Guidance Note on Results and Risk Management for Applicants

This document includes guidelines on results and risk management for organisations applying for grants from Norad under the call titled "Support to strengthen civil society in developing countries – Norwegian organisations 2024".

Results management:

Norad believes that a solid system for results management increases the likelihood of a successful initiative. Defining clear objectives and ensuring collection, analysis, and use of results information throughout the implementation cycle facilitates learning and allows for adjustments and decision-making based on evidence. Norad therefore expects the following elements to be included in grant applications:

- An analysis of the <u>problem</u> the project/programme is trying to address
- The <u>key results</u> the project is aiming to achieve, expressed as clear, measurable, and realistic results statements at different levels. These should correspond directly to the results statements in the results framework (or similar document)
- An explanation of <u>how</u> the project is aiming to achieve these results (theory of change); and
- Information about how the project/programme will <u>monitor progress</u> i.e. the set-up for collection, analysis and use of results information. As a minimum, a results framework or similar document containing this information must be attached to the application.

The theory of change and results framework (or corresponding document) should focus on the most critical areas of change the project/programme will contribute to, and do not need to capture <u>all</u> results. Bear in mind that these elements form the basis for progress and final reports to Norad. Thus, they should be at a level that allows for reporting, while at the same time remaining useful to the partner in their own assessment of progress and needs for adjustments during implementation.

For applications spanning multiple themes and/or geographical areas, Norad will focus its assessment on the applicant's set-up for overall results management, i.e. how the organisation will monitor and report on results across the various programmes. In such cases, an overarching results framework (or corresponding document) should outline key expected results for the entire application.

Please see below an explanation of key elements that Norad will pay attention to in its assessment of applications:

Analysis of the current situation (problem analysis). The analysis should explain the nature and scale of the problem that the project or programme(s) seeks to solve or reduce, as well as the main causes of the problem.

- In the review process, Norad will assess if the application explains the need for the project or programme(s).

A theory of change: The application should explain why and how a project or programme can be expected to achieve its results and contribute to the desired change. A theory of change typically articulates the sequence of change between activities and results at different levels (often called outputs, outcomes and impact). A theory of change should also explain key underlying assumptions that are critical for the programme's results achievement.

The theory of change is typically a narrative description that may be accompanied by a figure illustrating the expected sequence of change. There should be close alignment between the expected results formulated in the results framework (or corresponding document) and the change process described in the theory of change. For applications spanning multiple themes and/or geographical areas, applicants should submit only one overall theory of change that is related to the overarching results framework (or corresponding document).

- In the review process, Norad will assess if the application sufficiently explains the anticipated causal relationship between interventions and the different levels of results, and if this relationship is plausible and supported by evidence.

The set-up for collection, analysis and use of results information for the project/programme should be attached to the application. The applicant can choose in which form this information is presented (narrative, log frame/results framework, or other) This document should generally include the following key elements:

Expected results at various levels. Generally, Norad requests that applications include expected results at three levels, namely at output, outcome and impact levels. However, please note that there is a degree of flexibility here. If it is challenging to plan for specific outputs at the time of application, examples of possible outputs, -or categories of outputs can be used (e.g. capacity development, policy development, advocacy etc).

Norad normally expects indicators, baseline values and targets to be included for results at output, outcome, and if possible and relevant, at impact level, to be submitted at the time of application. It is important to consider the feasibility of timely and quality data collection when setting indicators. Note that indicators are not the only methodology for gathering information about progress, and other methodologies of assessing change can also be used. Norad requests that data sources/methods for verification are included in set up for results management.

- Norad will assess whether the results statements in the results framework (or similar document) are clear, measurable and realistic, and correspond to the stated goals of the project/programme.
- Norad will assess whether the results framework (or similar document) contains indicators and/or other methods for monitoring progress, baseline values (if available at the application stage), targets and means of verification.

Overarching set up for results management: For applications spanning multiple themes and/or geographical areas, an overarching results framework (or similar document) should be developed. Results management at this level should enable the grant recipient to set the strategic direction for the overall programme, while allowing sufficient room for individual implementation strategies in sub-programmes.

An overarching results framework (or similar document) should include the same elements as detailed above: key expected results, indicators, baselines, targets, and data sources/methodology for data collection.

Given the complexity of some applications, we acknowledge that it is not always straightforward to develop an overarching results framework (or similar). We would like to emphasise that not all results at sub-programme level should be included in the overarching results framework (or similar document) – and recommend being selective, including only results that are relevant across multiple sub-programmes.

At the output level, more general outputs or output categories can be used to represent groupings of deliverables/products. (e.g. capacity development, policy development, advocacy etc.)

In their progress and final reporting, grant recipients are expected to submit agreed the results frameworks (or similar document) with updated results information. For complex agreements, it can be sufficient to submit the updated overarching results framework, and only provide national or thematic level results frameworks on Norad's request.

Risk management:

Norad believes that a solid system for risk management will increase the likelihood of a successful initiative. Norad therefore expects grant recipients to consider risks when designing a project/programme, monitor risks continuously during implementation, implement mitigating measures, and update their risk analysis as necessary during implementation.

Applications must generally include a risk analysis that describes risks that may affect or result from the project/programme(s) and a plan for avoiding and mitigating such risks. The risk analysis should ideally be presented through a matrix or table, where each risk is identified and categorised according to the likelihood of occurring and consequences should it occur, based upon which a total risk score (risk = impact x probability) is calculated. Applicants are furthermore expected to outline planned mitigating measures.

In the review process, Norad will assess the risks identified and how the applicant plans to deal with them. For applications spanning multiple themes and/or geographical areas, Norad will focus its assessment on the applicant's overall risk framework. The overall risk matrix should be based on and logically connected to risk analyses at sub-programme (national or thematic) level. It should outline and assess the most common and serious risks in the programme and include mitigation measures. Applicants should attach this overall risk matrix with the application. Applicant may be asked to share the national or thematic level risk analyses/matrices upon request.

Please see below an explanation of key elements that Norad will pay attention to in its assessment of the risk framework:

The risk matrix should include two types of risks:
1) Risks that may have a negative effect on the achievement of results. Both internal and external risks should be identified. Internal risks are typically linked to the way the project/programme(s) is/are organised and implemented, and may be related to for example the systems, capacity or leadership in the implementing organisation(s), or the way that stakeholders interact. External risks are normally outside the direct control of the grant recipient, for example political risks (including armed conflicts) and natural disasters. Although it may be difficult to influence the probability of external risks occurring, it may be possible to mitigate the consequences.

2) Risks that the project or programme itself may have unintended negative consequences on the surroundings. Note that risks related to the four cross-cutting issues for Norwegian Official Development Assistance always must be considered. These are human rights, gender equality and women's rights, climate and environment, and anti-corruption.