



Organisational Review of the Norwegian Refugee Council

Norad
Norwegian Agency for Development Cooperation

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Organisational Review of the Norwegian Refugee Council

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Abbreviations

BSC: Balance Score Card

CAD: Core Activity Database

CD: Country Director

CMI: Christian Michelsen Institute

HQ: Headquarters

ICLA: Information, Counselling and Legal Assistance

IDP: Internally Displaced Person

MFA: Ministry of Foreign Affairs

Norad: Norwegian Agency for Development Cooperation

NRC: Norwegian Refugee Council

ToR: Terms of Reference

UN: United Nations

UNHCR: United Nations High Commissioner for Refugees

Executive Summary

In 2006 Norad, together with the Norwegian Ministry of Foreign Affairs (MFA), did a comprehensive organisational performance review of the Norwegian Refugee Council (NRC). The report was published in April 2007 with the title “Durable Management for Durable Solutions.” NRC presented a follow-up plan after the review. Some processes have taken longer than expected indicating that the deadlines were too ambitious, but in general we can state that NRC has taken the follow-up very seriously. The report from the review has been used actively and seems to be well known in the organisation. NRC staff interviewed has largely corresponding views on challenges and strengths of the organisation. We observed a self-critical and conscious staff when speaking about the challenges, and at the same time self-confident and enthusiastic about their work.

The team’s impression is that the efforts made after the previous review has lead the organisation closer to an “NRC way” in the sense of a common approach and appearance. These efforts include the introduction of new tools, consolidating practices streamlining approaches to thematic areas of intervention, and systematic training of staff. We conclude that NRC has reached a higher level of professionalisation in its appearance, and has laid a good foundation for increasing its effectiveness and efficiency in reaching planned results. We have taken special note of the work NRC has done on gender and anti-corruption since the previous review. Based on the information we have been able to acquire from interviews in Oslo and document studies, NRC seems to be well aligned with priorities in Norwegian development policy.

Some processes initiated demands particular attention and additional efforts before they can give results in terms of improved performance. We think that the process of elaborating a strategy on partnerships and implementation models has gone somewhat slowly, and stress the importance of completing this work. There is more awareness in the organisation about the importance of risk analysis and risk management, but this is an area which needs further improvement. Although much effort has been put into improved reporting systems, it still remains to develop this further and integrate it fully in the organisation. Reporting to Norad has however improved in quality from 2007 to 2008 when it comes to documenting results.

NRC receives funding from several donors and is constantly exploring new sources of funding. Better donor coordination could contribute to the efficiency of NGOs such as NRC. There is also a potential for better coordination between Norad and MFA. While Norad provides a relatively limited annual amount of long term funding to NRC, MFA provides considerable funds to NRC for humanitarian interventions each year. NRC does not separate clearly between its humanitarian and long term interventions, but rather stresses the concept of “durable solutions” as a goal in its assistance to refugees and IDPs. The team finds that the durability concept is a key entrance point for exploring how NRC fits into a long term development scheme (as managed by Norad), and is relevant for the various points under “Scope” in ToR.

Recommendations for NRC

1. The approval of NRC's partnership policy should be given priority and integrated in NRC interventions at country level.
2. Efforts have been made to increase synergy between NRC activities. There is a potential to systematise this work more, and to reflect synergy effects in reporting where this has contributed to achieving durable solutions for the target group. Analysing synergy opportunities could be part of all training.
3. NRC is in a process of increasing focus on risk analysis and risk management throughout the project cycle. This is essential for achieving durable solutions, and the team recommends continued emphasis on this. There is also a need to apply Do No Harm methodology more systematically in NRC.
4. By introducing the Global Monitoring System NRC has improved the potential for accurate reporting and continuous learning, however it is not yet fully developed and not yet fully integrated in the whole organisation. It still remains to include qualitative indicators. The process of developing the system has been inclusive and should continue to be so to ensure relevance.
5. Most of the recommendations on financial management from the previous organisational review have been followed up by NRC and included in the revised version of the Financial Handbook. There is still work to be done on ensuring good Agresso skills and integrating it more with other tools.
6. Being a primarily self-implementing organisation NRC is confident in its own ability to control the use of funds. Considering the extremely difficult conditions under which NRC operates, it is strongly recommended that focus is kept on anti-corruption work and monitoring money flows all the way to end users.

Recommendations for Norad

7. Norad should respect that the process of integrating the partnership policy might take time, but should continue to challenge NRC on how the organisation contributes to capacity building of local civil society when such partnerships are entered into, and how this is related to the objective of durable solutions.
8. Information of relevance for durable results for beneficiaries should be central in NRC's reporting to Norad. In the coming years Norad should pay particular attention to how NRC reports on gender related issues.
9. Increased donor coordination would contribute to efficiency in NRC. As part of the process of preparing for a new agreement with NRC we recommend Norad to enter into a dialogue with MFA about funding, meetings and reporting.
10. Norad should aim at developing a methodology for assessing where costs occur down the line from headquarters to end users, which makes it possible compare transaction costs between different organisations and models of implementation.

1. Introduction

1.1 Background of the review

In 2006 Norad, together with the Norwegian Ministry of Foreign Affairs (MFA), did a comprehensive organisational performance review of the Norwegian Refugee Council (NRC). The report, titled “Durable Management for Durable Solutions,” was published in April 2007. The review covered the humanitarian assistance funded by MFA, as well as the Norad funded long term development assistance. NRC, Norad and MFA were all part of the review team which was lead by a consultant from CMI (Christian Michelsen Institute). Field visits were made to the Democratic Republic of Congo and Colombia.

NRC elaborated a detailed management response in May 2007 with deadlines for the follow-up activities. An internal status update on the implementation of the management response was done by NRC in early 2009. Norad and NRC are currently having a dialogue on entering into a new multi-year cooperation agreement from 2010. Core funding is an option that is considered. Norad has decided to undertake a review to assess the follow-up of the previous report as well as getting an updated status of the developments within NRC. This review is carried out by an internal Norad team.

The current level of Norad funding to NRC is 17 million NOK annually, being 3% of the total funding to NRC in 2008. The funding from MFA to NRC amounted to 450 million NOK in 2008, which is approximately 55% of the total funding.

1.2 Scope and methodology

According to the Terms of Reference (ToR) the purpose of this review is to assess:

- What measures have been undertaken as response to findings and recommendations in the 2006/07 review?
- How NRC relates to changes in Norwegian development policy?
- What strategic, thematic or organisational changes have been initiated within NRC?¹

The report shall comment and make recommendations on NRC’s professional and technical, organisational, management, financial and administrative qualifications for achieving planned results, in collaboration with its partners, in a cost-effective and efficient manner.

The ToR points out five programme related issues which shall be commented on in particular when assessing NRC’s follow-up of the recommendations in the previous organisational review. These correspond with the issues that have been identified in the dialogue between Norad and NRC as the main areas to be followed up on. The team

¹ The team finds that the most important changes are addressed under the first two bullet points, and will thus not assess this as a separate point.

will also look at follow-up on recommendations regarding financial and management systems.

The review has been carried out in the period from June to September 2009, mainly in the end of June and beginning of July. Key personnel (mostly management) at the NRC headquarters in Oslo were interviewed using an interview guide. Country directors in Burundi and Sri Lanka were interviewed by telephone. A few representatives of MFA and Norad were consulted. Further the team has assessed relevant Norad and NRC documents.

In order to comment on the effectiveness and efficiency of NRC the team has sought to consider the organisation's potential to achieve results according to plans, and how economically resources are managed for this purpose. The concept of "durable solutions" will be central in the assessment as this is the ultimate objective of NRC's interventions. It has not been part of the review to assess actual results in the field.

The team has not undertaken any field visits as part of the review. The opinions we express is therefore solely based upon the information acquired during meetings in Oslo and through document reviews. This can be considered a limitation.

1.3 NRC mandate and strategy

The mandate of the NRC remains unchanged since the previous review: "To promote and protect the rights of all people who have been forced to flee their countries, or their homes within their countries, regardless of their race, religion, nationality or political convictions. This will be achieved by acting as an independent and courageous spokesman for refugee rights nationally and internationally, by providing humanitarian assistance in emergency situations, and by strengthening the capacity of the UN organisations to offer and coordinate international aid and protection. NRC shall in all ways seek to provide viable, durable solutions with regard to both its spokesman activities and its emergency relief efforts" (NRC Policy Paper 2001).

The Statutes and the Policy Paper are the overarching documents of the NRC. The Policy Paper was adopted in 2001 and a revision is currently being considered. The focus is however expected to remain the same. The three main pillars on which NRC's activities are based are: Advocacy, Programme activities and the Emergency Standby Roster. Protection is at the core of all NRC's work. The programme activities are concentrated around five areas: 1) Emergency food security and distribution, 2) Shelter, 3) Education, 4) Information, counselling and legal assistance (ICLA), and 5) Camp management.

NRC has in recent years experienced considerable changes in the means and methods of conflicts. Many warring parties are less respectful of international humanitarian law and human rights, and attacks on humanitarian workers have been on the increase. NRC has therefore chosen "increase access" as the primary objective in its Strategy/Plan of Action for 2009-2010. This is a central issue in NRC's advocacy work. However, these experiences also make NRC increasingly cautious when it comes to being an active advocate, due to security constraints and the risk of losing access.

A country strategy is developed by each country office. NRC is currently operating in 18 countries.

2. Follow-up of the previous organisational review

This chapter will look at what measures have been taken by NRC as response to findings and recommendations in the 2006/2007 review.

2.1 General

NRC elaborated a detailed management response in May 2007 which was reviewed and updated in 2009. Brief policy documents outlining the approaches to each core activity are in place, and handbooks for all core activities have been revised and will be translated into French and Arabic. A Project Application Toolkit has been produced and disseminated, and followed up by training. All governing documents and written tools are easily traceable on NRC's intranet under "Governance Document Hierarchy." Some examples of policies and tools produced since the previous review are:

Policies:	Manuals:
Camp management policy, 2007	Advocacy toolkit, 2007/08
Code of conduct, 2008	Camp management toolkit, 2008
Comprehensive Refugee policy, 2007	Donor Handbook, 2008
Education policy, 2007	Evaluation toolkit, 2007
Emergency Food security policy, 2007	Start-up handbook, 2008
Gender policy, 2007	Exit handbook, 2007
ICLA policy, 2007	Updated Financial handbook, 2008
Protection policy, 2008	Media handbook, 2007
Shelter policy, 2007	

The team carrying out the previous review found it difficult to recognise an "NRC way" due to considerable variations in how the organisation operated in different countries. NRC has since then tried to strengthen this by making sure that common guidelines, routines and tools are applied in all parts of the organisation, increasing the consciousness of the staff of what NRC stands for and what it means to work for NRC.

2.2 Administration and financial management

According to the previous review NRC could increase its impact in support of refugees and IDPs through improvement of its organisational and financial management systems. There seemed to be a strong need for improving management routines and coordination. Several recommendations concerned the management of human resources.

NRC has a staff of 104 at headquarters while approximately 2600 are working in the field (including seconded personnel). NRC has during the last couple of years made an effort to increase continuity, and the average contract period for staff in the field has increased from 12 to 19 months. The ambition of NRC is having an average time of employment in Country Director positions of 3 years. An electronic system for recruitment (Webcruiter) has been put in place, making the recruitment of qualified international staff more efficient. National staff usually have 6-12 months contracts with

possibility for extension. The lack of predictable funding limits the possibility of entering into long term contracts. All staff have health and accident insurance.

In 2005 NRC established a project under the Secretary General to strengthen capacity building of NRC staff, running in parallel with the organisational review. A competence plan for the whole organisation was made, training programmes developed, the intranet was established, the electronic archive system 80-20 was put in place and more systematic training started of both national and international staff. The competence building is constructed around “the NRC way.” It includes a two week induction course in Oslo for all management staff in NRC’s programme countries as well as selected HQ staff. All country offices are obliged to appoint a national trainer who will be the trainer of trainers and responsible for training of all staff. NRC has also initiated a project for management training of national staff in the programme countries. The project has started in a selected number of countries, and will be further rolled out in 2010. The Sri Lanka Country Director reported very positively to the team about this initiative.

The CMI report contained many recommendations for improvement of financial systems, hereunder translation of basic documents into relevant languages, improving Agresso skills, segregations of duties, double signatures and better internal control of invoices. The number of controllers at HQ has since then increased from 4 to 8. Controllers make routine visits to each country office once a year. In addition a global roaming support manager has been recruited.

NRC is struggling with a financial deficit at HQ level. A general concern expressed by NRC staff is that few donors are willing to finance costs occurring at the headquarters. This leaves NRC with limited flexibility as to develop itself as an organisation.² In NRC’s Strategy 2009-2010 reducing financial deficit, increased professionalism and accountability, and improved recruitment, development and re-deployment are identified as organisational objectives and focus areas leading up to the overall objective of increase access.

Assessment:

The team observed that there is an awareness in NRC of the interrelation between internal organisational issues and performance in the field, and that this is part of the strategic thinking. We also noted that common training programmes are now systematically undertaken for international and national staff, contributing to creating a common understanding of “the NRC way.” Central documents are made more accessible for the whole organisation by translation into more languages and making them available on the intranet. Due to the fact that the team did not undertake any field visits, we have not been able to assess whether these efforts are sufficient to actually ensure that relevant tools are easily accessible for national staff.

Most of the recommendations on financial management have been followed up by NRC and included in the revised version of the Financial Handbook. There is still work to be done on ensuring good Agresso skills in the organisation and integrating Agresso with other tools. One recommendation in the previous review was assessing the possibility of establishing an independent internal audit function. NRC rather decided to strengthen the system of controllers. This solution seems acceptable, for two reasons; it is efficient

² NRC is allowed to use 8% of project funds from Norad for administration, in addition to some technical follow-up costs. MFA has recently decided to increase the over head from 5 to 7%.

and can operate quickly when needed, and it implies possibilities for capacity building of national staff.

2.3 Programmatic issues

2.3.1 Difference in approach between humanitarian intervention and longer term development assistance

The previous organisational review pointed out that there was no clear distinction between NRC projects receiving funds from Norad's long term funding and MFA's humanitarian funding.

Rather than distinguishing between a humanitarian and a long term development approach NRC staff underlines the necessity of recognising the different stages of a refugee situation,³ and adapting the interventions to this. These stages do not necessarily take place chronologically. Crises may also reemerge after more stable periods. What distinguishes NRC from most other NGOs is its choice of target group which it works to assist through different phases of a crisis. Addressing different stages in a refugee situation is elaborated in an NRC document on "Comprehensive refugee policy." This was something NRC started advocating for in the beginning of the 1990s. The approach which was adopted then is still found to be relevant by the organisation. A revised document on this issue, with updates on recent global trends, was produced in 2007.

NRC is primarily a humanitarian relief organisation, and this is the clear perception of staff interviewed. However, through providing assistance to refugees and IDPs NRC seeks to contribute to lasting solutions for its target group and thereby for the society at large. The approaches outlined in the new core activity policies include ways to ensure that the assistance provided has a long term perspective, depending on the phase of the emergency situation. The team understands that the revised handbooks also include this aspect to a greater extent, and that it is included in staff training.

In NRC policies, manuals and strategies the concept "durable solution" appears. The report from the previous review pointed out that further clarity was needed on the durability aspect externally and internally. We could not find a definition of durable solutions in any NRC document, but a staff member clarified that this is a technical concept used by UNHCR. Lasting solutions for displacement can be achieved either by voluntary return and reintegration in the country of origin, local integration in the host country, or resettlement in a third country. NRC's objective is to contribute to durable solutions. It is not aspiring to be able to achieve this with its own activities alone.

Assessment:

The team finds that since the previous review NRC has made efforts to ensure that the long term perspective is included in its activities more systematically. Education and ICLA are the two core activities that most naturally fall into a category of long term development, but contributions to lasting improvements are sought included by NRC in different ways in all core activities and through linkages between these. The durability aspect is relevant to most of the other issues discussed in this report.

³ Early warning, Prevention, Crises, Flight, Exile, Local integration, Repatriation/Return, Rehabilitation, Reconciliation and Sustainable Development.

2.3.2 Strategy for choosing partners in the field

The previous review found that an NRC partnership strategy was lacking, and recommended that this was addressed by the organisation.

In 2007 NRC did a comprehensive study of its current approach to partnership, resulting in a preliminary document⁴ intended to form the basis for a partnership strategy. This was done as a direct follow-up of the review. The purpose of this process was to increase the common understanding of the key concepts of partners, partnerships, capacity building and selection of programme implementation models, and how this is operationalised within the organisation. The mapping revealed that policies and guidelines were vague and unclear when it came to these issues. It suggests definitions and strategies, and criteria and methodology for the choice of local partners. A partnership policy for the organisation as a whole is due to be finalised by early 2010.

NRC representatives interviewed perceive NRC as a mainly self-implementing organisation. NRC's approach to partnership and capacity building of partners is pragmatic in the sense that cooperating with a civil society partner depends on whether this serves the goal of the intervention, for instance increases access to the target group. According to the Policy Paper NRC's partners include members of its target group, local organisations, local authorities, international NGOs and networks, and UN agencies. Whether NRC has any added value in the cooperation varies according to the type of partnership. Context analysis was highlighted by NRC representatives as increasingly important when NRC enters into partnerships with local NGOs.

In NRC's Exit Handbook transfer of activities and capacity building of partners is only briefly included among issues to consider by the country office. In Sri Lanka NRC has, based on a consideration of existing local structures, decided to support the establishment of a new NGO in order to continue the legal aid programme when NRC pulls out. This has proven to take much longer than expected.

Time constraint, which will usually be the case in the kind of situations NRC operates, is clearly a challenge when it comes to well-founded selection of partners and capacity building. However, many crises develop into protracted situations where NRC continues to operate during a transition phase (such as in Northern Uganda). In such cases there is a more conducive environment for long term development activities, and consequently a more systematic approach to selection and strengthening of partner organisations can be expected of NRC.

Assessment:

The increased focus on partnership and capacity building within NRC does not necessarily mean that the organisation will work more with partners in the future. It is however likely to strengthen the consciousness about how and when to work with partners, which might again lead to increased effectiveness and efficiency in the selection of partners. It will also contribute to a common "NRC way" in different countries. There will still be quite a long way to go from the approval of the policy until this is well integrated in NRC interventions. NRC at country level is eventually best placed to consider in each case whether cooperating with partners is more cost-effective than self-implementation in order to achieve lasting results.

⁴ "Mapping with the view of developing an NRC strategy for partnership, the selection of program implementation models and capacity building," December 2007

2.3.3 Conflict sensitivity

One of the observations in the previous review was that neither the Do No Harm approach nor risk assessment had been taken fully on board in NRC. The report from the review recommends that NRC should place more emphasis on training in conflict sensitivity.

In the internal status update for the follow-up it is confirmed that Do No Harm methodology is included as a "cross cutting issue" in the new induction course for new NRC staff (started in October 2008), and that Do No Harm is part of the basic training for national staff. The status update also says that Do No Harm aspects are integrated into pre-assessments and assessments in new country programmes, in line with the start-up handbook (2008) and ToRs for start-up teams. Several evaluations addressing the aspect of NRC conflict sensitivity have also been carried out, including one in Sri Lanka in 2008. The team also has the understanding that Do No Harm is taken into account when recruiting national staff.

Several NRC staff interviewed highlighted context analysis as being increasingly important in preparation and carrying out of NRC interventions. The CD in Burundi confirmed that national staff is involved in the analysis. The CD also mentioned that in all projects not only returnees, but also host communities are included.

Risk analysis and risk management in general is an area where NRC has realised that it needs to improve, and initiatives have already been made in this respect.

Assessment:

The team's impression is that conflict sensitivity is now well integrated in basic training of staff. Since this review is a desk study, the team has not been able to assess the extent to which Do No Harm methodology is systematically applied in the field. In general there is still a need for increased emphasis on risk analysis and risk management in NRC's planning and monitoring.

2.3.4 Synergies between NRC's core activities

The previous review found that NRC could achieve more impact and durability, and increase efficiency by more integration and coordination between its activities. The report concluded that there was a huge potential for improvement in this respect. In particular it was recommended to integrate ICLA with other core activities.

In all core activity policies, which were adopted in 2007, ways to ensure coordination and cooperation with other NRC programmes are included. The team has the understanding that ways to achieve synergy is further operationalised in the revised handbooks.

HQ seeks to facilitate dialogue between field staff responsible for different programmes, for example between ICLA and shelter (considering the issue of land rights). Obligatory training of staff includes sessions on all core activities. Local employees often work on projects within several different core activities. ToRs for technical advisers at HQ includes a responsibility to share experiences from evaluations etc. with other parts of the organisation. There are also initiatives at NRC country offices to link up different projects. The perception seems to be that this is important, but often difficult to do.

Synergies is also sought through reorganising staff in the field. NRC is trying out new models in some countries by replacing programme managers or project coordinators with area managers, as well as having programme directors responsible for improving coordination between activities. The team has not been able to assess to what extent this is actually done in the field today, nor the impact. NRC is fully aware that methods for synergy must be based on an assessment of what serves the purpose. A staff member pointed out that synergies might just as well be achieved with activities implemented by other actors rather than necessarily between NRC's own activities.

In its status update for follow-up of the review NRC states that all core activity evaluations carried out now include questions of integration/synergy within the NRC programming. In line with the ongoing process of changing from project to programme approach, evaluations focus increasingly at synergies rather than one project at the time.

Assessment:

There seems to be a high consciousness in the organisation about the importance of strengthening synergies between different activities, and there are initiatives both at field level and HQ level to improve this. The team finds that a good foundation is in place for increased synergy between NRC activities. There is a potential to systematise this work more, and to reflect synergy effects in reporting where this has contributed to achieving durable solutions for the target group. Analysing synergy opportunities could be part of all training. With increased synergies between its activities NRC is moving more in the direction of a programme approach, which might strengthen the possibility of achieving and documenting results on an aggregated level.

2.3.5 Quality of NRC's global monitoring and reporting system

Quality assurance of reporting has been a subject for dialogue between Norad and NRC since the previous review. Weaknesses were found in terms of correspondence between plans and reports submitted. The previous review also indicated that NRC was not able to capture all its achievements, for instance institutional changes benefiting IDPs, as an impact of the ICLA programme. In Norad's feedback to NRC on the cooperation agreement report for 2007 it was commented that there is a potential to report more on results for the target group rather than on activities carried out. As a response to this NRC has in the cover note of its report for 2008 highlighted main results of all the programmes in the portfolio. This is considered an improvement by Norad. The responsibility of writing applications and reports to donors is delegated to NRC country offices while HQ is responsible for quality control of these.

NRC introduced the electronically based Global Monitoring System in 2007, accessible at the intranet, which consists of two components: the Balance Score Card (BSC) and the Core Activity Database (CAD). BSC is a system for planning and monitoring at strategy level. NRC staff at each country office makes a priority of goals based on the country strategy and defines indicators, improvement areas and responsibilities. The office reports on the implementation of the strategy every quarter, and it is a point of departure for annual status meetings with HQ. HQ also has a BSC which the country offices can access. CAD is a more project oriented system where country offices report on progress every month on common indicators, mainly at outcome level. The first phase of a CAD is already implemented, facilitating reporting on quantitative results. In

the second phase qualitative indicators will be included. Advocacy is an area where NRC finds it particularly challenging to measure results.

Both staff at HQ and the two country directors expressed satisfaction with the Global Monitoring System facilitating more quick and accurate planning and reporting, as well as strengthening the institutional memory. However, there is a common understanding that it needs to be developed further. There is also a technical challenge as electronic and internet based systems are not necessarily convenient to use at all times in the countries where NRC operates. According to HQ there are clear routines for quality control of data fed into the system. However, the team is not sure whether all country offices are currently able to follow these routines completely. As qualitative indicators are elaborated and integrated into the reporting system it will be even more important to have a common understanding and clear routines for data collection and quality assurance in order to ensure that results are captured and documented properly.

NRC launched an evaluation policy in 2005 which was followed up by an evaluation toolkit approved in 2007. NRC is recruiting evaluation consultants internationally through the ALNAP database (Active Learning Network for Accountability and Performance in Humanitarian Action). Evaluations are undertaken at different stages. NRC is increasingly finding it useful to evaluate its interventions at early stages. There are also “ex-post evaluations” taking place some years after a project or programme has finished in order to assess impact and sustainability. Approximately 10 evaluations are carried out annually.

Assessment:

By introducing the Global Monitoring System NRC has improved the potential for accurate reporting and continuous learning, however it is not yet fully developed and not yet fully integrated in the whole organisation. There are weaknesses in terms of qualitative indicators. Many important results will not be fully captured until this is in place. The process of developing the system has been inclusive and should continue to be so to ensure relevant indicators. It is a contribution to increasing efficiency in planning and reporting, as well as easy access to information. Evaluations seem to be systematically and efficiently carried out with routines for follow-up. NRC's reporting to Norad has improved in terms of focusing on results for the target group.

3. Relating to key changes in Norwegian development policy

The team has chosen to focus on how NRC has responded to changes in Norwegian development policy on gender, corruption, climate, capital and involvement of the diaspora.

Gender

The issue of gender was more or less absent in the report from the previous review. It was however included as a part of NRC's self-assessment exercise, where it was given a low score. NRC elaborated a gender strategy in 2007 followed by the NRC gender plan for 2008-2009. The focus is both on mainstreaming gender into all core activities as well as targeted interventions to strengthen women's participation and rights. The CAD is broken down on gender, making it easier to plan and report on this. Gender is also included as a crosscutting dimension in the training. NRC staff interviewed stated that NRC has probably underreported gender approaches and gender activities and that the recent efforts is to some extent just a systematisation of work already taking place.

Corruption

NRC has elaborated a Code of Conduct which is signed by all NRC staff and form part of the work contract. The anti-corruption guidelines were last updated in 2006. Both documents are comprehensive, and staff receive relevant training. The issue of corruption is given increasing weight on the induction course. A whistleblower system is in place and available on the intranet. Depending on the funding, NRC would like to employ an adviser on anti-corruption.

The general perception of NRC staff interviewed is that the organisation has good administrative and financial control over the use of funds. Many referred to the fact that NRC to a large degree is a self-implementing organisation, and that this increases its ability to impose strict control routines and to "follow the money." Nevertheless, there was also a clear perception that NRC cannot guarantee that no major corruption case might develop, due to the unstable and challenging conditions, including the corrupt practises, which prevail in most of the programme countries.

Climate

Today people moving away from areas affected by natural disasters are not protected by the 1951 Convention.⁵ NRC has contributed considerably to the understanding of the connection between climate changes and displacement, and has been a driving force in Norwegian policy development on the issue of climate and humanitarian affairs.

Capital

This issue is not prioritised by NRC.

⁵ The 1951 Convention relating to the Status of Refugees is the key legal document in defining who is a refugee, their rights and the legal obligations of states (www.unhcr.org).

Involvement of diasporas

It is a current priority in Norwegian development policy to find ways to involve the diasporas in activities relevant to the country of origin. NRC has started exploring the possibilities of cooperating with the Somali community in Norway, for the moment with focus on exchange of information, but also partly for the purpose of recruitment of staff.

Assessment:

Based on information the team has been able to acquire through interviews in Oslo and document studies, NRC seems to be working well in line with key priority areas in Norwegian development policy which are of relevance to its work.

The team finds that NRC's gender strategy came surprisingly late. We could however observe that gender is now high on the agenda. Norad should pay particular attention to NRC's reporting on gender related issues. NRC has contributed to setting the Norwegian and international political agenda on climate and refugees, by providing evidence based information to the politicians and the MFA. Involving the diaspora is a subject that should be brought into the dialogue between NRC and Norad.

Systems to prevent and handle corruption seem to be in place and well known among the staff at HQ. Considering the extremely difficult conditions under which NRC operates, it is strongly recommended that focus is continuously kept on anti-corruption work and monitoring money flows all the way to end users. NRC could consider making a whistleblower channel on the internet as well.

4. Conclusions

The overall conclusion of the review team is that the development of NRC on both organisational and programmatic areas since the previous review has increased its prospects of operating effectively and efficiently.

NRC presented a quite ambitious follow-up plan after the previous organisational review. Some processes have taken longer than expected, and are not yet completed, but in general we can confirm that NRC has taken the follow-up very seriously. The report has been used actively and seems well known in the organisation. Interviewed NRC staff has largely corresponding views on challenges, strengths etc. We observed a self-critical and conscious staff when speaking about the challenges. Efforts such as the elaboration of policies and manuals, the improved and inclusive training scheme for staff, and the introduction of a more rational planning and reporting system have contributed to more systematic approaches to different thematic areas of intervention, to increase the understanding of the core values of NRC as well as consolidating practices within the organisation. This has in our opinion brought the organisation closer to an “NRC way” in the sense of a more common appearance, and contributed to a higher level of professionalisation in its performance.

The recommendations to be followed up after the previous review were many. While much progress has been made, additional efforts are needed in many areas. There is increased focus on contextual analysis and local needs as a basis for interventions. However, there is a potential for internalising Do No Harm methodology better in the programme cycle. Systematic risk analysis and risk management is still a weak spot. Improving this might considerably strengthen NRC’s opportunities for achieving its goals. The new electronic planning and reporting system that is being introduced is promising, but still needs improvements. The team has not, within the scope of this assignment, been able to assess how quality assurance of data collected is done, and whether routines for this are well known and followed properly at country level. As qualitative indicators are elaborated as part of the reporting system, it will be even more important to have a common understanding and clear routines for data collection and quality assurance in order to ensure that results are captured and documented properly.

When it comes to administrative and financial management there are efficiency gains resulting from the introduction of Webcruiter and electronic systems for factoring. Better human resources policies is contributing to more continuity and probably a more efficient staff. Controller capacity has increased as a means for better control of funds.

Most interviewees in NRC, MFA and Norad recognise that NRC is an organisation running costly operations compared to other organisations. The general understanding that the model of self-implementation increases the costs seems to be shared by donors and NRC itself. The expenses might be justified by the fact that protection through presence in the field is costly. International staff also increases the costs, however, the salary level for international staff in the field is one of the means the organisation is

using in order to increase continuity. According to NRC staff an advantage of being a self-implementing organisation is better control of the use of funds.

The issues of partnership and capacity building are high on the agenda in NRC. This does not necessarily mean that NRC will work more with partners in the future. Strengthening of local competence and capacity is included in all core activity policies. Clearer criteria for when and how to cooperate with what kind of partners might increase efficiency and effectiveness. However, it remains to see how it will be operationalised at country level. The human capacity building NRC is doing through sensitisation, training, and active involvement of local people in the activities, as well as the extensive capacity building of national staff, should not be underestimated. But there is a need for a clearer approach to capacity building of local structures.

In the previous review it was pointed out that NRC was not keeping up with its expansion in the field. This is closely related to the funding situation. As a humanitarian organisation responding to crises it is difficult to ensure that the staffing at HQ level is adequate at all times. In 2008 NRC undertook a process where the number of staff at HQ level was slightly reduced. It is likely that the increased streamlining and systematisation of the organisation's approach through steering documents and training programmes to a greater extent makes the organisation able to handle variations in the activity level in the field without compromising the ability to follow up adequately.

NRC receives funding from both MFA and Norad. Its mandate and operations as a humanitarian organisation falls somewhat outside the requirements for Norad's long term development funding. NRC's weight on lasting solutions for the target group makes this distinction less clear and, as far as NRC is concerned, less relevant. It is thus not so evident what kind of interventions falls under MFA and Norad schemes respectively. For NRC to be able to have a long term perspective on its operations, multi-year agreements, such as the one with Norad, are clearly valuable. So far MFA is not offering multi-year agreements for NRC's programme interventions,⁶ The many individual project contracts puts additional administrative burdens on NRC.

It is not within the mandate of this team to recommend whether Norad should be funding NRC or not. NRC is not an active Norad partner in the sense of feeding back field experiences or participating in dialogue meetings with other NGOs. An extended dialogue between Norad and NRC on issues beyond the management of funds could be useful for both parties. In the preparations for a new cooperation agreement the focus should be on the durability of NRC's interventions, how it is reflected in the new plan to Norad, and how the prospects for lasting solutions for the target group can be strengthened. As far as the team is concerned many of the processes currently taking place in NRC are relevant in this respect, hereunder increasing synergies between different core activities, establishing a clearer partner policy, mainstreaming gender, and taking context analyses more systematically into account.

NRC receives funding from a number of donors. There is a clear potential for better coordination between donors, starting with MFA and Norad. Exploring opportunities for efficiency gains in the support to NRC's work is likely to result in mutual benefits.

⁶ For political reasons MFA prefers to have full flexibility in the annual allocation of humanitarian funds. However, this practice is under discussion. A multi-year agreement has recently been established with NRC for the Emergency roster.

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- Country strategy Burundi 2009-2011*
- NRC Strategy and PoA 2009-10, NRC November 2008, NRC -92066 (power point)*
- Mapping with the view of developing an NRC strategy for partnership, the selection of program implementation models and capacity building, NRC December 2007*

Annex 1: List of people interviewed

NRC

Magnhild Vasset, Deputy Director, Head of Programme Support Unit
Petra Storstein, Adviser Institutional Donors
Ronny Rønning, Project Manager, Strategy and Accountability
Oddhild Günther, Senior Adviser, Strategy and Accountability
Elisabeth Kvasheim, Director Human Resources
Bjørn Falck-Pedersen, Administration Director
Nina Juell, Adviser Human Resources
Rolf Vestvik, Advocacy and Information Department Director
Lisbeth Pilegaard, Head of Technical Support Section
Toril Brekke, Country Director Sri Lanka (telephone interview)
Sophie Cazade, Country Director Burundi (telephone interview)
Eric Sevrin, Acting Head of Section – Middle East, Caucasus and Latin America
Jens Mjaugedal, Director International Programme Department
Fernando de Medina Rosales, Adviser ICLA

Norad

Terje Vigtel, Director of Civil Society Department
Gunvor Skancke, Deputy Director Civil Society Department
Wenche Gulnes, Senior Adviser Civil Society Department
Eli K Sletten, Senior Adviser Civil Society Department

MFA

Johan Meyer, Senior Advisor Humanitarian Section
Andreas Danevad, Senior Adviser, Section for Budget and Management

Annex 2: Terms of Reference

1. Background

As part of Norad's quality assurance of its cooperation with non governmental organizations (NGOs), organizational reviews of NGOs receiving, or being considered for long term support from Norad's support scheme are performed on a regularly basis. The outcome of a review will give an input to Norad's decisions on future cooperation with the respective NGO.

In 2006 Norad, together with the Ministry of Foreign Affairs (Mfa), did a comprehensive organisational review of NRC. (Published in 2007). The review covered the humanitarian assistance funded by MfA, as well as the Norad funded long term development assistance. NRC, Norad and MfA were all part of the review team. Field visits were made to DRC and Colombia.

The main findings were discussed in a meeting between NRC and Norad on 21.05.07 and issues to be followed up were agreed upon. NRC's letter of 26.06.07 to Norad confirms their follow up plans.

The Multi-year Cooperation Agreement between NRC and Norad ended in 2008, but was extended with a one year addendum in 2009 to allow for a careful consideration of which part of NRC's programme activities would fit into a longer term development perspective.

Policy development, studies or reviews of, among others, the following thematic programme related issues has taken place within NRC during the years 2007-2009: gender, protection, code of conduct, climate issues, partnerships and implementation models in the field, civil-military coordination, and anti- corruption guidelines. In addition, NRC's five core activities have been revised through the development of policy papers for each of them. Reference is also made to the NRC Strategy and Plan of Action 2009-10 of November 25, 2008.

Since the 2006/2007 review, a change in Norwegian development has taken place. Reference is made to the annual Budgets (St.prp nr. 1) from the Ministry of Foreign Affairs and discussions and hearings leading up to the "St.meld. nr 13" with the parliamentary committee's "Innst. S. nr. 269 (2008-2009). Reference is also made to the discussions with Norwegian civil society partners on new guidelines.

The organisation

NRC is one of the five largest Norwegian humanitarian organisations, internationally recognised as a specialised actor within conflict induced displacement. NRC works to bring about durable solutions for refugees and IDPs and is the only Norwegian humanitarian organisation specialised in contributing to the protection of, and assistance to, displaced persons internationally. Norwegian funding covers approximately 58

percent (MFA 55% and Norad 3%) of NRC's budget, whereas the remaining 42 percent is funding from other bilateral and multinational donors such as UNHCR, the European Commission, Sida, UNICEF, USAID & BPRM, CIDA & DFAIT, and WFP.

The three main pillars of NRC's activities are: 1) Programme activities, 2) Advocacy work, 3) Emergency standby roster.

There are five core programme activities: 1) Food Security/Livelihoods and emergency aid, 2) Information, Counselling and Legal Assistance (ICLA), 3) Education, 4) Shelter, 5) Camp management and coordination.

For further information on the geographical distribution of activities and cooperation with international agencies, please refer to the NRC Annual Report 2008, the NRC home page www.nrc.no, and to the 2006/07 review.

2. Purpose of the review

The main purpose of this review is to assess:

- What measures have been undertaken as response to findings and recommendations in the 2006/07 review? (Ref. Scope)
- How NRC relates to changes in Norwegian development policy?
- What strategic, thematic or organisational changes have been initiated within NRC?

3. Scope of the review

With reference to the review findings from 2006/07 and the subsequent NRC response measures, the review team shall comment and make recommendations on NRC's professional and technical, organisational, management, financial and administrative qualifications for achieving planned results, in collaboration with its partners, in a cost-effective and efficient manner.

The totality of recommendations shall be commented on – also when the issue in question relates more to humanitarian assistance than to the long term development assistance.

The review shall assess more in depth NRC's follow up of the following issues:

- Difference in approach between humanitarian intervention and longer term development assistance (assistance in different phases of displacement)
- Strategy for choosing partners in the field
- Conflict sensitivity
- Synergies between NRC's core activities
- Quality of NRC's global monitoring and reporting system

The review shall pay particular attention to how NRC has increased its awareness of adopting different approaches in different phases of displacement (from humanitarian emergency to early recovery and to development). This should be done in reference to the findings in the 2006/07 report and to Norad's comments to the findings, as well as NRC's management response.

4. Implementation

The following methods and sources of information will be used in the review:

Document studies with particular emphasis on

- *The organisational Performance Review from 2006/07: Durable Management for Durable Solutions and NRC response to the report findings (letter from NRC of 26.06.07 and other relevant documents)*
- *Civil Society Department follow up note – doc. 0600881-13*
- *NRC policy and strategies, reviews, annual reports, website and applications*
- *Cooperation Agreement NRC-Norad from 2006-2009*
- *Norad principles for support to civil society of 27 May 2009*
- *St.Meld no 13 (2008-2009) with Innst.S.nr.269*
- *Annual St.Prp No 1*
- *Norad's strategy towards 2010*
- *Other relevant documents*

Interviews with NRC management and staff (both at HQ and field), and interviews with MfA and Norad management/or staff.

Composition of team

The review will be undertaken by a Norad internal team of two participants: Jannicke Bain from Economics and Public Administration Department and The Anti-Corruption Project (team leader) and Vibeke Sørnum from Civil Society Department.

Timetable

The review is to be undertaken in June - September 2009, with main bulk of interviews done in June. The assignment will be undertaken in Norway only, through document studies and interviews with NRC (both HQ and Field Staff) and relevant staff in MfA (Section for Humanitarian Affairs) and Norad.

Total time of assignment:

18 working days (it is suggested to spend 8 days on document studies and interviews, 7 days on drafting the report, and 3 days writing the final report after comments have been received).

5. Reporting

Norad will arrange an inception meeting with the review team to clarify any questions related to the assignment description. An inception report is not considered mandatory, but the Civil Society department will meet again with the team after the initial period of document studies and interviews, to ensure a common understanding of the Terms of Reference.

A draft report shall be submitted to Norad's Civil Society Department and to NRC not later than 30 August. NRC and Norad will be given the opportunity to correct possible mistakes and comment on the draft report by September 10. Earlier draft delivery by the team and comments by NRC and Norad may be agreed between the team and NRC/Norad.

Final report shall be sent Civil Society Department and NRC not more than 5 days after the comments are received. The report may be submitted in electronic format.

The report, written in English, should consist of not more than 15 pages, including a summary containing conclusions and recommendations, which must not exceed three pages. A list of documents consulted and persons interviewed should be annexed to the report.

The report should be presented by the team to Norad and NRC. The Ministry of Foreign Affairs will receive a copy of the report.

15-6-09/wg

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