with broad sections of Norwegian society, also targeting groups other than those who are particularly interested in development assistance and development issues
- ensure that statistics on the use of development assistance and information on results are easily accessible to the general public, the development assistance sector and research communities
- ensure that information on all Norad's grant schemes is available to all relevant target groups
- systematise and communicate knowledge to and conduct a dialogue with the Norwegian foreign service and Norwegian and international cooperation partners on various aspects of development cooperation

## **E. EVALUATION**

The evaluation function is independent of Norad's other specialised departments and is subject to separate instructions. The projects and programmes that are evaluated must be selected on the basis of their significance, distinctive character and related risks. Evaluation assignments are put out to international tender and carried out by external experts who are neutral and independent. The evaluation reports are published, and the results are communicated to decision-makers and the public at large. The main goal of Norad's evaluation function is to improve development assistance.

## STRATEGIC GOALS

#### Norad's evaluation activities aim to

- help monitor whether development assistance produces results in poor countries and report on the results to political decision-makers and the general public
- promote learning in the development assistance administration, including international and Norwegian organisations
- provide information and promote debate, both in Norwegian society and among those who implement development cooperation projects
- ensure that evaluations are of the highest possible quality and that they are carried out independently of responsible parties and implementing authorities and organisations

#### **OPERATIONAL ACTIVITIES**

- For control purposes, the evaluation function must cover the entire field of development, and in the years up to 2015 focus particular attention on the high-priority areas of development assistance. Norad will participate in and contribute to evaluations that are carried out jointly with other donors
- Norad will continue to make systematic use of evaluations to promote learning and better decisions. In the case of some evaluations, importance will be attached to whether there is a demand for such evaluations, and to the close involvement of interested parties in the evaluation process, including stakeholders in poor countries
- Norad will provide information externally on evaluations that have been carried out in order to promote a sense of responsibility internally. Importance will be attached to presenting results at seminars and publishing all reports on norad.no
- Norad will strive to attract good researchers and consultants in its tender processes, and will select and follow up on evaluation companies in a professional manner.
   Norad will defend the right of consultants to present their findings and assessments.
- By placing greater emphasis on evaluation follow-up, Norad will seek to ensure that evaluations contribute to enhancing the quality of Norwegian development assistance administration

## Working at Norad

Norad aims to deliver high-quality services produced in an effective manner. Good work processes are essential if management and employees are to achieve this objective. Competent staff members, meaningful tasks and good leadership are crucial to job satisfaction and an inspiring working environment. Everyone in Norad has a responsibility for the working environment that we share. Our motto must be: Be the colleague that you would like to have!" Team spirit and teamwork increase our ability to solve challenging tasks.

Norad has a strong staff of experts and good administrative support functions. This is a strength on which we intend to build further. Norad employees must meet demanding requirements in terms of their ability to deliver results, flexibility and ability to operate in a variety of arenas. Targeted competence building and the development of leadership and working methods will enable Norad to tackle these challenges.

### STRATEGIC GOALS

- Norad must be an attractive workplace that is capable of developing and retaining good employees and attracting talented new employees
- Work methods must be adapted to individual tasks so that they inspire employee engagement, ensure high quality and promote efficient use of resources
- Norad must at all times have the expertise we need to be able to perform our tasks
- Norad must have a management culture that is grounded in a clear definition of the organisation's assignments, in which goals, tasks and the achievement of results are clearly communicated
- Our working environment must be built on respect, integrity and creativity.
  Employees must perceive Norad as an organisation that welcomes initiative and engagement. Norad is committed to ensuring gender equality

## **OPERATIONAL ACTIVITIES**

- The organisation will be adapted to the new strategy. Developing appropriate working methods will be a significant aspect of this adaptation process. Efforts will be made to facilitate ICT solutions that are tailored to employees' work and personal situation
- Norad will focus on strengthening its management capacity and will facilitate the internal recruitment of management staff. Norad will develop managers with administrative and technical responsibilities and managers with purely technical responsibilities
- Norad strives to pursue a recruitment policy that gives priority to expertise and suitability, while attaching importance to diversity in terms of age, gender and ethnic background
- Norad's competence profile will be used to promote targeted human resource and career development, including the possibility of qualifying for posts in foreign service missions and international organisations
- Norad will ensure that it receives systematic feedback from all its employees. A programme will be established which fosters a unified leadership culture, and management staff will receive regular 360-degree feedback.
- Norad is committed to promoting gender equality, among other things by compiling and analysing statistics on pay levels and position levels to serve as a basis for possible action
- Norad will continue to promote a good working environment by observing its values and the principle of zero tolerance for bullying. Working environment surveys will be conducted at regular intervals to provide a basis for improvement measures

#### Norad

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