

EVALUATION DEPARTMENT



REPORT 13/2018



Evaluation of Organisational Aspects of Norwegian Aid Administration

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This report is the product of its authors,
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interpretations, and conclusions presented
in this report do not necessarily reflect the views
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Foreword

In 2004, the Norwegian aid development administration was reorganized to modernize, simplify and provide more effective aid management. The reform included transfer of responsibilities from Norad to the Ministry of Foreign Affairs and to the embassies. Norad was mainly given responsibilities for providing technical advice. The reform was slowly adapted during the following years.

This is the first independent evaluation of the implementation of the reform. The focus is on mapping, assessing and discussing the roles and responsibilities of the embassies, and the division of labour between home and abroad. Five countries have been studied more in detail.

The Norwegian Government has recently initiated a new reform of development aid administration. The detailed content of this reform and the role of the different parts of the development administration is currently under consideration.

We hope the publication of this report will encourage a constructive debate about the possibilities and challenges in the Norwegian aid administration, and provide a basis for further improvements of the organization of the administration.

Oslo, October 2018



Per Øyvind Bastøe

Director, Evaluation Department

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This evaluation report, commissioned by Norad's Evaluation Department, has been prepared by Menon Economics in collaboration with the Nordic Consulting Group (NCG) Norway. The team from Menon consisted of Sveinung Fjose (team leader), Erik Jakobsen, Leo Grünfeld, Sofie Waage Skjeflo, Reza Lahidji and Håvard Baustad. Erlend Sigvaldsen has participated from NCG. The team has benefited from the support and assistance of several people. An expert team consisting of Kai Eide, Mona Brøther, Asbjørn Eidhammer, Øivind Eggen, Stein Hanssen and Tom Christensen has provided valuable input. The team of experts has given input on factual issues, as well as assessment of how trends might affect future development assistance. However, recommendations are made by Menon and NCG.

We would like to thank embassy staff in Addis Abeba, Kathmandu, Nairobi, Maputo and Kabul, as well as staff at recipient organisations, other donors and multilateral organisations, who gave their time to facilitate and participate in interviews. The views of all these stakeholders were crucial in helping the team to formulate its assessments and recommendations. The team has attempted to address all the evaluation questions in the Terms of Reference. Our contact person in the Evaluation Department has been Kristin Hauge.

Executive summary

BACKGROUND

As a small country with a large development assistance budget, Norway needs an organisational design that supports its ambitious policy with the necessary competence and capacity. The administration of development assistance must therefore be organised to maintain an appropriate degree of geographic and sectorial focus, and provide a high level of competence in the focus areas.

In 2004, Norwegian development aid was reorganised for more modern, simpler and more effective management. Norad was reorganised, mainly as a technical advisory agency under the Norwegian Ministry of Foreign Affairs (MFA). Responsibility for bilateral aid management was transferred from Norad to the MFA, and Norway's embassies received more tasks and responsibilities in development co-operation and grant management.

The division of labour was further adapted in following years, giving Norad both responsibility for managing thematic support channelled through multilaterals and a prominent role in fighting climate change and deforestation.

Internationally, approaches to aid management and organisation changed substantially since the 2004 reform. Most OECD countries sought to enhance policy coherence and co-ordination. A whole-of-government approach is now more prominent, placing development assistance within the framework of foreign policy. This affects the role of embassies in developing countries. Furthermore, the aid landscape changed substantially with the increasing presence of donors from emerging economies in Asia, a substantial rise in assistance provided by private foundations and philanthropic initiatives, the heightened importance of trade and investment flows, and enlargement of the aid agenda with the adoption of the Sustainable Development Goals (SDGs). These factors also have a profound impact on the role that the embassies play in the management of Norwegian aid.

PURPOSE

This evaluation assesses the roles, responsibilities and division of labour between home (MFA and Norad) and abroad (Norwegian embassies) in managing and

implementing development co-operation after 2004. The goal is to provide lessons and inputs to the MFA's on-going efforts to improve Norwegian development co-operation. In particular, the evaluation provides a strategic outlook for Norway's embassies.

ANALYTICAL FRAMEWORK

In accordance with the Terms of Reference, the evaluation provides a thorough description of the evolution, current state and outlook of Norway's aid administration with particular focus on embassies. Rather than focus on normative notions such as aid efficiency, it examines changing roles and responsibilities over the past fifteen years and likely developments in the future.

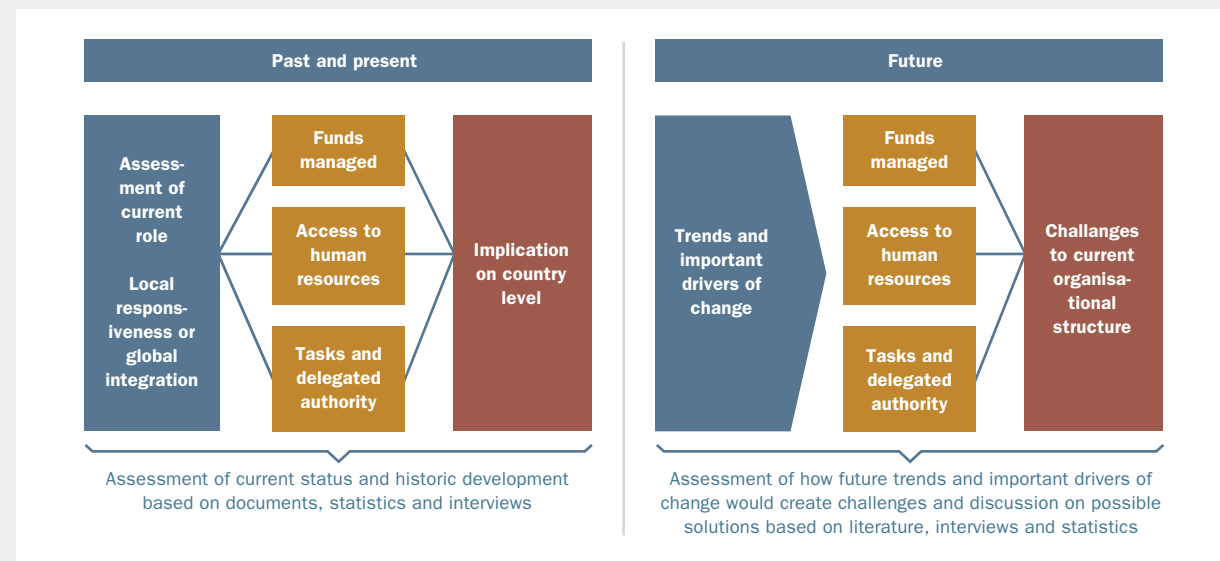
As there is considerable uncertainty regarding future developments, there was limited opportunity to triangulate information sources that normally constitute an evaluation of development assistance, both in terms of availability and relevance. However, the evaluation team discussed the literature on future trends and important drivers of change

in two workshops, one with the staff of an embassy and the other with the evaluation's team of experts, which consists in large part of former staff members from Norad and the MFA.

It is important to note that the high turnover of staff in Norwegian embassies limits the possibilities for data collection on the distant past, in particular when it comes to informal methods and practices. To gather information, we reviewed central documents describing the role of embassies, including White Papers and letters of instruction to embassies in the countries selected for in-depth studies (Afghanistan, Ethiopia, Kenya, Mozambique and Nepal). In these countries, we performed interviews with staff at Norwegian embassies, representatives of other donors, and representatives of recipients. Their views were presented (without individual attribution) to staff at Norad and the MFA for reaction and nuancing. We reviewed international research relevant for analysing the outlook for Norwegian embassies. Furthermore, we performed a statistical analysis based on Norad's database on grants.

To analyse and interpret changes in the role of embassies and the division of labour, we use the Integration-Response framework (Prahalad and Doz, 1988), which addresses the optimal division of labour between headquarters and

FIGURE 0.1 // ANALYTIC FRAMEWORK



Source: Menon Economics

regional/national entities. Academic literature recommends giving substantial autonomy to the regional/national level when there is a need to tailor services to local context. This archetype of organisational structure is labelled *local responsiveness*. If, however, only minimal adjustment of services is needed, economies of scale and efficiency can be achieved through thematic specialisation with less autonomy and resources at regional/national level. This archetype of organisational structure is labelled *global integration*.

We assess whether aid administration architecture went in either of these directions since 2004, and whether such evolution is recommended given future trends and important drivers of change. In order to assess the level of autonomy, we measured (1) the degree to which Norway's ODA is managed at embassies, (2) the allocation of human resources and (3) the decision-making authority and tasks given to embassies. Figure 0.1 presents our analytical framework.

THE ROLE OF EMBASSIES

In 2017, 41 Norwegian embassies managed development assistance. Being an integral part of the Norwegian Foreign Service, the main task of embassies is to work for Norway's foreign affairs interests. These include development assistance objectives such as promoting peace and security, strengthening the international legal system, working for an economically just world order, and sustainable development. Managing development assistance is not necessarily the main priority for embassies as activities related to other national interests may require a larger share of their time and resources.

Furthermore, embassies are only one channel through which development assistance is managed. Others include multilateral organisations, Norwegian development agencies such as Norfund, and NGOs. When these other channels are active, Norway can be a substantial provider of development assistance even in countries where the role of the embassy is limited.

Embassies therefore do not have a *unique* role in development assistance, but rather perform a variety of roles depending on the interests of Norway in the country and the relative importance of the other channels. Based on interviews, staff at embassies do not find it difficult to combine roles related to development

assistance and to other Norwegian interests. To manage potential dilemmas, embassies work to the extent possible with projects that meet several goals simultaneously.

FINDINGS

In the division of labour, the MFA defines overall policy priorities that embassies implement at country level. Although these roles are generally well understood and accepted, there are challenges in what several embassies see as a lack of co-ordination between services within the MFA, and between the MFA and Norad. Several respondents at embassies stated that they co-ordinate (services in) the Ministry more than the Ministry co-ordinates them. Furthermore, some complained about inadequate information sharing regarding the overall level of development assistance provided to the country, as well as inadequate strategic support from the MFA.

Using the Integration-Response framework, we find that the overall organisational structure of Norwegian aid administration evolved towards a model of global integration, which indicates that the headquarter is strengthened, with reference to Analytical framework at page 6. We base this conclusion on the following:

- a) Embassies' share of fund management decreased since 2009. In some fragile countries, responsibility for fund management was transferred to the MFA.
- b) While embassies managing aid had staffing increases during the period as a whole, a lack of information about the work of MFA staff makes it difficult to assess whether this was due to greater emphasis on development assistance or other interests.
- c) Embassies experienced a reduction in authority for entering new agreements.

The shift towards global integration might be surprising considering that the stated intention of the 2004 reform was to strengthen the role of embassies in development assistance. However, it seems that this was part of a broader movement towards recentralisation, both in other parts of the Norwegian public administration and in other European countries. It can thus be seen as a balancing act following two decades of decentralisation and "agencification", i.e. the establishment of single-purpose public organisations as a tool to adjust public service provision to local needs (Verhoest, Thiel, Bouckaert, Lægreid, & Theil, 2016). In Norway, following a period of decentralisation of public organisations

into regional entities in 2004, most were recentralised for various reasons including a need for thematic rather than geographic specialisation in response to increased complexity, a need for more standardised public service provision across different regions, and information and communications technologies (ICTs) offering more possibilities for centralised service provision in regional entities.

One reason for more integration was that problems and tasks crossing organisational borders are difficult to address when the public administration is fragmented into autonomous units with narrowly defined competencies. The management literature (Jakobsen & Lien, 2015) recommends integration as a response to crosscutting issues. This was indeed the motive of several countries (including Canada, Denmark and Australia) in bringing development co-operation back into the realm of foreign policy.

CONSEQUENCES AT COUNTRY LEVEL

The evaluation assesses country-level consequences of organisational change in the administration of development assistance. We must highlight again that embassies are not the only channel through which Norway provides development assistance. From 2004 to 2017, total Norwegian development assistance more than doubled. While embassies managed an

increasing part of these funds up to 2009, the trend then reversed in favour of country-level interventions managed by multilateral organisations. The objective of increased channeling of funds through multilaterals was to increase aid effectiveness in areas outside Norway's comparative strengths by letting better positioned and more knowledgeable donors manage the corresponding flows, in line with the recommendations of St. Meld. nr. 13 (2008-2009). This policy orientation stemmed in particular from recommendations in the OECD DAC reviews of 2008 and 2013, and heightened attention to the additionality of aid, i.e. concentrating on areas where Norwegian development assistance makes a difference.

The consequences for recipient countries are believed to be minimal because overall amounts of aid were not affected. Furthermore, the move contributed to increased aid efficiency in line with the goals of the international declarations. For embassies, however, the reduced share of funds managed, and greater thematic focus reduced and narrowed opportunities for contact with the recipient government. This reduced their ability to build networks and gather information relative to when they managed more funds and a broader thematic portfolio.

The decline in the share of funds managed by embassies can partly be explained by a thematic concentration of Norwegian development assistance first initiated by the Stoltenberg II Government (St. Meld. nr. 13, 2008-2009) and followed later by the Solberg government. This policy could be continued in the coming years, e.g. by strictly defining thematic areas in which Norway appears to have a comparative strength and channeling all other ODA through other donors. A narrower focus would lead to economies of scale and increased possibilities for harvesting knowledge-based synergies, thereby reducing resource needs at embassies. It would reduce efficiency losses from the high turnover of personnel in the Norwegian aid administration architecture, as fewer but larger areas of engagement would increase people's chances to move from one job to another within the same area.

OUTLOOK POINTS TO A NEED FOR BETTER CO-ORDINATION AND A CLEAR CAREER PATH

The evaluation assesses how trends and important drivers of change could affect the future role of Norwegian embassies. Several trends point towards a more complex role in the near future, including a more demanding sustainable growth agenda, a stronger role for the private sector, a greater diversity of donors,

and more cross-cutting issues such as conflicts, fragility and climate change. Embassies will have to develop the competence and agility to navigate complex environments and put that ability to the service of different partners. This increased complexity indicates a need for better expertise in national specificities and regional dynamics, and enhanced local responsiveness at embassies.

Furthermore, we find no indication that the trend of channelling aid through multilaterals will decrease. This indicates that the role of embassies as managers of development assistance is expected to decrease compared to other organisational units.

This creates a dilemma: increased complexity at embassies points to a need for more human resources, while the reduced role of embassies as managers of development assistance points to a possible reduction in staffing. We believe this dilemma can be resolved through better co-ordination between embassies and the Oslo-based part of the Norwegian aid administration architecture.

In interviews, embassies point to a lack of specialisation in development assistance at the MFA. The level of MFA expertise in development assistance will have to increase if embassies

are to rely on better support from the Oslo-based part of the Norwegian aid administration architecture to handle increased complexity.

Increased specialisation points to a need for increased staffing in Oslo. However, the evaluation gives clear indications that specialisation could be achieved using existing human resources. Interviews with embassies indicate that they lack knowledge on Norwegian thematic support channelled through multilateral organisations. This lack of information has several negative consequences:

- a) It reduces embassies' ability to assess whether support is implemented as intended. Being on the ground, embassies are well positioned to have such a supervisory role.
- b) Embassies miss opportunities to use project financing to connect with the political leadership in the host country, collect information and build influence on issues of relevance for Norwegian foreign and development policy.

Norway therefore fails to reap some benefits both of its presence in developing countries and the support it provides through multilaterals. These are only a few examples of how overlap

contributes to inefficient use of organisational resources. Overlap also contributes to inefficiency by missing economies of scale and specialisation, which we believe could be achieved through better use of existing resources.

As future trends point to continued thematic orientation of Norwegian development assistance and continued channelling of substantial funds through multilaterals, increased co-ordination and better information flow between embassies and Oslo is needed. As Oslo has management responsibility over funds to multilaterals, embassies can probably be given a clearer supervisory role in this area without a significant increase in staff.

RECOMMENDATIONS

We recommend that the Norwegian aid administration architecture go further towards global integration. With a reduction in overlap between organisational units, strengthening the Oslo-based part of the Norwegian aid administration architecture can be managed without any increase in staffing. By strengthening Oslo-based entities and improving information flows, embassies could handle more complexity and play a more active role as supervisors and advisors of development co-operation in the host country without increasing staff.

We recommend that the Norwegian aid administration architecture deepen its thematic specialization. A narrower focus would lead to economies of scale and increased possibilities for harvesting knowledge-based synergies, thereby reducing resource needs at embassies. It would reduce efficiency losses from the high turnover of personnel in the Norwegian aid administration architecture, as fewer but larger areas of engagement would increase people's chances to move from one job to another within the same area. Although gains can be expected from further thematic concentration, their magnitude is questionable.

Most of the low hanging fruit has probably been picked in ten years of implementing this policy.

We recommend that the MFA make adjustments in its career management model in order to facilitate the emergence of centres of expertise in development co-operation in Oslo. This would improve the ability of the Oslo-based part to assist embassies on complex issues related to development and reduce efficiency loss due to turnover.

We recommend that embassies increase supervision of development assistance provided through other channels. By strengthening the role of embassies in supervision, Norway would to a larger degree reap the benefits of its presence in developing countries.

1. Introduction and background

The Norad Evaluation Department commissioned a study to map and analyse the current division of labour between home offices and embassies. The roles and responsibilities of Norwegian embassies in managing development assistance are key elements in this context. The evaluation describes how these roles and responsibilities changed since 2004. This report presents the findings and recommendations from that evaluation. But it is important to note that the report is not a traditional evaluation, but rather a descriptive review and discussion of the changing patterns in financing and organising Norwegian development assistance. We present these patterns through activity statistics and the synthesis of a large number of interviews. The report also reviews existing studies of Norwegian development assistance administration, as well as international literature describing the changing landscape of aid policy in recent years. Finally, the report examines future prospects for the management of development co-operation.

In 2004, Norway reorganised its development aid administration for more modern, simpler and more effective aid management. Norad was allocated mainly technical advisory tasks under the Ministry of Foreign Affairs (MFA). Responsibility for bilateral aid management was transferred to the MFA, while more tasks and responsibilities in development co-operation and grant management were delegated to embassies. The division of labour was further adapted in following years, giving Norad both responsibility for managing thematic support channelled through multilaterals and a prominent role in fighting climate change and deforestation.

The international aid landscape transformed significantly since the 2004 reform. Almost all OECD countries adopted measures to enhance policy coherence and co-ordination. This results partly from a new trend in public governance that emphasises whole-of-government approaches.¹ In the area of development co-operation, policy coherence emphasises

linkages with foreign policy.

Also, through the Agenda 2030, donor countries agreed to align their support strategies in order to avoid overlap and improve the realisation of aid projects.² In turn, these developments affected the role of donor country embassies in developing countries. In a highly internationalised policy environment, one should expect the organisation of Norwegian development assistance to also be influenced by these trends.

The Ølberg report (MFA, 2017) notes a recent reversal in the tendency to strengthen the role of embassies, which had in part inspired the 2004 reform. Even though the overall amount of development assistance managed by embassies remained stable, their share of total development assistance decreased. Recent evaluations identified weaknesses with regard to overall strategic directives, and insufficient documentation of results, combined with high degrees of flexibility (Norad, 2015-2016). The Office of the Auditor General in Norway also pointed to the lack of overall strategic

1 Cf. Lægneid et al. (2010), OECD (2006) and OECD (2015).

2 Cf. (Holzapfel & Rudolph, 2017).

planning in several areas.³ However, it is important to note that no external evaluation of the organisational structure of Norwegian aid administration was carried out since implementation of the 2004 reform.⁴

1.1 MANDATE AND CLARIFICATION OF EVALUATION QUESTIONS

According to the evaluation's Terms of Reference (ToR) in Annex 1, the evaluation's main objectives are:

1. Map the current division of labour, roles and responsibilities (including delegated authority) of Norwegian embassies in development co-operation, and how the set-up evolved since 2004.
2. Identify relevant evaluations of decentralisation and delegated authority in the management of development co-operation in comparable countries/organisations regarding country presence and the role of embassies/field offices, and discuss findings in relation to the Norwegian setup.⁵

³ The Court of Auditors is of the opinion that concentration and a closer co-operation to fewer countries are positive, including the development of possible country strategies. Document 3:9 (2014-2015).

⁴ Organisational issues has however been analysed in OECD-DAC reviews of Norway, as presented in 3.4.

⁵ Cf. (IFAD, 2016).

3. Assess and discuss strengths, weaknesses, opportunities and threats related to the current setup and division of labour in the Norwegian system related to the overall goals of Norwegian development co-operation.

4. Formulate lessons learned.

5. Indicate potential outlooks for the roles, responsibilities and division of labour in light of international trends, such as the international aid architecture and international declarations on donor co-ordination.

1.1.1 Clarifying the scope of the evaluation

The purpose of the evaluation and its questions clearly point to embassies as the main subject for examination. Since the Ølberg report (MFA, 2017) already dealt with relations at headquarters level, this evaluation focuses mainly on the role of embassies. Because embassies are delegated their authority by the MFA, the division of labour between the MFA and the embassies is relevant. So is the role of Norad, as Norad provides technical advice to bilateral projects and handles projects and programs implemented in countries where embassies have responsibility. However, the division of labour between Norad and the MFA is not relevant for the evaluation. In this

regard we have not gathered data on workflows between Norad and the MFA.

1.1.2 Evaluation questions

The ToR provide a list of seven operational questions that relate directly to the mandate described above. We sorted and rephrased these questions to improve the design of the study.

Questions in the ToR that ask for a description of the status and developments since 2004 form one group:

- › What are the current major roles and responsibilities including division of labour and delegated authority of embassies in Norwegian aid management and development co-operation?
- › How has the division of labour developed since 2004 regarding roles and responsibilities of embassies?
- › Which major types of arguments and reasoning have guided the division of labour and current roles and responsibilities assigned to the embassies since the reform?

Questions that ask for an assessment of the situation outlined in the descriptive analysis form another group:

- › What have been the implications for the management and implementation of development aid at the country level? For development co-operation at the country level?
- › What are the lessons learned concerning country presence?

Questions that ask for future outlooks and recommendation for organisational design are placed in a third group:

- › What are the strengths and weaknesses, threats and opportunities in the current division of labour and the role of embassies within development co-operation?
- › What are some broad potential future scenarios/outlooks for the role of Norwegian embassies in management and implementation of development aid and in development co-operation at country level?

1.2 THE STRUCTURE OF THE REPORT

Chapter 2 outlines the design of the study and the methodology applied throughout the report. We also describe data sources and information sources. Chapter 3 briefly reviews relevant literature on organisational design in the public sector in general and in development co-operation in particular. Chapter 4 describes the role of embassies and how it evolved after 2004. We study this evolution in terms of financial aid management, tasks, access to human resources and degree of autonomy. Chapter 5 presents trends and potential drivers of change that could affect the future content of work at embassies. We also analyse strengths, weaknesses, opportunities and threats (SWOT). Chapter 6 discusses organisational responses to meet the challenges and dilemmas potentially caused by trends and important drivers of change. Chapter 7 concludes with our recommendations.

More details from the study are provided in the annexes. Annex 1-3 can be found in the back of this report, while annex 4-9 is available as a separate document together with this publication at www.norad.no/evaluation. ([See list of annexes here](#)).

2. Evaluation design and methodology

This chapter presents the evaluation design, approach to data collection and analysis, and the limitations and ethical considerations. While the chapter elaborates on these discussions, more detail is provided in the Annexes.

2.1 EVALUATION DESIGN

The report's mandate is not a traditional evaluation, but rather to describe and discuss the changing patterns of financing and organising development aid within the Norwegian aid administration architecture. Thus, a large part of the report is devoted to historical developments in the organisation of the Ministry of Foreign Affairs (MFA) and its embassies. Furthermore, a substantial part of the report is forward-looking as we analyse strengths, weaknesses, opportunities and threats, and look into broad potential future scenarios for the role of Norwegian embassies in managing and implementing development aid, and in development co-operation at country level. As a theoretical framework to assess changes in the role of embassies, we use the Integration-Response framework developed by (Prahalad & Doz, 1988). This framework

describes three models for structuring organisations with regional offices, namely: global integration, local responsiveness and a matrix organisation. According to the framework, the more service delivery must adjust to local context, the more an organisation should move towards local responsiveness. The less need for adjustment, the more competence and decision-making authority should be concentrated at headquarters to secure economies of scale and specialisation through division of labour. We use this framework to assess whether the organisation of the MFA and its embassies has moved towards global integration or local responsiveness. We also discuss whether going further in either of these directions is recommended considering the trends and changes likely to affect the future role of embassies. Assessing the autonomy of embassies is essential when using the Integration-Response framework. To do so, we use (Verhoest, Peters, Bouckaert, & Verschure, 2016) on the autonomy of public sector organisations, to answer the following questions:

- › How large is the amount of funds managed by embassies?
- › How many human resources (number of employees) do embassies have under their authority?
- › What level of instruction do embassies receive through directives from the MFA on operational and strategic issues?

Figure 2.1 on the next page summarises the methodological approach the team followed to answer the evaluation questions.

We follow evolution in these areas from 2004 to 2017. In a full evaluation of development aid organisation, one would also investigate whether that organisation affects aid efficiency. That question lies outside the scope of this study. Instead, we consider future developments to pinpoint strengths and weaknesses in the organisation and the division of labour today that may not fit coming threats and opportunities.

To assess prospects, we examine how important drivers of change could affect access to funds, the need for human resources, and future tasks. We then assess the functionality of the current structure given these potential changes.

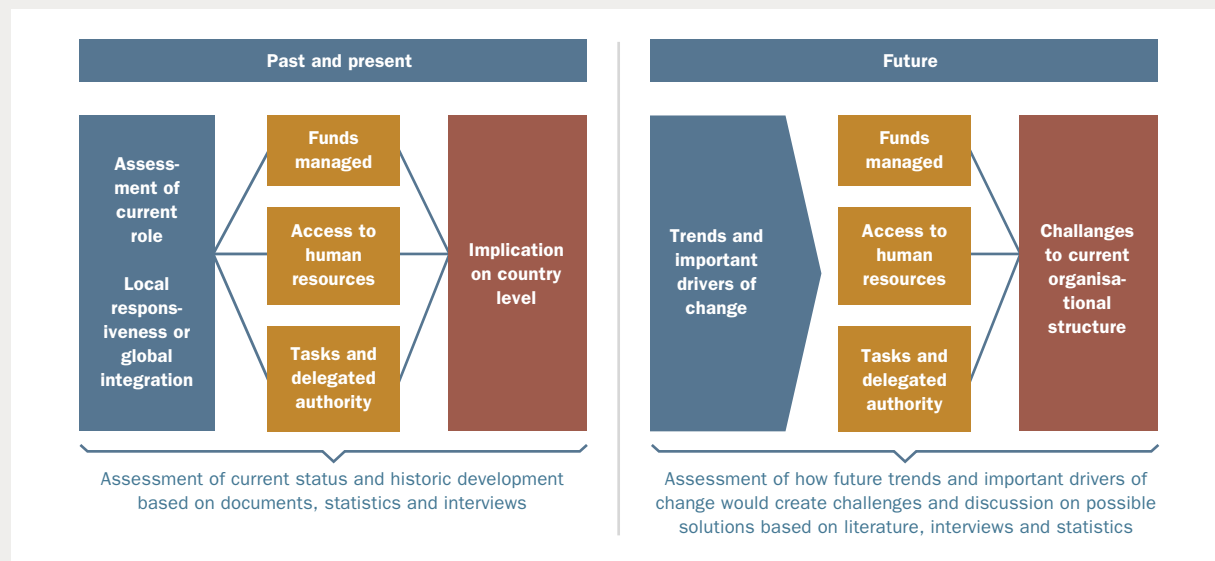
2.1.1 Evaluation subject

In evaluating Norwegian embassies that manage development assistance, we describe their main roles, and the division of labour between the MFA and embassies. Furthermore, we describe the trends and other drivers of past and potential change.

In 2017, 41 Norwegian embassies managed development aid agreements. This is a reduction of 23 per cent from its peak in 2013. These embassies' portfolio of development aid totalled 4.9 billion NOK, representing around 15 per cent of the Norwegian aid budget.⁶ They employed close to 300 Norwegian diplomats in 2017, a figure that has remained stable since 2010. Nearly half of all Norwegian diplomats are stationed in countries managing aid and more than 20 per cent of MFA employees work for these embassies.

⁶ Excluding funds to refugees.

FIGURE 2.1 // DESIGN OF THE EVALUATION



Source: Menon Economics

2.1.2 Empirical mapping

The Norad Statistics Section provided us with data on projects managed by embassies from 2004 to 2017. The accounting system for these figures allows analysis at a relatively detailed level. We describe our method to correct for inflation in Section 2.2.2.

In order to compare the share of funds managed by embassies with those managed by other parts of the aid administration architecture, we used data on all Official

Development Assistance (ODA) downloaded from the Norad website. To make the comparison, we subtracted the support channelled through embassies from the database of all support. Thus, we can compare evolution in the share managed by embassies with the rest of the Norwegian aid administration architecture.

Staff figures from different parts of the MFA system are also based on MFA data. Here, we can identify the number of staffs at embassies over time, but we do not have information on

their work content. Consequently, we are not fully informed on matters of human resource allocation on development assistance.

To broaden the mapping of tasks and activities in embassies, we conducted a large number of interviews with staff at embassies, MFA headquarters and Norad. Note, however, that the rotation of staff at embassies limits the insight that interviewees could provide on matters of change over time.

As the development assistance portfolio varies substantially between types of embassies, we investigated whether there are systematic differences in the evolution of funds and number of diplomats at embassies in countries with certain characteristics. Our analysis did not find systematic differences with regard to typologies of embassies. Annex 8 describes this further.

2.1.3 Assessed time period

The evaluation assesses developments from 2004 to 2017 because the reform giving embassies a more prominent role was implemented in 2004. However, as noted, the rotation of staff at embassies limits how much insight interviewees can provide on matters of change over time.

2.2 DATA AND INFORMATION SOURCES

We base our evaluation on information from three main sources: Interviews, document studies and a statistical analysis. In this section, we describe our approach to data collection and analysis from each source and discuss their limitations.

2.2.1 Document studies

A wide range of documents was surveyed during the inception phase of the evaluation, in preparation for the interviews and to answer each of the evaluation questions. These documents can be grouped into the following categories:

- › White Papers, Norwegian Official Reports (NOU), Propositions to the Storting
- › Letters of instruction to embassies and annual plans for embassies, and communication between the MFA and embassies related to these
- › Relevant reviews and evaluations by Norway and other countries, including OECD DAC peer reviews
- › Academic literature and reports on organisational aspects of development co-operation

We provide a list of references at the end of this report. Chapter 4 presents findings from the literature on the organisation of development co-operation. Annex 5 contains a comparative analysis of organisational designs in comparable countries. Annex 6 presents literature on what guides the delegation of authority to embassies.

2.2.2 Statistical analysis

An important part of this evaluation involves the analysis of data on Norwegian development assistance. We used Norad data on management of funds by embassies (See Section 2.1.2). Furthermore, we used the grants portal to extract data on grants from 2004 to 2017. The portal provides an overview of all agreements by the MFA, Norad and other institutions managing development aid, with information by country, sector and extending agency for each grant agreement. It includes agreements managed by embassies.

When presenting statistics on embassies management of funds, we have excluded funds related to deforestation, as these funds are partly managed from Oslo. Furthermore, we have excluded funds related to management of refugees in Norway. This is due to substantial fluctuations in data. Without excluding funds related to refugees, trends would be difficult to spot.

In presenting the statistics on fund management, we adjusted the numbers for inflation by using average annual inflation as presented by Statistics Norway. Inflation contributes to decreasing the value of the currency. Due to inflation, 100 Norwegian kroner today is less worth than 100 Norwegian kroner last year. If prices increase by 2 per cent on average, you would get 2 per cent fewer goods and services for 100 Norwegian kroner in today than last year. By correcting for inflation, we can assess how the change in spending relates to changing priorities rather than a change in the value of the currency. We used the annual consumer price index from Statistics Norway (Table 2.1) as the basis for inflation adjustment.

By using the consumer price index, development assistance given in 2004 is divided by 0,78. The reason for this being that 1 billion NOK given in 2004 is more valuable measured in today's currency.

2.2.3 Selection of countries for in-depth case studies

Norwegian development assistance is spread across many countries. These countries each have distinct characteristics regarding governance, public institutions, private sector development, health, education, corruption, level of trust and industry profile. A pressing

TABLE 2.1 // ANNUAL CONSUMER PRICE INDEX (ANNUAL AVERAGE)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
0,78	0,79	0,81	0,82	0,85	0,87	0,89	0,90	0,91	0,93	0,94	0,97	1,00	1,02

Source: SSB

issue in one country might not be an issue at all in the neighbouring country. Moreover, Norway's relationship with each country differs. There is a high level of exchange of goods, services and investments with some countries, while with others the relationship centres on development assistance.

For a better picture of the many roles that embassies play, we selected five countries for in-depth analysis based on the importance of their development assistance portfolio and the variety in focus, priority areas and amount of funds that Norwegian embassies there manage. In the Inception Report, we suggested the following countries for in-depth analysis: Mozambique, Kenya, Brazil, Nigeria and Afghanistan. We present the selection criteria and procedure in Annex 7.

In reviewing the Inception Report, and after input from the MFA, the Norad Evaluation Department suggested the following countries for in-depth analysis: Mozambique, Kenya,

Ethiopia, Nepal and Afghanistan. These embassies manage relatively large amounts of aid compared to others. Furthermore, in the case of both Afghanistan and Kenya, support goes to high-conflict areas. This means our findings from the interviews may not be representative for embassies that manage smaller amounts of aid and/or operate in countries or regions with less conflict.

In agreement with the Evaluation Department, we visited Mozambique, Kenya, Ethiopia and Nepal. For Afghanistan we based our assessment on documents and telephone interviews with representatives of the embassy.

2.2.4 Interviews

The evaluation includes semi-structured interviews with a wide range of stakeholders from the MFA, Norad, Norwegian embassies in countries selected for in-depth analysis, other embassies in those countries, and aid recipients and other stakeholders in the case-study countries.

The Norad Evaluation Department provided a list of contacts for embassies in each of the four countries we visited. We then asked the contact person to provide a list of relevant embassy employees (both Norwegian and local), as well as collaborators, other donors, and recipients. Based on this list, we conducted between 12 and 17 interviews during each country visit.

With regard to respondents from Norad and the MFA, we also received input from the Norad Evaluation Department. Menon however finally selected the respondents.

We developed templates for interviews with embassy employees, recipients, and other donors in each of the case-study countries in collaboration with the team of experts (see Section 2.2.5). The templates for embassy employee interviews were presented to the Norad Evaluation Department, refined and adapted prior to conducting interviews in each country visited. Similarly, we developed templates for interviews with stakeholders in Norway once the interviews in the case-study countries were completed, to provide an opportunity for them to comment on the information obtained through embassy interviews. Templates are presented in Annex 4.

We must underline that there are severe limitations to our method. The countries selected for in-depth analysis manage substantial amounts of aid. Our findings might therefore not be representative of embassies that manage less aid. Furthermore, in order to meet requests by Norad and the MFA to limit the administrative burden of the evaluation, we interviewed only a limited number of respondents in Norad and the MFA. With regard to aid recipients, we only interviewed a limited number of representatives. Our findings are not even close to being representative but provide some information on how the competence of embassies is regarded.

2.2.5 Expert panel

In addition to the core evaluation team, a panel of experts from the MFA and Norad, and in consultancy and research, contributed to the evaluation. Evaluation methodology, findings and recommendations were presented to and discussed with the expert panel during several workshops. The expert panel contributed with quality assurance and guidance to the core team's information gathering, assessment, calculations and interviews. Annex 3 lists the members of the expert panel.

2.3 ETHICAL CONSIDERATIONS

To ensure informed consent, interviewees were presented with an introduction to the evaluation and its purpose along with the interview template. This introduction included information about the confidentiality of the respondents and the safe storage of minutes from the interviews. We also discussed the purpose of the evaluation with the respondents before starting the interview, emphasising that it was not intended to assess the performance of the embassy or the person interviewed.

3. Literature review: Organisational aspects of development assistance

This chapter begins with a review of relevant theories about the design of multi-task organisations with regional entities. We then present trends in the organisation of public central administration in Europe. This literature offers background for understanding the inclusion of directorates specialised in development co-operation into foreign affairs ministries. Following that, we present literature on administrative reforms in OECD countries. We also present evaluations and reports addressing organisational aspects of the Norwegian aid administration architecture. Annex 5 contains a comparative analysis of the organisational structure of aid administration in Sweden, Denmark, the UK, the Netherlands and Canada.

3.1 THEORIES OF ORGANISATIONAL DESIGN

In presenting literature on organisational design, we mainly limit our review to multi-task organisations with regional entities. Although public sector organisations differ substantially from businesses, we find that Integration-Response still constitutes the best analytical framework for deciding what level of autonomy

to give regional entities and what to keep at headquarters. However, we use literature that examines public sector organisations as well.

According to the literature, the need to adjust production of services to a local and regional context determines the role and level of autonomy of regional entities. When there is no such need, production should be located at the headquarters level to increase economies of scale and possibilities for thematic specialisation (Jakobsen & Lien, 2015). However, the more need there is to adjust production to local and regional context, the more authority should be delegated to regional entities (Prahalad & Doz, 1987). At the same time, such delegation can hamper overall organisational effectiveness and efficiency, including co-ordination between regional entities. With the need to co-ordinate across organisational boundaries, a design with large regional autonomy may create challenges. Prahalad & Doz (1987) differentiate between the following archetypes of regionally distributed organisations: (1) global integration, (2) local responsiveness and (3) a matrix organisation. In the following sections, we explain the strengths and weaknesses of each.

3.1.1 Global integration

Globally integrated organisations have the following characteristics: they are organised around functions or production lines, and decision-making authority is centralised and specialised (Jakobsen & Lien, 2015). This structure secures economies of scale through standardised procedures and can harvest knowledge synergies by grouping similar production in the same organisational units. Decision-making authority is centralised to managers at headquarters. Often these structures are organised thematically (ibid).

However, such organisations are less responsive to regional differences, making them less effective when operating in markets with substantial regional variations (Colbjørnsen, 1995).

Business often cites McDonald's as an example of an organisation focused on global integration. McDonald's produces the same products in every market, and decisions on what to produce are taken at headquarters. When it comes to organisations handling development assistance,

the Canadian International Development Agency (CIDA) can be characterised as focusing on global integration. In the Canadian aid administration architecture, country offices have limited decision-making authority as headquarters approves most decisions. Employment in regional offices compared to CIDA headquarters is quite low.

As we see in Chapter 4, the Norwegian aid administration architecture has moved towards global integration with increased focus on giving aid by thematic areas.

3.1.2 Local responsiveness

Local responsiveness organisations are characterised by decentralised decision-making authority and more generalist competence compared to the global integration model. The organisational structure centres on different geographical markets, and headquarters functions as a hub serving the regional entities. The tasks of employees are often more vaguely defined, leaving room for adjustment to regional markets. The strength of this organisational archetype is sensitivity to regional differences and the ability to adjust production to those differences. The weaknesses of this model are lower efficiency, substantial variation in product and service content and design, and less thematic specialisation (Jakobsen & Lien, 2015). The latter might impede the ability to spot and use new

technology that might substantially change market or production opportunities (Meyer & Estrin, 2014).

As we show in Chapter 3.2, strengthening decision-making authority at embassies in the 2004 reform was a push towards an organisational model of local responsiveness. The Swedish International Development Cooperation Agency (SIDA) is an example of an organisational model focused on local responsiveness (see Annex 5 for a more detailed overview of the organisational structure in different countries).

3.1.3 A matrix organisation

Matrix organisations try to combine the strengths of the two other organisational models. This can be done by organising the workforce in regional entities into thematic cross-regional departments managed from headquarters. In this way, employees at regional offices do not report to the leaders of the regional office, but rather to the management of the thematic organisational unit. In this way, one secures some economies of scale and technical specialisation, while also ensuring the necessary regional specialisation.

However, the matrix model is often criticised for being too bureaucratic with too many layers of decision-making authority (Meyer & Estrin, 2014). Organisation in accordance with the matrix

principle also demands a substantially larger organisation (Colbjørnsen, 1995). Furthermore, the functionality of organisational design is hampered by substantial geographical and cultural differences between entities, differences in access to specialised competence inside or outside the regional entities, as well as macroeconomic factors such as labour cost, tax, etc. (Meyer & Estrin, 2014). A further point of criticism is that the model does not result in excellence in either adaptability to regional differences or efficiency and thematic specialisation (ibid).

A good example of a matrix organisation is the Norwegian Water Resources Directorate (NVE). Employees at regional departments in the organisation do not report to the regional manager, but to managers in technical departments at headquarters.

Norwegian embassies do not follow a matrix organisation, as embassy staff report to the ambassador rather than to organisational entities in Oslo. However, interviews with embassies reveal that there is substantial contact with several departments in the MFA besides the Regional department. In addition, the embassies have substantial contact with other ministries. Embassies get instructions from different departments inside and outside the MFA and give feedback directly to these.

3.2 TRENDS AND BROAD REFORMS IN ORGANISING PUBLIC SECTOR AGENCIES

In a study of twelve European countries, Lægreid and Christensen (2016) illustrate that the general trend in public sector administration is away from local responsiveness towards more integration of organisational units into central public administration. Across the countries studied, the trend is to integrate organisations working on interrelated issues in order to get a more coherent approach to policy spanning ministerial boundaries. The trend has not necessarily been to fully integrate organisational units, but to allow for the creation of organisational multifunctional bodies, a clear break from earlier reforms creating more single-purpose organisations. This increasing complexity can be explained by more complex demands on the organisation from outside (Lægreid, Rolland, Roness, & Ågotnes, 2010). The broadening roles of public organisations takes various forms and goes by different names such as integrated government, post-new public government, whole-of-government etc. (ibid)

The emphasis on co-ordination and broadening roles results from increased recognition that specialisation in the public sector apparatus is ill suited to handling complex societal challenges (Ibid). Governments across Europe

struggle to handle so-called “wicked problems” that transcend organisational boundaries, administrative levels and ministerial areas, and elude obvious or easily defined solutions (Ibid). These include social cohesion, climate change, unemployment, security, crime, poverty and immigration (ibid). Such multi-dimensional, complex and ambiguous policy problems demand interconnected responses from the administrative system that do not easily fit into the established organisational structures of central public administration. Part of the answer is centralisation of tasks from regional entities, since co-ordination between them is challenging, not least when there are variations in the level of decision-making authority.

Both internal and external organisational boundaries can create challenges for crosscutting issues. When the outcome of a process depends on decisions made by several organisations or units, autonomy in decision-making may create suboptimal results. This can happen if organisational units make decisions that contradict each other's interests. If, for example, different entities provide support for an NGO, each with different requirements based on their mandate, the overall effect of these might be contradictory to overall policy goals. Lægreid et al. (2016) show that increased integration contributes to aligning

goals and means, but can also create a lengthier process and blurrier organisation chart, not to mention the probability of hybrid organisational structures and cultures where contrasting principles are followed at the same time.

The trend towards more integration runs counter to the New Public Management trend of the early 2000s (Lægreid, Rolland, Roness, & Ågotnes, 2010). In New Public Management, the focus was on disintegration and fragmentation of public sector organisations. The idea behind New Public Management, which included the 2004 MFA reform, was to create more single-purpose public organisations mainly concentrated on achieving their specific objectives, reflected in funding and responsibility they could directly control.

According to St. prp nr. 1 Tillegg nr. 7, 2003-2004, the reason for strengthening the role of embassies and giving Norad a more specialised role as an agency for quality assurance was two-fold (St. prp nr. 1 Tillegg nr. 7, 2003-2004):

- In response to recipient-orientation and inherent need for donor co-ordination
- As part of the Government-wide approach to increase efficiency in public central administration

The centre-right Bondevik II Government prioritised making the public sector simpler, more modern and more efficient. The decision to strengthen embassies makes explicit reference to the report “From words to actions: Modernisation, efficiency improvement and simplification of the public sector” (Arbeids- og administrasjonsdepartementet, 2002) as a main reason for the reform (St. prp nr. 1 Tillegg nr. 7, 2003-2004). The reform was a central part of New Public Management in Norway (Christensen & Lægreid, 2010).

One of the main goals of the reform program was better separation between policy making and implementation. Furthermore, a central idea was to delegate authority over the content of services closer to their users. As the reports states, delegation of authority over service content will yield “less good-looking organisational charts, but better and less costly services for users”. Several new directorates and government entities were created as part of the reform. The division of labour between ministries and directorates was rethought. This led to the establishment of the Directorate for Education and, more famously, the establishment of the Norwegian Welfare Administration (NAV). Furthermore, several Oslo-based Government entities were relocated to different parts of Norway.

The move towards local responsiveness intended for production of public services to be more easily adjusted to the needs of users. For that to be the case, regional entities had to have decision-making authority to adjust service provision. Several directorates and public entities delegated substantial authority to regional offices, among them:

- › The Norwegian Water Resources and Energy Directorate (NVE)
- › The Norwegian Welfare Administration (NAV)
- › The Norwegian Labour Inspection Authority

But efforts to re-centralise authority later replaced the process of decentralising decision-making authority to regional offices. Most of the organisations delegating substantial decision-making authority to regional offices at the time that the MFA delegated authority to embassies have since entered into a process of re-centralisation:

- › The Norwegian Water Resources and Energy Directorate strengthened its headquarters at the expense of regional offices in 2012 (Menon, 2016).
- › The Norwegian Labour Inspection Authority is now in the process of strengthening its headquarters as a tool to streamline service production and make efforts more strategic (Menon, 2018). The Norwegian Metrology Service is undergoing the same centralisation process (Menon, 2016).
- › NAV started centralising tasks in 2008. Regional and national units were strengthened with several tasks moved from local units (Jantz, Christensen, & Lægreid, 2015). The need for more economies of scale in specialised units, and therefore for decisions to be taken in larger organisational units provided the argument for strengthening regional and national units.

The reasons for recentralisation can be summarised as follows:

› **Variation in service content and political control over content in service provision.**

The delegation of decision-making authority to local units necessarily creates variations in the content of service provision. This increases the possibility of similar cases being handled differently in different geographical units. Although this was one of the main arguments in favour of the reforms by the centre-right government in 2003, it also contradicts Weberian bureaucratic principles (Christensen & Lægreid, 2016). Delegation of authority and financial resources to regional units inherently also reduces central units' ability to manoeuvre.

› **Information and communications technology (ICT) and digitalisation.**

This reduces the advantage of having a local and regional presence by making it easier to handle cases centrally. ICT has also made it possible to automate some surveillance tasks. For example, digital sensors have made locally based human surveillance by the Norwegian Water Resources and Energy Directorate obsolete.

› **Thematic specialisation.** Due to ICT and globalisation among other factors, the issues facing organisations have become more complex resulting in a substantial need for in-depth knowledge. Inspections on working crime have become more complex due to globalisation and the diversification of value chains (Menon, 2018). The 2001 and 2015 reforms justified larger police districts by the same argument, supporting the centralisation efforts (Christensen & Lægreid, 2016). In the energy sector, surveillance and management have become more complex due to the internationalisation of energy markets and the introduction of new energy sources and producers (Menon, 2016). In NAV, the argument was that the complexity of several tasks required more competence, better developed in larger organisational units allowing for more thematic specialisation.

3.3 ORGANISATIONAL MODELS OF THE OECD DEVELOPMENT ASSISTANCE COMMITTEE AND RECENT TRENDS

Recent years have shown a trend towards merging directorates and government bodies specialised in aid and development assistance into foreign affairs ministries. Such mergers have taken place in Canada and Australia. Canada's CIDA, which existed since 1968 and reported to Parliament through the Minister for International

Co-operation, was integrated into the Department of Foreign Affairs (now called Global Affairs Canada) in March 2013. Australia's Department of Foreign Affairs and Trade (DFAT) absorbed AusAID, an autonomous Commonwealth agency within the portfolio of the Minister for Foreign Affairs, in 2013 and streamlined its activities as part of the merger. Denmark's Danida was first established as a separate department in the Danish Ministry of Foreign Affairs. Since 2016, it has been integrated with another department dealing with development as well as other foreign-policy-related issues.

According to Gulrajani (2018), the USA and UK are considering similar reforms of development agencies, "once again centring on the possibilities of merging development and foreign affairs departments". For example, the new administration in the USA issued an executive order in March 2017 asking USAID to submit plans to improve its efficiency, accountability and effectiveness. A merger with the State Department is one option, albeit a suboptimal one according to a congressional task force (Gulrajani N. , 2018).⁷ An effort in Denmark also highlighted finding mutual gains in implementing foreign and development policy (see Annex 5).

⁷ As more than 20 agencies constitute the US development architecture, a consolidation appears necessary to improve "resource optimization and policy co-ordination" (Konyndyk & Huang, 2017).

In Section 3.2, we discussed countries' move towards global integration, part of a broader trend towards merging organisational units with different goals in order to have more coherent and co-ordinated responses to issues spanning several political agendas. The more that foreign affairs ministries integrate embassies and specialised implementing agencies, the more political control they have over decisions and the more possibilities for a coherent foreign and development policy.

The report *Managing Aid: Practices of DAC Member Countries* (OECD, 2009) lists four main organisational models of development assistance within DAC member countries. All DAC countries see development co-operation as part and parcel of foreign policy, the main feature separating the models being the status of the foreign affairs ministry in the individual countries. These archetype models are:

1. The foreign affairs ministry leads and is responsible for both policy and implementation.
2. A development co-operation directorate or agency within the foreign affairs ministry leads and is responsible for both policy and implementation.

3. A ministry has overall responsibility for policy, while a separate agency is responsible for implementation.

4. A ministry or agency other than the foreign affairs ministry is responsible for both policy and implementation.

Faure, Long & Prizzon (2015) group OECD countries into these four categories (Figure 3.1).

Norway is placed into Model 1, together with Denmark. In the OECD's view, development policy and foreign policy are fully integrated within Norway's MFA, and Norad is a technical directorate giving advice and technical support to the MFA. The OECD emphasises that the actual organisation in each country is the product of unique political environments, traditions and governance mechanisms. Similar structures may thus work differently in different countries depending, for example, on public sector management practices.

The OECD (2009) does not attempt to conclude whether one specific model is better than another in the delivery of effective development assistance. However, the report refers to an

⁸ Updated version of the OECD's original report (OECD, 2009), where more recent updates are taken into account.

earlier exercise, *Effective Aid Management: Twelve Lessons from DAC Peer Reviews* (OECD, 2008), which is as close to a description of "good practice" as the OECD is likely to venture.

In 2015, the Overseas Development Institute (ODI) studied the relationship between aid quantity and aid quality indicators, and the different institutional and political models for development co-operation (Faure, Long, & Prizzon, 2015). The study uses the same 4-model classification as the OECD, with Norway still grouped together with Denmark as having integrated development fully into their MFA. Most other countries fall within Models 2 or 3, the UK being the only donor with a separate ministry (Model 4).

Assessing the strengths and weaknesses of the four models, the report summarises Norway's approach as follows:

Strengths

- › Greater policy coherence for development of areas falling under the same ministry (traditionally foreign affairs and sometimes trade)
- › Better co-ordination between decision-making and implementation activities, and direct access to in-country information that can be fed into policy design

FIGURE 3.1 // INSTITUTIONAL STRUCTURES FOR MANAGING AID ACROSS DAC DONORS (FAURE, LONG, & PRIZZON, 2015)*

Model 1:

The Ministry of Foreign Affairs leads and is responsible for policy and implementation

Denmark, Norway, Poland and Slovenia

Integrated within Ministry of Foreign Affairs

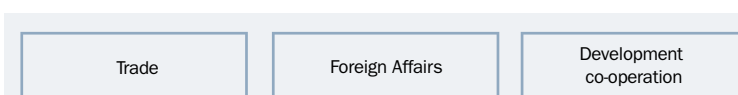
Africa Department	Latin America Department	Asia Department
Foreign Policy	Foreign Policy	Foreign Policy
Other	Other	Other
Development Co-operation	Development Co-operation	Development Co-operation

Model 2:

Development cooperation directorate or agency within the Ministry of Foreign Affairs leads and is responsible for both policy and implementation

Australia, Canada, Finland, Greece, Ireland, Netherlands, New Zealand, Portugal, Slovak Republic and Switzerland

Policy Ministry with separate implementing agency

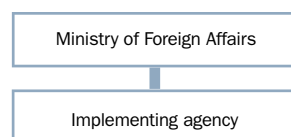


Model 3:

A ministry has overall responsibility for policy and a separate executing agency is responsible for implementation (including development banks)

Austria, Belgium, Czech Republic, Germany, Iceland, Italy, Japan, Luxembourg, South Korea, Spain, Sweden and the United States

Policy Ministry with separate implementing agency

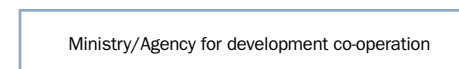


Model 4:

A ministry or agency other than the Ministry of Foreign Affairs is responsible for policy and implementation

United Kingdom

Ministry/agency responsible for policy and implementation



* Updated version of the OECD's original report (OECD, 2009), where more recent updates are taken into account

Weaknesses

- › Foreign and commercial policy interests may take precedence over development interests
- › Multiple priorities for a single minister who oversees the work of the whole MFA and/or Trade
- › Staff posted in-country tend to be generalists with little specialist knowledge of development issues
- › Development specialists may receive little recognition for their expertise and have limited career prospects in ministries where generalist skills are valued more, increasing turnover and leading to a loss of in-house expertise

Thus, Faure, Long, & Prizzon (2015) see the characteristics of the global integration model presented in Section 3.1.1 as both strengths and weaknesses. For example, they see generalist competence at regional offices as a weakness. But because organisations with global integration are better at producing standardised products or services (Jakobsen & Lien, 2015), an integrated model as presented in Faure, Long, & Prizzon (2015) has its strength in coherence – namely in the form of integrated foreign and development policy.

3.4 EVALUATIONS AND OTHER DOCUMENTS ON ORGANISATIONAL ASPECTS OF NORWEGIAN AID ADMINISTRATION

This section presents the findings of evaluations and reports regarding the organisational structure of the Norwegian aid architecture. Because organisational structure also influences competence and coherence, we also present these findings. In this regard, we present the OECD DAC peer review, several evaluations and syntheses made by the Norad Evaluation Department, as well as the Ølberg report (MFA, 2017).

3.4.1 OECD Peer Review on Norway

Findings and recommendations from the OECD DAC peer review from 2013 include (OECD, 2013):

- › Regarding coherence, the OECD notes that existing synergies in Oslo do not automatically translate into whole-of-government action at the operational level in partner countries. They recommend that Norway develop a specific, time-bound coherence agenda on a select number of key issues.
- › The OECD remarks that Norway shifted its development co-operation towards assistance based on thematic initiatives and has become a “niche” donor with initiatives drawing on Norway’s comparative advantage (tax, oil, fish, energy, etc.)

- › Norway would benefit from strategic yearly planning at both central and country levels that builds on ex-ante assessments and analyses of the expected development results.
- › The OECD pinpoints the challenges that a split development administration entails for the MFA; the short distance between policy and implementation within the Ministry may result in speed over quality in programme design.
- › The OECD recommends ensuring that Norad staff are regularly rotated to the field, to keep their knowledge current and relevant.
- › The OECD also delivers a pertinent reminder regarding Norway’s handling of risk: “The current state of play is zero tolerance for corruption, alongside an extremely high tolerance for risky programmes. Programmatic risks are not systematically analysed or monitored.”

A concern running throughout the OECD review can be summarised as an apparent lack of good “strategising”. The Norwegian practice with regard to analysing choices, setting priorities, making longer-term commitments, at both country and central level, comes across as somewhat haphazard. There are too many

priorities, too many initiatives started without proper assessment, and too many programmes without a strategic foundation in what Norway wants to achieve in the long run.

The OECD notes improved co-operation between Norad and the MFA, and that dialogue between them remains effective. Still, the OECD recommends that Norway continue to improve clarity in the roles of the MFA and Norad. They commend Norway for having largely decentralised bilateral aid management find that “the embassies have financial and programming authority, including staffing, channels, instruments, as well as partners to some extent”. However, the discontinuation of country strategies is noted with concern, and the OECD recommends that Norway consider “implementing strategies that use a medium-term spending plan across all development co-operation and sharing these formally with its partners. This will also enhance the transparency and accountability of Norway’s aid programme at the country level.”

3.4.2 Recent Norwegian evaluations

A recurring theme in many evaluations over the years is concern over the capacity to manage Norway’s significant aid budget. The Annual Evaluation Report 2014-2015 (Evaluation Department, 2015) summarises this as:

A number of evaluations over a period of years have concluded that Norwegian aid management has insufficient human resources available, particularly in embassies. We wrote about this in our 2008 annual report. Since then, Norwegian aid has increased by almost 50 per cent without an equivalent increase in the number of employees in aid management, and in many cases there has been a cutback in embassy staff charged with aid administration.

In several cases, evaluations point out that Norwegian aid management is so understaffed as to affect quality. A related concern is preserving competence, as “the Norwegian Foreign Service is characterised by frequent shifts in work tasks, and every time employees are redeployed, expertise is lost.” The need for local competence is emphasised by the Evaluation Department, which notes weaknesses in considering context and mapping conditions prior to establishing an intervention (Evaluation Department, May 2016).

The concern about resources is backed by evaluation of the Norwegian response to the Syrian crisis, which simply concludes that human resources and technical capacity were inadequate (Evaluation department, 2016). The crisis was labour-intensive, and staffing did not match the increasing volume of disbursements and number

of projects. Embassies did not have technical humanitarian experts as staff were primarily diplomatic and political. This posed challenges to managing the large volumes of aid, and it implies that greater staffing flexibility between embassies and Oslo is needed in such cases.

The recommendations from the evaluation of Norway’s support to Haiti after the 2010 earthquake provide another finding relevant for embassies’ role and function, and call for drafting country strategies for work in fragile states:

The emphasis here should be on realistic goals, horizontal and vertical synergies, clear formulation of how Norwegian efforts are intended to contribute to state-building locally, regionally and nationally, and a plan for transfer of responsibility to the authorities (Evaluation department, 2014).

Country strategies and co-ordination also come up in the recent evaluation of support to civil society in developing countries through Norwegian civil society organisations (Evaluation department, 2018). The report points out that a strategic framework for Norwegian civil society support at country level is missing. “The civil society portfolio in each country is highly fragmented between the respective Norwegian civil society organisations

and between the organisations, the Ministry of Foreign Affairs, the Embassies and Norad.” It recommends that:

Any major increase in the effectiveness of Norwegian support to civil society strengthening requires a better co-ordination of different Norwegian aid instruments and support modalities. This may best be addressed at the country level with a better co-ordination between support provided by Norad’s civil society department, the Ministry of Foreign Affairs and the Norwegian embassies.

Several evaluations explicitly address the importance of understanding context for successful implementation of Norwegian development assistance. For example, Evaluation Report 2/2007 (Evaluation department, 2007) points out that “Failure to clarify local needs, partners’ institutional capacity... including risk assessments and embassies found themselves without proper professional support.” The evaluation also points to very good results in Nepal. However, “analyses of economic risk and environmental issues have been deficient or non-existing” (Evaluation department, 2007). The Annual Report of Norad in 2008 points out that “Political power dynamics in partner countries are not being sufficiently taken into account”

(Norad, 2009). The 2010 Annual Report of Norad states that “We have to become better at making use of local knowledge (South Sudan, Western Balkans, Afghanistan). Conversely, results are good where such knowledge is utilised (Malawi, Guatemala)” (Norad, 2011). In 2012, the Evaluation Department in Norad addressed the need for context competence in fragile states: “Insufficient knowledge about what works in fragile states” (Evaluation department, 2012). In 2014, the Evaluation Department stated that “Promoting local participation requires knowledge of local conditions” and that “many evaluations point out that Norwegian administration of development aid is so understaffed that quality is affected.” (Evaluation Department, 2015).

3.4.3 Ølberg Report

The so-called Ølberg report (2017) is the product of an MFA internal working group mandated to assess the organisation of aid management and suggest effectiveness and efficiency improvements. Tabled in 2017, it presented several suggestions for reorganising responsibilities between Norad and the MFA, of which several were implemented almost immediately.

The Ølberg report states that the current system appears somewhat incoherent and

overlapping at thematic, channel, country and organisation levels. The Norwegian system has challenges managing agreements and the report finds that grant management is distributed across 90 different units within the MFA, Norad and the embassies, and that decision-making authority on grant management was given to 170 managers. According to the report, this is too many, potentially threatening the quality of grant management.

In 2016, there were 47 embassies with management responsibility for aid funds, of which 12 administered almost three quarters of the total. The rest managed smaller amounts. Interestingly, in 2006 only 26 embassies had such responsibility, implying a dispersal of responsibilities during the intervening decade. The report acknowledges that such dispersion creates substantial challenges with regard to ensuring quality and the ability to document results. Administrative reviews of embassies show that the larger stations, with a tradition of managing aid, perform better than those embassies managing smaller amounts. The report recommends reducing the number of stations that manage aid, with smaller embassies transferring the responsibility to Oslo.

The Ølberg report brings up another issue directly relevant to embassies: the challenge of ensuring aid management capacity. Many in the MFA do not see this work as progressing their careers, and staff rotation in the service imply limited continuity in these important positions. Very few staff members monitor an aid programme from start to finish. This is termed a “cultural and systemic challenge”, and the report recommends several actions. One already mentioned involves reducing the number of embassies managing aid, and reducing the actual number of agreements (down by 30 per cent since 2014). Others include giving more career credit for working with aid, increasing management attention, and recruitment targeted at aid management specialists.

A final recommendation is to transfer more of the administrative responsibility to Norad, particularly in areas where there is currently overlap between Norad and the MFA. This recommendation resulted in almost immediate action, in that the large portfolios of health and education were transferred to Norad in early 2017.

The report provides strong arguments for delegating aid administration responsibility to embassies and reiterates several of the arguments from an earlier report by ECON (2003). It adds that it is particularly important

to have such context closeness in conflict-ridden and fragile countries, supporting close dialogue with local partners and better able to manage risk. This also provides better opportunities to link development and foreign policy and co-ordinate the two. In sum, the Ølberg report advocates concentrating on a smaller number of aid administration units and embassies but strengthening and capacitating these with relevant competence.

4. The role of Norwegian embassies in development co-operation since 2004

This chapter describes the role of embassies in Norwegian development assistance in terms of tasks, financial and human resources allocations. The descriptions are based on activity statistics, interviews and previous studies on the subject. In our description of roles we try to answer the following questions:

1. What are the roles and responsibilities (division of labour and delegated authority) of embassies in Norwegian aid management and development co-operation?
2. How have these evolved since 2004?
3. What reasoning has guided the division of labour and responsibilities assigned to the embassies since the reform?
4. What have been the implications for the management and implementation of development aid and co-operation?

We answer the evaluation questions in sequence, treating the first two together due

to their similarities. We use the analytical framework presented in Chapter 2 to analyse how the level of autonomy of embassies has changed with regard to the following parameters: management of funds, access to human resources and delegated authority.

There is a wide variety of reasons that Norway establishes an embassy in a country (Leira & Sverdrup, 2015). Although one of the roles of an embassy is to manage development assistance, the main reasons Norway has an embassy in a particular country could be related to other priorities or tasks. Before describing the development of autonomy of embassies, we first present the different roles embassies take, as well as a short description of what has guided the division of labour between embassies and the MFA.

4.1 ROLES OF EMBASSIES

The roles of embassies differ depending on Norway's interests in a country. In countries where the embassy manages a substantial amount of ODA, letters of instruction indicate that the role goes well beyond managing aid.

In interviews with representatives of Norwegian embassies, we specifically asked if there are trade-offs between achieving the Sustainable Development Goals (SDGs), Norwegian foreign policy interests and recipient country interests. No respondent interviewed reported a trade-off. To avoid potential trade-offs, the embassies select projects that meet several goals simultaneously.

To describe the role of embassies in development assistance, we must look into other roles that embassies have and the total role of the MFA. As part of the Norwegian Foreign Service, the goals and tasks of the MFA also guide the embassies.

The website of the MFA describes its role as follows:

The essential task of the Ministry of Foreign Affairs is to work for Norway's interest internationally: to safeguard the country's freedom, security and prosperity. Norway's interests are determined by such factors as its geographical location in a strategically important area, its open economy, its position as a coastal state and steward of substantial marine resources and its extensive exports of oil and gas.

The best way to promote Norway's interests is to co-operate with like-minded countries. This also means that the Foreign Service must handle conflicts of interest with other countries in a manner that is to Norway's advantage, while seeking to avoid disputes.

The Ministry also works to promote peace and security, an international legal system, an economically just world order and sustainable development. Finding a solution to issues of this kind is in Norway's interest too, while at the same time efforts in these areas are an expression of international solidarity.

Norway must at all times "speak with one voice", in accordance with the main contours of Norwegian foreign policy. This means that the Ministry has an important co-ordination and advisory role in relation to the other ministries. As a specialist ministry, the Ministry of Foreign Affairs is both

a preparatory and an executive body in connection with foreign policy questions, economic foreign policy issues and development-related matters.

In addition, the Foreign Service is responsible for giving help, advice and protection to Norwegian nationals vis-à-vis foreign authorities, as well as assisting Norwegian citizens abroad in connection with criminal proceedings, accidents, illness and death.

The Ministry of Foreign Affairs and the 99 foreign service missions, which include embassies, permanent delegations and general consulates, together make up the Foreign Service. (MFA website, 2018)

The MFA's tasks to protect the national interest are thus defined broadly. To some extent, the distribution of embassies also reflects this broad definition of national interest, as embassies cover 44 per cent of the member states of the UN, but through side-accredited countries most sovereign territories are covered (Leira & Sverdrup, 2015). Furthermore, countries with Norwegian embassies cover 90 per cent of world population and 94 per cent of world GDP (Ibid). Countries with Norwegian embassies cover 98 per cent of Norway's international trade (Ibid).

Leira & Sverdrup (2015) sort the tasks serving national interest and the role of embassies into seven categories: 1) Norway's reputation (omdømme), 2) Economic interests, 3) Development, human rights and humanitarian affairs, 4) Climate, natural resources and environment, 5) Security policy interests, 6) Legal world order, and 7) Assistance to Norwegians abroad/immigration.

Leira & Sverdrup (2015) show that there are substantial geographical differences with regard to what embassies report to be their most important tasks (Table 4.1, next page).

Embassies where Norway provides substantial development assistance, such as in Sub-Saharan Africa, the Middle East and North Africa, and Latin America report having tasks beyond managing development assistance. Furthermore, as we will show in Annex 9, a substantial amount of ODA is managed by embassies where economic interests more than by development assistance define Norway's relation with the country.

The particular role of each embassy depends on Norway's national interest in the country. This is defined quite broadly through letters of instruction to the embassies and followed up through regular dialogue by telephone

conference and in writing. Based on the signals given in the letters of instruction, embassies develop an annual action plan.

Leira & Sverdrup (2015) describe that embassies have more contact with other Norwegian ministries than with the MFA. To follow important Norwegian policy areas, several ministries have specialist personnel working at embassies. Thus, the role of an embassy is not defined by the MFA alone, but through co-ordination and dialogue with ministries and directorates with technical or policy expertise in the thematic areas where embassies work.

TABLE 4.1 // THREE MOST IMPORTANT NORWEGIAN INTERESTS REPORTED BY EMBASSIES GROUPED ACCORDING TO GEOGRAPHIC REGION

Nordic countries		Europe except Nordic countries		Russia and Eurasia	
1.	Norway's reputation	1.	Norway's reputation	1.	Economic interests
2.	Economic interests	2.	Security policy	2.	Security policy
3.	Security policy	3.	Legal world order	3.	Climate, natural resources and environment

South Asia		East Asia and Oceania		Sub-Saharan Africa	
1.	Development, human rights and humanitarian affairs	1.	Economic interests	1.	Development, human rights and humanitarian affairs
2.	Security policy	2.	Norway's reputation	2.	Climate, natural resources and environment
3.	Economic interests	3.	Climate, natural resources and environment	3.	Economic interests

Middle East and North Africa		North America		Latin America	
1.	Development, human rights and humanitarian affairs	1.	Economic interests	1.	Norway's reputation/ Development, human rights and humanitarian affairs
2.	Assistance to Norwegians abroad/immigration	2.	Norway's reputation/Climate, natural resources and environment	2.	Climate, natural resources and environment
3.	Norway's reputation				

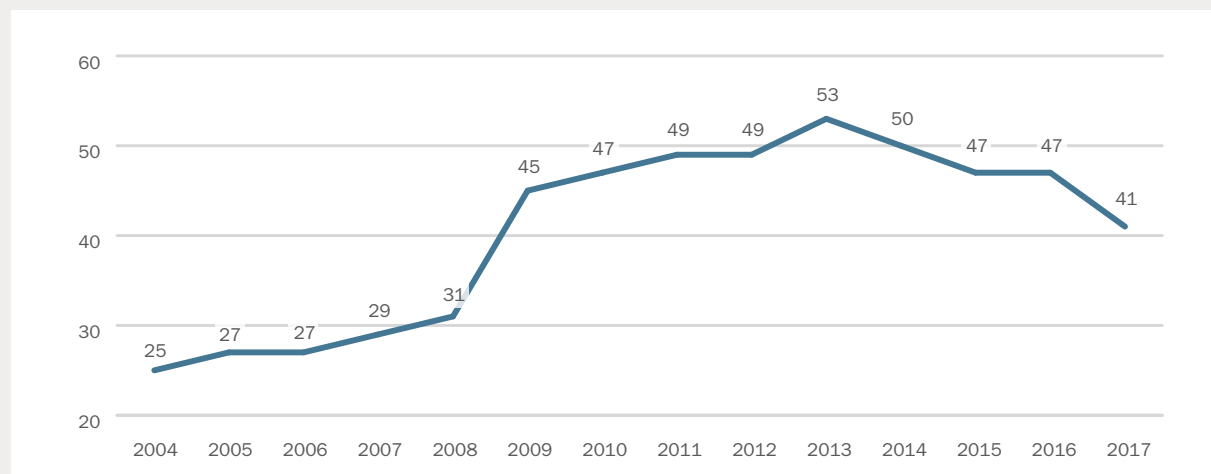
Source: Leira & Sverdrup (2015)

4.2 THE ROLE OF EMBASSIES THAT MANAGE ODA

Forty-one Norwegian embassies managed development assistance in 2017. This is shown in Figure 4.1.

From 2004 to 2013, the number of embassies that managed development assistance doubled. However, as we see in annex 9 the amount of development assistance managed by several embassies is limited. When the amount of ODA managed in an embassy is low, the role of that embassy is likely to be defined more by other interests. These statistics is presented in Annex 9. The data indicate considerable variation in the roles of embassies managing development assistance. These also vary due to factors not presented in the table. For example, the embassy in Nairobi has substantial responsibility for following Norwegian assistance provided through multilateral organisations with headquarters in Kenya. Similarly, the embassy in Addis Ababa follows the work of the African Union. While some embassies do concentrate on development assistance, most have plural roles securing different aspects of different Norwegian interests.

FIGURE 4.1 // NUMBER OF NORWEGIAN EMBASSIES THAT MANAGE DEVELOPMENT AID



Source: MFA & Menon (2018)

4.2.1 Indication of variety of roles through in-depth analysis

In the in-depth analysis, we examined letters of instruction given to the five embassies. The letters of instruction to embassies in 2017 stated that the embassies should develop their annual plans based on the policies and priorities outlined in the National Budget and other relevant policy documents. The letters refer to as many as seven different groups of strategic documents, including all reports to the Storting related to foreign policy and development co-operation, the Inaugural Address and Policy Platform of the Government, the speeches of the Minister

of Foreign Affairs and the annual plans of all MFA departments.

In addition to these general strategic guiding documents, the letters of instruction point to the responsibility of embassies to report on host countries' efforts on climate change mitigation and adaptation, business promotion, human rights, governance and democracy, the international legal order, migration, the role of the UN and UN reform, and gender equality.

Embassies in developing countries were also asked to report on the organisation of development co-operation in the host country

when the embassy considers this to be of interest to the MFA.⁹ This includes the work and organisation of UN agencies and multilateral development banks at the country level, efforts and challenges related to following the SDGs, and factors important for Norway. It also includes reporting on the work of Norway's multilateral partners at country level.

Further information on the role of the embassies was gathered through in-depth analysis of five embassies as described in Chapter 2. As elsewhere, the role of these embassies varies substantially:

- › In Afghanistan, projects are managed from the MFA and elsewhere due to security concerns within the country.
- › In Kenya, Norway does not give bilateral development assistance, so the embassy follows support to multilateral organisations with headquarters in the country and manages the portfolio of projects in Somalia.
- › In Mozambique, the embassy provides substantial bilateral development assistance.

⁹ The latter part of this sentence appears to be linked to the need for increasing the efficiency of aid management, in this instance through reducing the administrative burden of reporting requirements on the embassies and the MFA.

But due to the discovery of large gas reserves on the Mozambican continental shelf, the offshore supply industry has shown increased interest in the country, so business promotion is another important task of the embassy.

- › In Nepal, the embassy provides substantial bilateral development assistance, especially in the energy sector.
- › In Ethiopia, the embassy provides substantial development assistance. However, as one of the most populous countries in East Africa, with high economic growth, and housing the headquarters of the African Union, the country is also politically important to Norway in fields other than development.

These embassies all recently managed or presently manage a substantial amount of Norwegian ODA. Thus, their role is not representative of all embassies managing development assistance, many of which manage only a limited amount.

Based on this, the role of embassies in Norwegian development co-operation is clearly broader than just managing bilateral aid projects. Following and reporting on the thematic focus areas of Norwegian development co-operation, including aid not

managed by the embassy itself, is an important part of the work. This role of embassies is also clear from the letters of instruction for the five case-study embassies, where the embassies were requested to report on activities of specific UN agencies, and two of the embassies were specifically asked to participate in donor-coordinating groups. Some of the embassies also had specific tasks related to reporting and following humanitarian aid in the host country, while others were asked to report on the humanitarian situation. These responsibilities come in addition to reporting on general political and economic developments in the country, and the region in some cases, that may be of interest to Norway.

4.3 FACTORS GUIDING THE DIVISION OF LABOUR

Evaluation question 3 examines the reasoning that has guided the division of labour and current roles and responsibilities of embassies. The main points are summarised here, with a more thorough discussion of the question in Annex 6.

Declarations on aid effectiveness guided the strengthening of embassies' role in the 2004 MFA reform. Since the Stoltenberg II Government, a more thematic orientation in combination with more aid channelled through multilaterals guided the division of labour

between the MFA and embassies. Lately, there has been a shift towards more focus on common interests with developing countries.

The decision to strengthen the embassies in 2004 was anchored in a need to increase autonomy at embassy level so that Norwegian development assistance could co-ordinate more with other donors supporting the implementation of national strategies for poverty reduction. Increased emphasis on supporting national plans was a result of the Paris and Rome Declarations on aid effectiveness, followed by others such as the Addis Ababa and Busan Declarations. Based on the Integration-Response framework presented in Chapter 3, strengthening the role of embassies was a step towards a local response-oriented model where regional entities have authority to adjust assistance according to the situation in the recipient country.

Several donors shifted decision-making authority to embassies and country offices at the same time as Norway (Kharas & Rogerson, 2017). However, although all donors emphasised the importance of co-ordination to support implementation of national strategies, it seems there was a shift where several donors focused more on securing global public goods such as security, environment, health etc. (Kharas & Rogerson, 2017), on multi-bilateral

development assistance that allows both more flexibility and stronger focus on donor priorities (Eichenauer & Reinsberg, 2014), and more efforts to handle the substantial increase in refugees coming to Europe (Kharas & Rogerson, 2017). Furthermore, the challenges of donor co-ordination became more complex due to an increasing number of donors, several of which did not demand conditionality to the same extent as many OECD-countries (Whitty & Valters, 2017). Although donors underlined the need to finance the implementation of national strategies through several declarations, we saw a shift towards financing other channels of development assistance (ibid). We see the same trend in Norwegian development assistance. As we show in Section 4.3, the amount of ODA managed by embassies is quite stable. However, as share of total, the share managed by embassies has decreased.

The shift towards more thematically oriented development assistance was first made in 2007 by the Stoltenberg II Government, anchored in the national budget and later analysed in White Papers such as “Climate, Conflict and Capital – Norwegian Development Assistance Adapting to Change” (St. Meld. nr. 13, 2008-2009). This White Paper stated that there is now a stronger link between development and foreign policy, and that we

must concentrate efforts where Norway has a comparative advantage for development assistance to be effective. The Stoltenberg II Government continued a more thematic orientation followed later by the Solberg government. The Solberg government also emphasised monitoring and evaluation of development assistance (Sundvolden-platform, 2013).

In terms of the Integration-Response framework, a shift towards more thematically oriented aid means a step towards global integration. The arguments for a more thematic orientation of aid refer to areas where Norway has a comparative advantage. This marks a change from the focus of the 2004 reform, which emphasised adjusting development assistance to the needs of the recipient country. While Norwegian development assistance should still meet the needs of recipient countries, it is now in areas where Norway performs best relative to other countries. This change provides narrower, more specialised assistance. To a large extent, the Oslo-based part of the aid administration architecture manages the increase in funds related to a thematic orientation, although the increased focus on thematic orientation can be seen across the organisation (see Section 4.3).

In addition to more thematically oriented development assistance, White Paper 24 (Meld

St. 24, 2016-2017) signals a shift towards a broader basis for co-operation:

In many countries where Norway traditionally has been a substantial provider for development assistance, we now enter a new form of relationship. After 50 years working with development assistance, Norway has gained a good reputation that lays the ground for a partial change from a bilateral relationship based on development assistance to a relation based on common interests, co-operation on multilateral issues, trade, investments, culture and research.

This can be seen as a shift towards a focus on common interests rather than on the interest of the recipient country as during the 2004 reform.

Also the newly published White Paper 17 (Meld St. 17, 2017-2018) on partner countries in development assistance gives signals on a broadened development co-operation based on mutual interest. Furthermore, the White Paper points to a need for further thematic concentration as well as a geographical concentration.

4.3.1 The role of Norad has changed since the reform

Prior to the 2004 reform, the organisational design of ODA in Norway fit Model 3 in Figure 3-1, with a separate directorate responsible

for both bilateral development assistance to recipient countries and substantial support to NGOs and the private sector. In 2004 responsibility for managing bilateral support to recipient countries was transferred to the MFA, while Norad was given a clearer role as a technical advisor and quality assurer on bilateral development assistance. However, Norad kept its role managing support to NGOs and the private sector. Sections 4.4, 4.5 and 4.6 show that the role of the embassies has been quite stable since the 2004 reform. The role of Norad however changed several times and Norad's management of funds substantially increased over these years. However, as the role of embassies is quite stable with regard to fund management, the role of Norad has changed significantly. According to Norad's statistical portal, total disbursements not adjusted for inflation from Norad increased from around 2 billion NOK in 2004 to more than 9 billion NOK in 2016¹⁰. This increase seems to result from a continuous process of giving Norad additional tasks, including new budget posts for health, environment, energy, education, and security and disarmament initiatives. When assessing disbursements, we see that:

10 As pointed out in Section 1.1.1, looking into the division of labour between MFA and Norad is outside the scope of the evaluation. Hence, we do not go into detail on the issue. The statistics presented is not adjusted for inflation.

- › In 2008 Norad gets a new budget post for "Vaccine and health"
- › In 2009, Norad gets two new budget posts for "Health and AIDS" and "Climate and Forest Initiative"
- › In 2011, Norad gets a new budget post for "International environmental processes and sustainable environment"
- › In 2013, Norad gets a new budget post for "Renewable energy"
- › In 2015, Norad gets two new budget posts for "Global health" and "Education"
- › In 2016, Norad gets a new budget post for "Security and disarmament"

In addition to these changes, several of the budget posts makes slight name changes. Some of the new budget allocations are substantial. For example, disbursements for Global Health programmes totalled more than 3 billion NOK in 2017, disbursements for the Climate and Forest Initiative were more than 1 billion NOK, and disbursement for Education were almost 1 billion NOK. Since the 2004 reform, Norad's role changed from managing only a limited share of total Norwegian

ODA to managing a substantial amount. In Global Health and Education, Norad manages considerable thematic support channelled through multilaterals. The increasing role of Norad as managers of such assistance resulted from recommendations in the Ølberg report (MFA, 2016) on improving efficiency by reducing overlap between the MFA and Norad. According to the framework for analysing autonomy described in Section 2.1, Norad has more autonomy when measured by fund management.

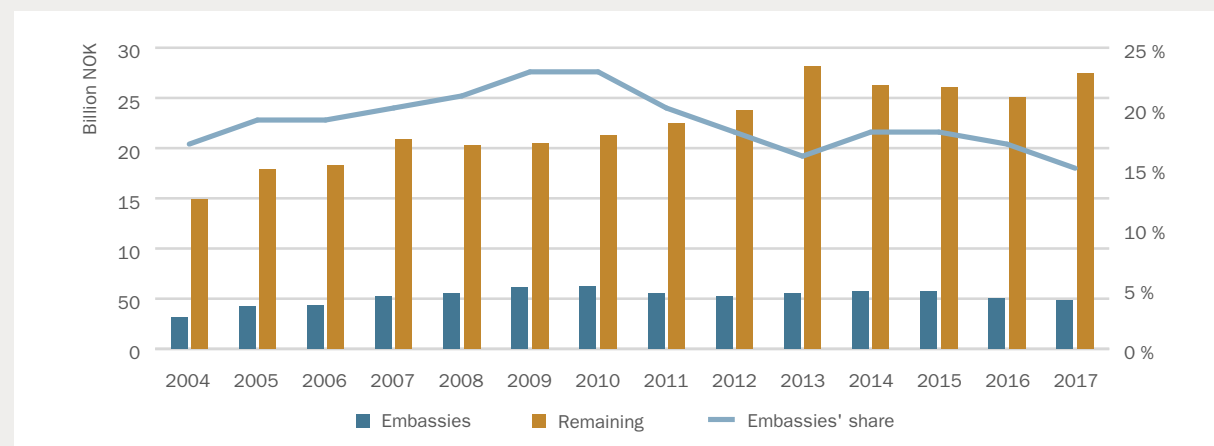
4.4 CHANGE IN DEVELOPMENT AID MANAGED BY EMBASSIES¹¹

This section presents statistics regarding the management of ODA by embassies. As shown in Chapter 2, this is one of three indicators for the autonomy of embassies. The other indicators – number of personnel and delegated authority – are presented in Sections 4.5 and 4.6 respectively.

The decreased share of funds managed by embassies signals their reduced autonomy and a move towards global integration. Figure 4.2 presents the share of bilateral and multi-bilateral aid managed by embassies, and how the share evolved from 2004 to 2017. From 2005 to 2009 the share of total Norwegian

11. In the following sections, we have taken out the funds allocated to refugee measures in Norway as these are not managed by the MFA.

FIGURE 4.2 // TOTAL DEVELOPMENT ASSISTANCE, DIVISION OF FUNDS MANAGED BY EMBASSIES AND MFA/NORAD (INFLATION-ADJUSTED)



Source: Norad & Menon (2018)*

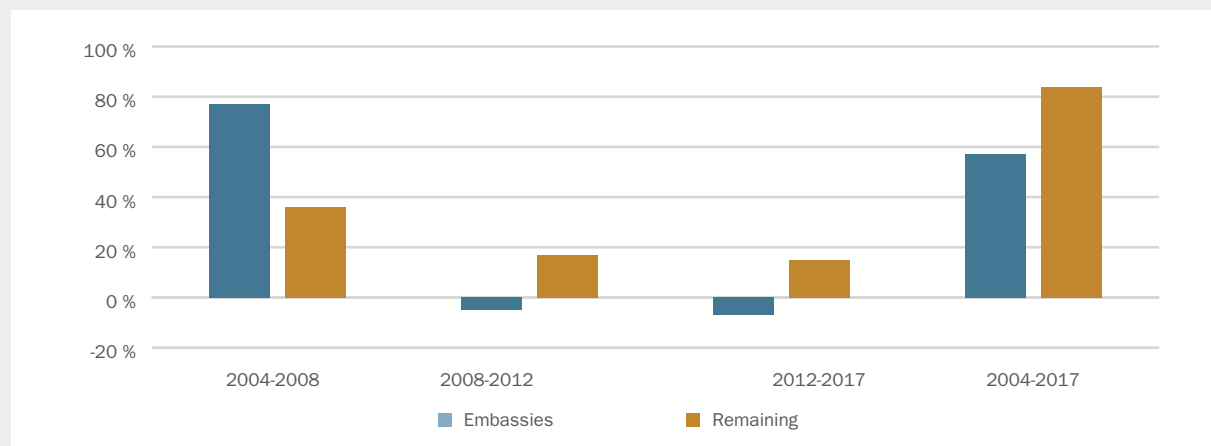
* For embassies we have excluded funds related to deforestation as these funds are partly managed from Oslo. Furthermore we have excluded funds related to refugees in Norway, as explained in Section 2.2.2. This is also the case for figure 4.3 and 4.4.

ODA managed at embassies increased to over 20 per cent. After 2009 we see a substantial reduction of the share to less than 15 per cent by 2017, although the total amount managed by embassies remained stable at 5 to 6 billion NOK. Furthermore, the amount managed by the remaining part of the Norwegian aid administration architecture increased from 20.5 billion NOK to 27.4 billion NOK. The reduction in the embassies' share is thus better explained by an increase in funds managed by other entities in the Norwegian aid administration architecture rather than by a reduction in the total amount of funds managed at embassies.

The 2004 reform transferred responsibility for country-to-country development assistance from Norad to the MFA and thus extended the authority and areas of responsibility of embassies (St. prp nr. 1 Tillegg nr. 7, 2003-2004). This was the case in the early years after the reform. However, looking at the period as a whole (Figure 4.3), we see that the remaining part of the Norwegian aid administration architecture increased its management of funds more than did embassies.

The growth of funds managed by embassies was greater from 2004 to 2008, while growth for the remaining part of the Norwegian aid administration architecture was greater in all other periods as well as in the 13-year timeframe as a whole. Slower growth in funds managed by embassies indicates that they became less autonomous relative to other parts of the Norwegian aid administration architecture when looking solely at fund management.

FIGURE 4.3 // GROWTH IN DEVELOPMENT ASSISTANCE FUNDS MANAGED BY EMBASSIES AND THE REST OF THE NORWEGIAN AID ADMINISTRATION ARCHITECTURE* (INFLATION-ADJUSTED)



Source: Norad (2018)

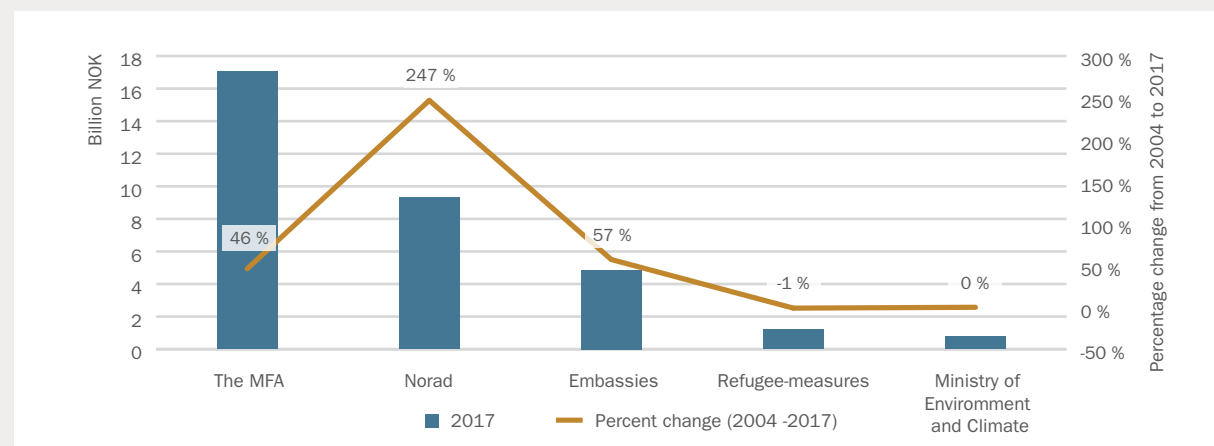
* In this figure, we chose to use 4-year periods. While other time periods could have been selected or we could have chosen to show yearly growth, we believe an analysis over time periods offers a better view of the overall evolution. The table below shows yearly percentage growth since 2004. As seen in the table, there was a substantial growth in funds managed by embassies upto 2009. From 2011, there was a substantial decrease.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Embassies	35 %	4 %	20 %	5 %	11 %	2 %	-11 %	-5 %	6 %	4 %	0 %	-12 %	-3 %
Remaining	20 %	2 %	14 %	-3 %	1 %	4 %	6 %	6 %	18 %	-7 %	-1 %	-4 %	9 %

If embassies became less important as managers of funds, it is interesting to see the evolution in other parts of the Norwegian aid administration architecture. Figure 4.4 presents the funds managed by select agencies in the Norwegian aid administration architecture, as well as percentage growth between 2004 and 2017.

The MFA manages most ODA, followed by Norad and then the embassies. However, the growth in funds managed was strongest in Norad.¹² To a large extent, the transfer of thematic funds within health and education from the MFA to Norad in 2017 explains the substantial growth in fund management by Norad.

FIGURE 4.4 // NORWEGIAN AID EXTENDED BY AGENCY IN 2017* (LEFT AXIS) AND PERCENTAGE CHANGE IN THE AMOUNT MANAGED BY EACH AGENCY BETWEEN 2004 AND 2017 (RIGHT AXIS) (INFLATION-ADJUSTED)



Source: Norad (2018)

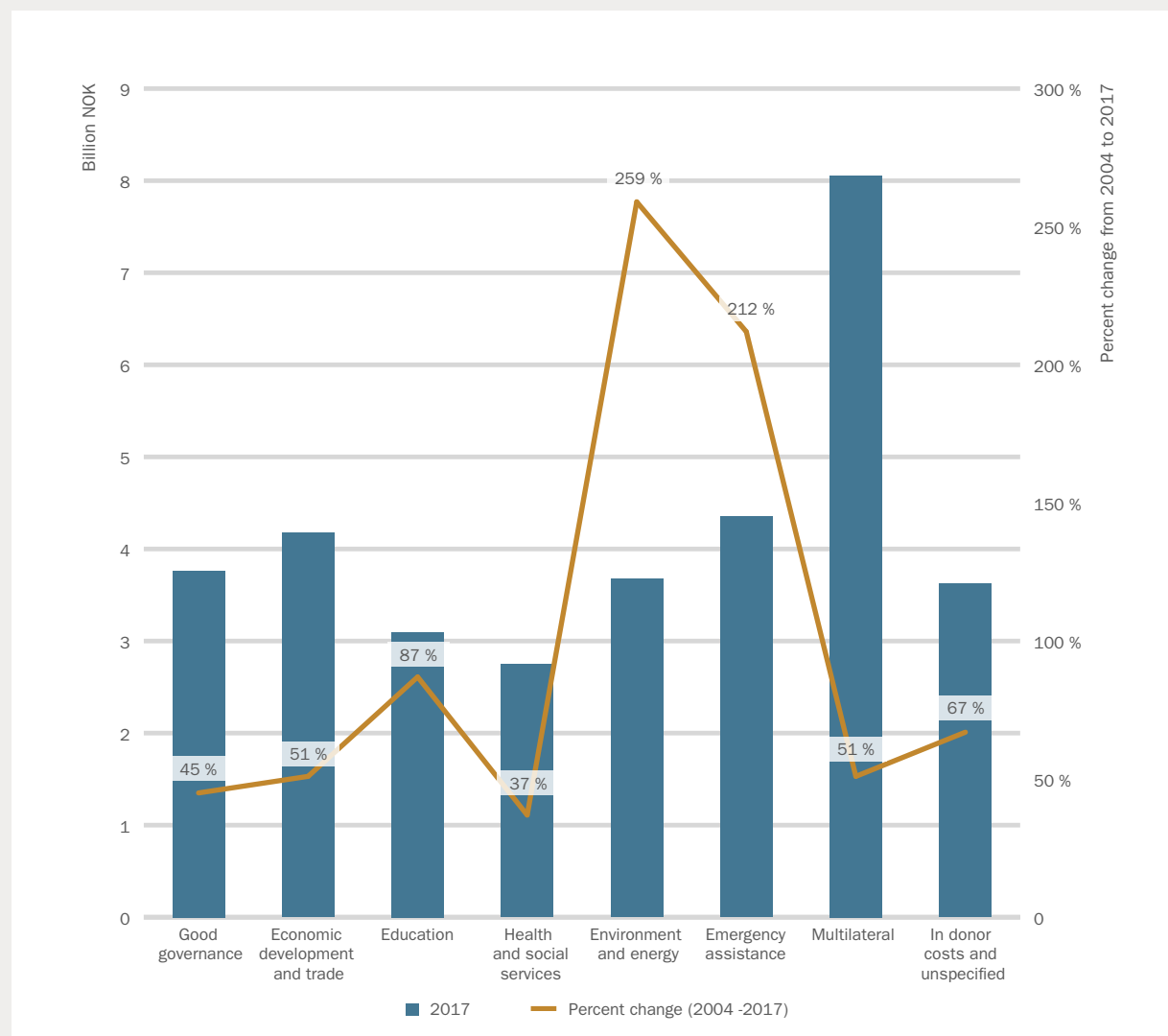
* The Norwegian aid administration architecture also consists of the Norwegian Peace Corps and Norfund. Furthermore, the Ministry of Defence and the Ministry of Finance managed Norwegian ODA in the period from 2004 to 2017. So did the Office of the Auditor General. However, compared to the rest, they managed a substantially smaller amount according to the definition of Norwegian ODA used by the Statistical Department in Norad.

¹² Since the Ministry of Climate and Environment did not manage any funds in 2004, it is impossible to estimate percentage growth.

The growth in Oslo-based parts of the Norwegian aid administration architecture can be explained by a thematic orientation of Norwegian aid policy, as described in Section 4.2. Figure 4.5 presents disbursements according to sector, and growth in disbursements by sector from 2004 to 2017.

While funding to all sectors grew during the period, the strongest growth was in environment and energy, emergency assistance, and education. However, a substantial part of the increases took place through the establishment of thematic funds for health and education managed first by the MFA and thereafter by Norad. Furthermore, emergency assistance is mostly managed by the MFA. Development statistics published on the Norad website tell us that the total amount channelled through multilaterals is 12.8 billion NOK, with inflation-adjusted growth of 82 per cent since 2004 (Norad, 2018).

FIGURE 4.5 // DISBURSEMENTS OF NORWEGIAN ODA BY SECTOR IN 2017 (LEFT AXIS) AND PERCENTAGE GROWTH BY SECTOR 2004-2017 (RIGHT AXIS)



Source: Norad (2018)*

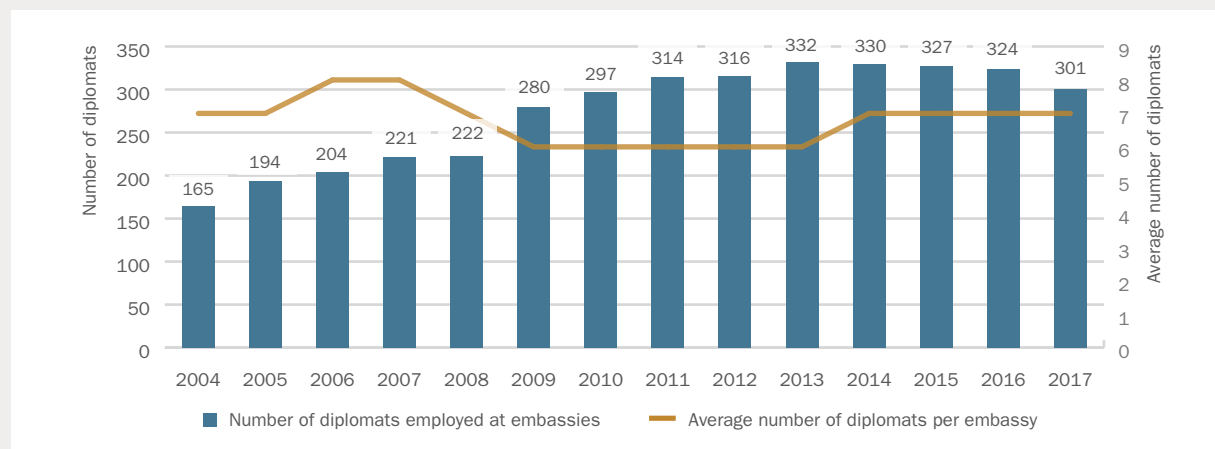
* As this table presents all development assistance, not referring to where it is managed, funds related to deforestation and management of refugees in Norway is included.

4.5 CHANGES IN HUMAN RESOURCES AT EMBASSIES

This section looks at human resources as the second variable of measuring the autonomy of entities presented in Chapter 2. The number of diplomats and local staff at embassies increased since 2004. While this would normally indicate an increase in autonomy and that aid administration architecture is moving towards local responsiveness, we do not know whether the increase relates to development assistance policy or to other fields.

The allocation of human resources to aid management at embassies is an important indicator of the evolving role of embassies in Norwegian development co-operation. The MFA provided data on the number of personnel dispatched to embassies from 2004 to 2017, as well as the number of local staff at each embassy from 2009 (Figure 4.6).

FIGURE 4.6 // TOTAL NUMBER OF DIPLOMATS AT EMBASSIES THAT MANAGE AID (LEFT AXIS) AND AVERAGE NUMBER OF DIPLOMATS PER EMBASSY (RIGHT AXIS)

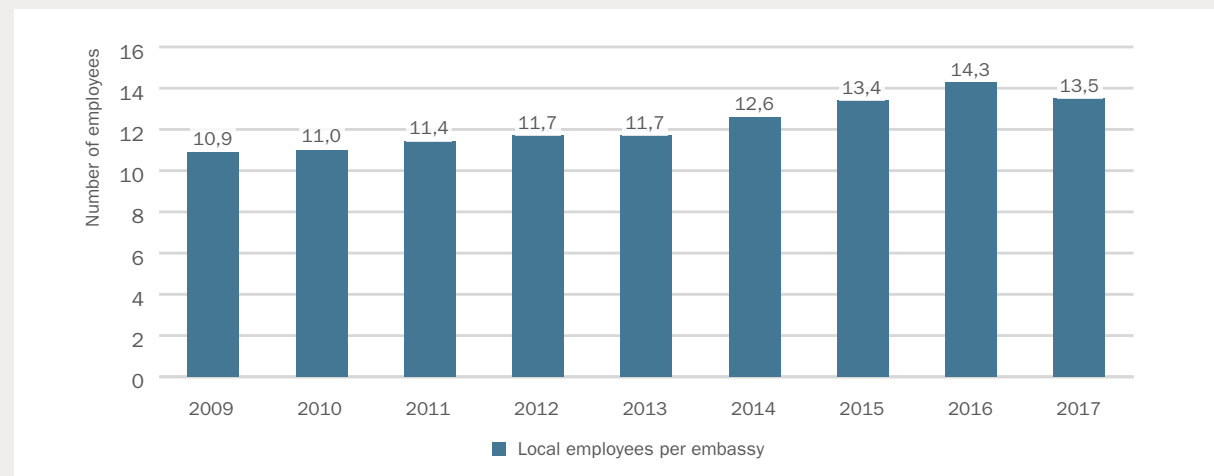


Source: MFA (2018)

Over the 13-year period, the total number of diplomats at embassies that manage aid increased by more than 80 per cent. Between 2004 and 2017, the absolute number of diplomats increased from 165 to 301. Unfortunately, we do not have detailed data on the share of staff that manage aid at these embassies. According to MFA staff interviewed, this increase reflects increased importance of other tasks, such as visa and immigration issues, private sector development etc., rather than increased resources allocated to managing aid. In Figure 4.7 we present the number of local staff at embassies that manage Norwegian ODA.

The average number of local staff managing aid at the embassies shows a similar progression to the number of diplomats, with a gradual increase since 2009. The average number of local staff per embassy that manages ODA increased from just below 12 to 14 between 2013 and 2016, and then dropped slightly in 2017. Again, we cannot disaggregate the staff according to tasks related to development co-operation. However, we do find some information in letters of instruction to the embassies. The letters of instruction from 2014 to 2016 state that the number of local staff will increase, and that local staff will take on an increasing variety of tasks. This suggests that the increase in local staff cannot

FIGURE 4.7 // AVERAGE NUMBER OF LOCAL STAFF AT EMBASSIES THAT MANAGE AID



Source: MFA & Menon (2018)

be fully, or even partially, attributed to increased focus on aid management. Based on this, we cannot conclude whether the increase in human resources allocated to embassies that manage aid is actually related to increased focus on aid management.¹³

¹³ Also related to human resources, several of those interviewed at both Norad and MFA point to decreased country-level and context-specific competence at Norad. One explanation provided is that Norad staff have fewer opportunities to take positions at embassies because MFA gives priority to internal MFA candidates due to the reduction in positions at home, as well as a change in the Civil Service Act. Trade unions that organise Norad staff also make this claim (Speed, 2017). On the other hand, interviewees from the MFA claim they have trouble filling positions at embassies in several African countries and that Norad staff often end up taking MFA positions rather than at Norad upon returning from embassies. Norad does not have an overview of the number of Norad staff dispatched for the whole period, but from 2012 to 2017 the number of staff posted abroad varies between five and 16, with no clear trend. Another potential explanation is a generational shift towards younger and less experienced →

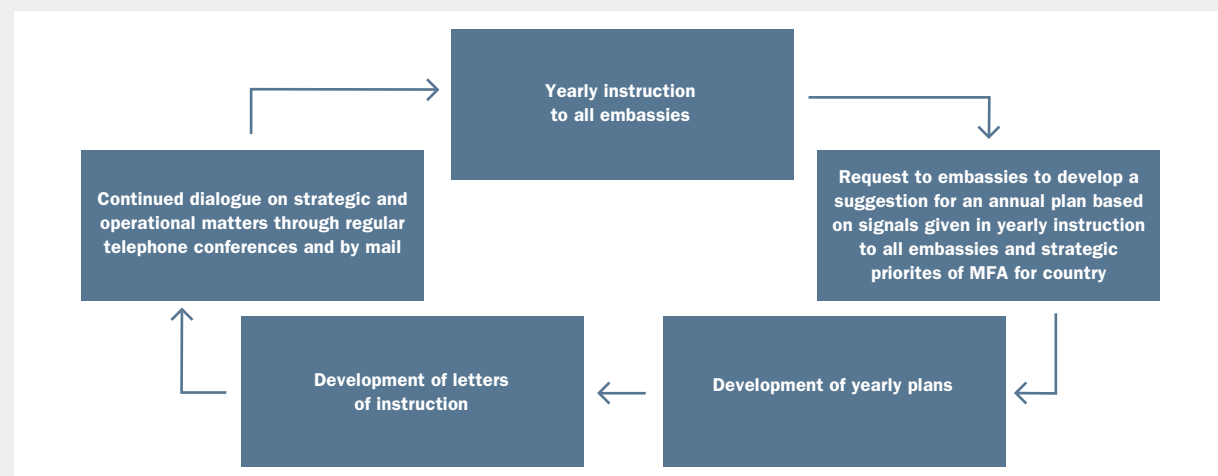
staff at Norad. While data on the share of employees in different age categories at Norad does not support this hypothesis (see Annex 9), the share of employees with more than 15 years Norad experience shows a decrease from 39 percent in 2005 to 30 percent in 2007 and 18.5 percent in 2018. Of course, employees may have relevant country-level experience from other positions and organisations, but to some extent, this supports the impression of decreased experience mentioned in the interviews.

4.6 CHANGES IN AUTONOMY, RESPONSIBILITY AND HOW EMBASSIES ARE INSTRUCTED

This section examines the third variable for measuring autonomy: the delegated authority embassies have and how they are instructed through MFA directives on strategic and operational issues. In this regard, our information sources consist partly of the Yearly Instruction from the MFA to all embassies (Årsinstruks for stasjonene), of letters of instruction to individual embassies, annual plans by embassies, and interviews with embassy staff, aid recipients and other donors in the country. We must underline that there are severe limitations to our method. The countries selected for in-depth analysis manage substantial amounts of aid. Our findings might therefore not be representative of embassies that manage less aid. Furthermore, in order to meet requests by Norad and the MFA to limit the administrative burden of the evaluation, we interviewed only a limited number of respondents in Norad and the MFA. With regard to aid recipients, we only interviewed a limited number of representatives. Our findings are not even close to being representative but provide some information on how the competence of embassies is regarded.

Based on the review of central documents, the process of how the embassies are

FIGURE 4.8 // PROCESS OF INSTRUCTION TO EMBASSIES



Source: Menon Economics (2018)

instructed seems to follow a yearly cycle as illustrated in Figure 4.8.

The Yearly Instruction sums up important directions in Norwegian foreign and development policy. The document states that the MFA expects embassies to prepare their annual plans on the basis of the National Budget for the MFA, as well as other important documents, such as White Papers, plans of action, strategies etc. Furthermore, it expects embassies to be updated on political priorities and to use these as a basis for planning their activity. In this regard, the Yearly Instruction also refers to the political declaration of the

Government, as well as all speeches given by the political leadership in the MFA. Finally, the document sums up the most important political signals given in policy areas such as security policy, European policy, development policy, culture, and business promotion.

Based on the broad signals in the Yearly Instruction, embassies develop an annual plan. While the MFA sends out signals on main priorities for the embassy, interviews with embassy employees reveal that they have a substantial amount of autonomy to set priorities according to the situation in the country and Norwegian interests. Through their suggestions

for annual plans, they also make suggestions for the use of both the administrative budget and the use of ODA in their country.

After the MFA receives the first draft of the annual plan it gives feedback via telephone conference. Based on this, and through a continuous loop of correspondence between the embassy and the MFA, a final annual plan is developed. In parallel, the MFA develops letters of instruction to the embassies that include priorities, and the final administrative and ODA budgets.

Throughout the year, the embassy and the MFA discuss operational and strategic issues during regular telephone conferences. In these, the Regional Department at the MFA participates along with other relevant departments from the MFA and Norad.

4.6.1 Changes to the decision-making authority of embassies

The evaluation assessed the Yearly Instruction to all embassies, as well as individual letters of instruction and yearly plans from 2004 to 2017 for the five embassies chosen for in-depth analysis. Since these are exempt from public view, reference to these documents is necessarily vague in the following description.

While the format of the Yearly Instruction to all embassies changed little since 2012 (we have not identified this document from before 2012)¹⁴, there was substantial change to the content both of individual letters of instruction and annual plans during the period. From 2004 to 2008, the letters of instruction give broad signals to embassies, often emphasising the need for harmonisation. From 2008 to 2012, however, the letters give more emphasis to Norwegian priorities in development co-operation and the need for embassies to focus where Norway has a competitive strength.

From 2012 onwards, letters of instruction and annual plans changed substantially. All annual plans introduced strategic goals with sub-goals for the embassy. But, while strategic goals and sub-goals were included in letters of instruction to embassies in Africa, they were not mentioned in letters of instruction to embassies in Asia. Also, from 2012 onward, more reference was made to business promotion and political dialogue, both in letters of instruction and annual plans. Furthermore, compared to the substantial focus on harmonisation and donor

¹⁴ According to MFA representatives interviewed, the Yearly Instruction was introduced in 2011 because the annual plans of each embassy increasingly contained a large number of references to overall strategic documents that were common to all embassies. This general part was then extracted and included in the Yearly Instruction. These refer to many overall strategic documents, ranging from the National budget to speeches by the Minister of Foreign affairs.

co-ordination given in letters of instruction after the 2004 reform, several letters of instruction after 2012 did not mention the need for co-ordination and harmonisation. However, this does not mean that co-ordination and harmonisation were not prioritised, as these signals were still provided in White Papers to which the Yearly Instruction refers. The lack of explicit mention of the need for co-ordination and donor harmonisation could however be a signal to reduce focus on these issues.

In isolation, the replacement of broad steering signals with more specific reference to strategic goals and sub-goals can be seen as a reduction in the autonomy of embassies. However, the process of formulating these strategic goals and sub-goals through dialogue between embassies and the MFA means the basis for such a conclusion is weak. Furthermore, an overwhelming majority of our respondents state that embassies have sufficient autonomy to make decisions.

Letters of instruction from 2004 to 2006 stated that embassies were free to reallocate up to 10 per cent of funds to projects they considered strategically important outside the priority areas. After 2006, this possibility was not mentioned.

The letter of allocation from 2017 referred to new guidelines requiring all grant agreements exceeding 10 million NOK to be presented to the MFA for political approval. These new requirements mark a shift from the earlier limit of 50 million NOK. Both the change in 2007 and the change in 2017 signalled reduced autonomy for embassies.

4.6.2 Embassies' understanding of roles and responsibilities

Interviews conducted with personnel at the five case-study embassies indicate that, overall, there is a reasonable understanding of roles and division of labour between the MFA, the embassies and Norad. Embassy staff describe a division of labour wherein the MFA is responsible for overall strategy and policy issues, embassies are responsible for the operationalisation of strategies, and Norad is responsible for quality assurance and technical support.

Most embassy staff interviewed describe frequent communication with various MFA departments and divisions through regular phone conferences conducted monthly or even weekly. Informal communication with both the MFA and Norad is also important, and interviews show that the quality of the collaboration depends on the embassy staff's familiarity with each organisation. Several

respondents at embassies interviewed report that they sometimes bypass decision-making lines by directly contacting those in the organisation they know to have expertise.

On the other hand, views on the quality of the interaction with and support from the MFA vary between embassies. Several interviewees expressed concern about MFA competence in development co-operation and aid management, and a lack of strategic support. There is also variation in what kind of role the embassies would like Norad to have.

Several embassy representatives noted increased management control from home, particularly related to the new guidelines requiring political approval of grant agreements exceeding 10 million NOK. Although these guidelines were only introduced at the very end of the period under evaluation, there are other mentions of increased reporting requirements by embassy staff.

Despite this, most of those interviewed state that embassies have quite a lot of autonomy in terms of operationalising broad strategic signals from the MFA. On one hand, this is seen as a necessary division of responsibility, since detailed strategic decisions require country presence and knowledge. On the other hand,

some staff mention that the lack of strategic support from home is a problem. One issue is an unclear division of responsibility regarding policy decisions at the country level. Another is the obligation to get feedback from the MFA only to end up with advice that is not useful.

Overall, staff at four out of the five embassies in the in-depth study expressed some dissatisfaction with strategic support from the MFA. This critique seems to be particularly aimed at the Regional Department and comes from staff ranging from ambassador to interns.

The interviewees mention both a lack of development co-operation competence at the MFA, and that the MFA seems to prioritise short-term political results rather than focusing on results from development co-operation. The lack of strategic support mentioned seems to be particularly related to development policy-making at the country level.

Lack of competence is also mentioned as a problem related to operational support, where the quality of support provided becomes very person-dependent. Frequent rotation is identified as one potential explanation for lack of competence, while some also mention that this kind of competence is not valued or prioritised within the MFA.

Until 2011, the annual plans were based on three-year country-level strategies. Some of the staff interviewed claim that the three-year plans not only made the country-level strategy clearer, but also created incentives for better communication between embassies and other agencies managing aid projects in the country and facilitated collaboration between donors. Annex 5 shows that countries such as Denmark, Sweden, the UK and the Netherlands anchor their policy in strategic long-term plans, while Canada expects to return to long-term planning in the near future. Without the three-year plans, the main strategic documents for the embassy consist of the Yearly Instruction to embassies and the annual plan and allocation letters¹⁵.

The critique also points to a lack of co-ordination between units in the MFA, and between MFA and Norad when approaching embassies. For example, several respondents said that different organisational units within the MFA ask the embassy independently of each other for input on closely related issues. Interviewees claimed this lack of co-ordination contributes to a higher workload because similar information is reported to different units,

¹⁵ As shown in Section 3.4.1 OECD DAC (2013) also recommends Norway to “implementing strategies that use a medium-term spending plan across all development co-operation and sharing these formally with its partners. This will also enhance the transparency and accountability of Norway’s aid programme at the country level.”

but according to different requirements on how the information should be provided. Several respondents claimed that they co-ordinate the ministry by making different organisational units aware of related requests from others.

Overall the embassies interviewed are satisfied with the quality of support they get from Norad, ranging from project assessments to legal support for grant agreements. Several interviewees express concern about the lack of “on the ground” experience among Norad staff due to a reduction in Norad staff posted at embassies. Some also mention that the support received from Norad is not always useful and that quality varies between departments. Some issues mentioned related to a lack of understanding of the political situation, lack of capacity, or unclear assignments from the embassy.

Although the present role of Norad may be well understood by embassies, feedback on the kind of role they would like Norad to have varies. Some see Norad’s role as purely based on assignments provided by the embassy, while others request more strategic support and participation from Norad, for instance through participation in phone conferences related to the annual plans. However, most of the staff interviewed say that Norad has become marginalised through reduced

influence and reduced country level experience and competence.

The letters of instruction to embassies show that the role of the embassies emphasises Norway’s development co-operation through multilateral institutions. Staff at the embassies visited for in-depth studies state that the flow of information regarding funds channelled through multilaterals to projects at the country level is not good enough. Most respondents also state that they lack an overview and basic information about projects funded through Norad, as well as about multi-bilateral funds in health and education channelled to the country.

4.6.3 Understanding of roles and responsibilities as viewed from home

Interviews with representatives from various MFA departments captured the understanding of roles and responsibilities of embassies as viewed by the MFA. These are not unanimous, but the overall response to the feedback provided by embassies is that strategic signals are clearly communicated to embassies through phone conferences and the process of developing the annual plans. Fairly broad strategic signals give embassies autonomy to adapt strategies to local context, and this operationalisation is an important part of the tasks allocated to embassies. There is

a process to re-introduce longer-term strategies for some countries, but the staff we interviewed argue that formalised country-level strategies are not necessarily needed for all countries.

Regarding the role of the embassy as a hub for Norwegian development co-operation, several MFA representatives state that it is the embassies' responsibility to have an overview of the total Norwegian development co-operation efforts in their host country. Information is available in the internal system for grant management and reporting (PTA), but also through a recent joint effort by the Norad Statistical Department and the MFA to calculate multilateral support from Norway at the country level.¹⁶ In 2018, Norad developed a statistical overview of all support given to countries, including support given through multilaterals and NGOs.

MFA representatives also emphasised the responsibility of embassies to follow funds channelled through multilaterals. This task was recently communicated to the embassies more formally through letters of instruction. This is part of the policy dialogue at the country level. Some mention that such reporting also requires practical experience of grant management.

¹⁶ This effort was made after interviews with embassies were conducted, meaning that some of the concerns raised in the interviews may have been mitigated.

Some MFA representatives stated that while grant management is increasingly important to the MFA, neither this task nor the necessary competence are given the necessary priority. Several representatives mentioned that the communication and interaction with embassies is not as systematic as could be due to capacity constraints. Informal contact and familiarity with the system is important despite introduction of more formalised routines, controls and interaction.

Communication between Norad and the embassies varies between embassies and depends both on the initiative of the embassies and the capacity of the country contact person in Norad.¹⁷ The involvement of Norad in phone conferences with embassies also depends on initiative from either party and can be limited due to capacity constraints. The MFA makes the final decision of whether it is relevant to include Norad. Due to the shift in responsibility for health and education management to Norad in 2017, Norad has also had limited capacity and has not prioritised participation in phone conferences as before.¹⁸

¹⁷ There are country contact persons in Norad for the countries previously defined as focus countries. This includes Ethiopia, Malawi, Mozambique, Myanmar, Nepal, Tanzania, Afghanistan, Haiti, Mali, Palestine, Somalia and South Sudan.

¹⁸ Interview with Jon Lomøy (Director General) and Marit Brandtzæg (Deputy Director General) in Norad.

Based on feedback from embassies, efforts were made to include them more systematically in assessment and decisions regarding projects funded through Norad's grant schemes. Some Norad representatives say that they actively use embassies for feedback, for instance on grant applications, but that this is not systematic. Neither does Norad have a routine to inform embassies about the outcome of grant applications and the reasons for its decisions, at least not for its support to NGOs.

4.6.4 Concluding remarks about the autonomy of embassies

When examining (1) fund management, (2) access to human resources and (3) decision-making authority, we find that the autonomy of embassies has decreased to a certain extent. This is due to a reduced share of funds managed and a reduction in autonomy in fund management at embassy level. However, access to human resources points in the opposite direction. The overall reduction of autonomy indicates that the organisational structure has gone towards global integration. However, one cannot state that the Norwegian aid administration is structured according to the global integration architecture. Different country contexts and different Norwegian interest in each country mean there is substantial variation

in what is provided at embassies. Thus, the movement towards global integration is relative.

4.7 IMPLICATIONS FOR DEVELOPMENT CO-OPERATION AT THE COUNTRY LEVEL

Section 4.3 shows that embassies' relative importance in terms of fund management decreased while, from 2004 to 2017, the total inflation-adjusted amount of Norwegian ODA almost doubled. Though embassies managed a relatively larger portion of total Norwegian ODA until 2009, after 2009 funds increasingly became managed by the MFA and Norad. In line with the declarations on aid effectiveness, these funds were mostly channelled through multilaterals, helping reduce administrative costs incurred by recipient countries related to reporting requirements by different donors.

However, development assistance is not just about transferring funds. It is also about transferring knowledge. Norway has made efforts to ensure that bilateral development assistance concentrates on areas where Norway has the comparative advantage of substantial knowledge and substantial expertise. The value of the knowledge transferred from development assistance is thus believed to have increased.

As funds still go to recipient countries, even as more go through other channels, we believe the implications of these changes for recipient countries are limited. Supporting this conclusion, the decrease in the importance of embassies in fund management is relative, while total fund management remained stable.

In interviews with embassy staff, we discussed whether increased management control and a possible "strategic gap" have potential consequences for development co-operation. Demands to reduce the number of agreements could potentially reduce the flexibility of embassies and their ability to react to donor needs. But the interviews do not indicate this to be a problem. Furthermore, interviewees could not point to specific impacts due to a lack of strategies for development co-operation at the country level.

We conclude that changes in the role of embassies that took place since 2004 are unlikely to have had a large impact on implementation at country level. However, as discussed in Chapter 5, some trends in international development co-operation present cause for concern.

5. Outlook for Norwegian embassies

This chapter answers the following questions:

1. What are the potential future scenarios for the role of Norwegian embassies in management and implementation of development aid, and in development co-operation at country level?
2. What are the strengths and weaknesses, threats and opportunities (SWOT) in the current division of labour and the role of embassies within development co-operation, for instance regarding:
 - Coherence versus fragmentation
 - Competence versus capacity
 - Co-operation and co-ordination between governments, civil society and other donors in partner countries
 - Understanding of the development context in the country

To answer these, we present trends and important drivers of change, and discuss how they are likely to affect the future autonomy and role of embassies according to the framework presented in Chapter 2. Lastly, we perform a SWOT analysis.

5.1 TRENDS AND DRIVERS OF CHANGE IN DEVELOPMENT POLICY

Our discussion of trends, based on a review of academic literature (Kharas & Rogerson, 2017) and policy documents (Meld. St. 24 , 2016-2017), focuses on seven trends: (1) the new Sustainable Development Goals (SDG) agenda, (2) the increasing role of the private sector, (3) the emergence of new donors and the “Chinese model” of development co-operation, (4) the rise of national interest in development co-operation, (5) conflicts, fragility and migration, (6) climate change and (7) digitalisation and automation.

5.1.1 A more demanding sustainable growth agenda

In 2015, the international community agreed to 17 SDGs. According to Kharas & Rogerson (2017), the introduction of these goals represents a paradigm shift from North-South aid orientation to a universal “‘leave no-one behind’ transformation of all countries towards inclusive, sustainable growth.” According to Haras & Rogerson (ibid.), the SDGs are vastly more demanding and transformational than the

Millennium Development Goals (MDGs), with wider scope, more ambitious objectives related to complete elimination of income poverty and other undesirable conditions, and show explicit concern for inequality, peace building and human security, rule of law, and good governance.

The SDG agenda states clearly that achieving these goals will not be possible without the private sector. This, in combination with the agenda’s broadness and less quantifiable target outcomes, leads Kharas & Rogerson (2017) to worry that it might result in a situation of “anything goes”, where almost all interventions could be justified as contributing to the SDGs. Furthermore, the agenda makes clear that the various policy areas must be seen in connection with one another and shows how efforts in one part of the world can affect the situation in another (Meld. St. 24 , 2016-2017). In this regard, the agenda strengthens the focus on coherence. The involvement of actors with potentially different agendas and the thematic specialisation could dilute the overall focus on coherent country development by the recipient.

5.1.2 Private sector as a driver and new source of funding

A substantial increase in funding is necessary to achieve the SDGs. The report “From Billions to Trillions: Transforming Development Finance” (Development Committee, 2015) states that the involvement of the private sector and the use of private finance through new mechanisms are necessary to meet funding needs. The report also states that “ODA must be targeted increasingly to crowd-in other funding sources: (i) for Low-Income Countries (LICs), based on poverty, vulnerability, and limited fiscal capacity; and (ii) for Middle-Income Countries (MICs), by playing an increasing role to leverage and catalyse public and private sources of financing.” The international community should have a catalytic role towards the private sector through financial mechanisms, taking some of the risk but not necessarily by providing finance (ibid.).

In 2000, private investment, official flows and remittances were all at approximately equal levels (Hudson Institute, 2016). By 2013, private investments were three times Development Assistance Committee (DAC) aid, and remittances nearly double, with most going to MICs. Philanthropic aid increased from around 10 per cent to almost half of official DAC aid in 2014 (Ibid). In addition, social impact investment amounted to 77.4

billion USD, with about one half in developing countries (Ibid).

Private investments were particularly strong in infrastructure (Kharas & Rogerson, 2017). Total annual investment in infrastructure by the private sector in developing countries rose from 40 billion USD in 2002 to 220 billion USD in 2012, but then decreased sharply to 71 billion USD in 2016 (ibid). Kharas & Rogerson (2017) attribute the sharp decrease to changed standards and incentives for risk-taking in the aftermath of the financial crisis. Similar views are expressed by Kjell Roland, the CEO of Norfund, in an article in Dagens Næringsliv on January 10, 2018.¹⁹

This shift requires a co-ordinated approach between companies, development agencies and other organisations. However, maintaining the focus on Least-Developed Countries (LDCs) is a challenge. Private capital is seldom interested in fragile countries with high business and reputation risk (Kharas & Rogerson, 2017). Charitable parts of businesses such as CSR programmes and social impact investments may be more aligned with an LDC focus (ibid). The Norwegian embassy in Nepal points out that growth in

¹⁹ Available at: www.dn.no/avisen/dn_2018-01-10/4

the number of donors does not necessarily benefit the most fragile countries. Due to a clear link between business promotion and development assistance provided by some of the new donors, they tend to focus on countries with less risk and better growth prospects.

5.1.3 New donors and the Chinese model of development co-operation

Development co-operation from emerging providers – i.e. countries outside DAC – increased significantly in recent years and reached an estimated 17 per cent (32 billion USD) of total global development co-operation in 2014 (Luijckx & Benn, 2017). The political agenda of these new providers tends to be based on non-interference, supporting the provider’s national interests, with aid going overwhelmingly to productive purposes (Gulrajani & Swiss, 2017).

The availability of funding from Chinese banks increased significantly while finance from commercial banks decreased and availability from multilateral banks did not grow substantially. According to Kharas & Rogerson (2017), the two largest Chinese development banks hold nearly 700 billion USD in international assets. This is roughly the same as all the assets of Western multilaterals combined (ibid). By linking aid, trade and

commercial loans, the Chinese offered enormous volumes of funds on commercial terms that look extremely attractive in the current financial market (ibid). In addition, China helped co-fund the new Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB). AIIB alone should, according to the Articles of Agreement, have an investment capacity of 250 billion USD, thus exceeding the lending capacity of the World Bank (Kharas & Rogerson, 2017).

New donors often operate in concentrated geographic areas, implying less co-ordination and co-operation at the global level. Bargaining power moves to the demand side, which may decrease the scope for attaching conditions, e.g. related to human rights. A relevant question is whether new donors will touch fragile countries and humanitarian crises, or whether these will be “left” to traditional DAC donors.

With the increasing role of other development co-operation partners, the relative importance of funding through Norwegian embassies decreased. Furthermore, while alignment previously had to be agreed with other, often like-minded countries, it must now be achieved with a more diverse group of development co-operation partners. In this regard, the OECD states that “The growing number of

development co-operation partners, instruments and modalities, however, poses challenges for countries in strategically managing their development resources” (OECD/UNDP, 2016).

5.1.4 Heightened focus on national interests in development aid

Kharas & Rogerson (2017) point to another recent trend, namely an increased focus on national interest in development assistance. They reference (Gulrajani N. , 2017), who argues that post-MDGs, the balance shifted from humanitarian and recipient interests towards donors and development co-operation actors servicing donor interests above developmental ones:

...within national donor contexts there is growing desire for consistency between resolving poverty overseas and achieving domestic imperatives of security, political influence, and economic advancement [...]. This growing explicitness and acceptability of foreign aid as an instrument of domestic interests suggest a potential shift in the pendulum within contemporary development policy.

Kharas & Rogerson (2017) state that the basic motivation for aid has been altruism, mutual benefit and enlightened self-interest. There is considerable overlap between these motivations. Assisting a fragile country with

stability and growth improves both global stability and the potential for investment and trade opportunities. Mitigating climate change reduces a powerful driver of fragility and poverty. ODI shows that the connection between global good and national interest is a *raison d’être* for development assistance in several OECD countries, and that national economic interest is no longer an unacceptable argument for development assistance. While this trend is clearest among certain other DAC countries, the desire to curb future migration is an evident motivation for development aid in parts of the Norwegian political spectrum as well. For instance, Sahel – where Norway has an almost non-existent development history – is now a priority region both in Norwegian foreign policy and development co-operation (Prop. 1 S, 2017-2018).

However, the national interest trend is perhaps most visible in trade and investment. Expansion of the donor country’s investment and trade opportunities became an important political defence for aid budgets (Kharas & Rogerson, 2017).

The rise in national interest may create several challenges for the organisation and implementation of development co-operation. More domestic political interests are expected

to influence development aid, which may challenge traditional donor processes and practices. Foreign policy strategies and objectives will likely increasingly guide development aid priorities. Kharas & Rogerson (2017) describe the increasing political and budget influence of non-development ministries, with reduced influence of development agencies. They point to the trend towards increasing integration of development agencies with foreign affairs ministries as a threat to focusing on poverty reduction “basics”.

5.1.5 Conflicts, fragility, migration and the changing face of global poverty

According to the World Bank (Anderson, 2015), the number of LIC's in the world more than halved from 64 in 1994 to 31 in 2014.²⁰ By 2020, the large pools of extreme poverty in Asia will likely be drained (Kharas & Rogerson, 2017), while poverty will increasingly be concentrated in fragile states, mainly in Africa. By 2025, Africa may be home to 80 per cent of the world's extreme poor. Also, a substantial number of the poorest will live in MICs, in rural pockets and urban slums. The increasing diversity among developing countries makes it hard to speak of them as one group. White Paper 24 (Meld. St. 24 , 2016-2017) signals

²⁰ 47 countries are still termed LDCs (The United Nations, 2018).

that Norwegian aid should be concentrated in countries with a high degree of vulnerability, with LICs and LDCs being priorities.²¹

As pointed out by Kharas & Rogerson (2017), the sharp decrease in poor people living in non-fragile states is largely explained by reduced poverty levels in countries like India and Vietnam. On the other hand, fragile countries like Nigeria are experiencing high population growth. In 2018, Nigeria is expected to have the largest number of people living in absolute poverty, followed by Afghanistan, the Democratic Republic of Congo and Ethiopia.

Conflict and prolonged humanitarian crises pose complex, costly and persistent problems. The White Paper on the SDGs (Meld. St. 24 , 2016-2017) states that conflicts now tend to last longer. In 2014, 60 per cent of countries with humanitarian appeals have had annual appeals for more than 8 years (Kharas & Rogerson, 2017). The duration of the conflicts leads to a substantial increase in refugee flows, which peaked in 2015. Although there are signs of the refugee flow to Europe abating, the increase in the total number of refugees means the pressure is still high, and that refugees will find routes other than the sea to enter Europe (Ibid).

²¹ English summary of White Paper 24, page 10.

5.1.6 Climate change and other global public goods

Climate change could affect development assistance in several ways, including increased migration. According to Kharas & Rogerson (2017), five million people in Sub-Saharan Africa crossed borders because of weather anomalies between 1960 and 2000. Stern (2007) suggests that the impact of climate change on 200 million people could induce migration (Stern, 2007). Based on an article by Millock (2015), however, the ODI suggests that the effect on international migration may be weaker, and that climate change will have stronger effects on population movements and displacements within countries. In any case, the ODI foresees a major increase in expenditure on human disasters related to the negative effects of climate change.

This suggests the need for substantial contributions to climate adaptation financing. UNEP (2016) estimated that the cost of adapting to climate change in developing countries could range between 140 and 300 billion USD per year until 2030 and between 280 and 500 billion per year in 2050. The United Nations Framework Convention on Climate Change (UNFCCC) calls on developed countries to provide 100 billion USD annually by 2020 to help developing countries mitigate

climate change and adapt to impacts such as drought, rising sea levels and floods (ibid). The total funds needed for adaptation purposes are close to or exceed total ODA and there are concerns that pressure to reorient development aid to meet climate finance commitments will shift allocations away from poverty reduction (Kharas & Rogerson, 2017). Between 2012 and 2015, 30 billion USD was committed, of which 80 per cent came from aid budgets and the rest classified mainly as non-concessional loans, export credits, guarantees and insurance (ibid.).

5.1.7 Digitalisation and automation

The White Paper “Digital agenda for Norway” (Meld. St. 27, (2015-2016), estimates that three billion people now have access to the Internet and that 80 per cent of world population will have a smartphone by 2020. In parallel, infrastructure investments will further expand the usability of smartphones and Internet. Digitalisation spurred what Kharas & Rogerson (2017) refer to as the DevTech revolution, where innovations like blockchain, satellite imagery, battery storage and telemedicine can potentially revolutionise development progress. Two important examples of how digitalisation is already improving the efficiency and effectiveness of development interventions are the recent data revolution in development research and

the impact of digitalisation on development intervention design.

As Dahlman, Mealy & Wermelinger (2016) point out, automation reduces the competitive advantage of low labour cost. In several OECD countries this creates a challenge in the form of mass unemployment for low-skilled workers (ibid). Similarly, massive investment growth in automation would reduce the competitive advantage of developing countries with low wages, high unemployment and high population growth. Furthermore, the lack of highly skilled technical staff could also be a competitive disadvantage. One could say that information and communication technology (ICT) has opened up a digital divide between high- and low-income countries. ICT technology is neither as present nor spreading as fast as many believe. Internet access remains scarce, unaffordable or too slow in vast swathes of the developing world (World Economic Forum , 2015).

For Norwegian development co-operation, a shift towards more evidence-based development interventions may represent a shift in the type of competence required to assess and manage projects. However, with increased access to information and improved communication technologies it may become easier to rely on expertise at home. Digitalisation and improved

communication makes remote management easier and can reduce administrative work related to both aid management and other tasks that need to be carried out at embassies. These factors indicate a decreased role for embassies in aid management.

5.2 EFFECTS OF TRENDS AND IMPORTANT DRIVERS OF CHANGE ON THE FUTURE ROLE OF EMBASSIES

Using the framework for analysing autonomy presented in Chapter 2, this section examines trends and important drivers of change likely to affect the future role of embassies. We begin by assessing embassies’ access to financing. After which, we discuss how the trends could affect embassies’ need for human resources. Lastly, we discuss how the role of embassies is likely to be affected. We do not consider how the level of decision-making authority given to embassies by the MFA will be impacted, only how the trends would change the content of their work.

5.2.1 Effects on access to financing

Chapter 4 shows that the share of ODA managed by embassies decreased from 2004 to 2017, and we see several trends pointing to continued decline. In particular, the increasing need to finance global common goods like climate change mitigation, as well as the potential for substantial future expenditure

on new waves of refugees coming to Europe could reduce ODA flows channelled through embassies.

The cost of adapting to climate change in developing countries, cited in Section 5.1.6, and the need for international climate financing commitments is likely to put pressure on ODA funds, including in Norway. This could decrease available funding to other priority areas managed by embassies. Norway committed to using a substantial part of its aid budget for dedicated climate programmes, with a major part going to MICs. In 2016, measures related to climate, environment and renewable energy amounted to 32 per cent of all Norwegian ODA funds, with Brazil as the second largest recipient of Norwegian aid, outranked only by Syria.²²

Regarding conflict and refugees, Chapter 4 illustrates an increase in Norwegian support to handle the flow of refugees. High population growth in countries with substantial migration to Europe in combination with high fragility in these countries shows that the waves of immigrants could return. The potential for sharp, future increases in financing of refugee measures and humanitarian assistance could

reduce the willingness to embark on long-term bilateral commitments.

In summary, we believe that trends and important drivers of change point to more tasks and more complex tasks at embassies, while access to financing for projects managed by embassies would not increase.

5.2.2 Effects on competence needs

Section 5.1 argues that the SDG agenda is now about more than aid and requires a host of other measures and partners to progress. The broadening agenda coincides with an increasing number and diversity of donors. Co-ordination with others of Norwegian and development assistance and the focus on additionality will require in-depth understanding of a more plural context and wider array of financing alternatives for aid recipients. Embassies will need to understand and interact with new donors and development co-operation actors. As shown in Section 5.1.3, several of these do not demand conditionality in their support, and the trend focuses more on own national interests. We believe that the sum of these shifts will require deeper contextual knowledge, as well as good understanding of the broader development finance picture.

Section 4.4 illustrates how embassies are now asked to more closely follow projects financed by Norway but channelled through multilaterals, while Section 4.3 pinpoints growth in thematically oriented development assistance channelled through multilaterals. The current Government platform indicates that a thematic orientation of development assistance will continue (Jeløya-platform, 2018). These signals are also given in the recently published White Paper on partner countries (Meld St. 13 (2017-2018)). In sum, this indicates that embassies will have a larger role in supervising Norwegian support channelled through multilaterals but implemented at country level. We believe that the increased supervision and continued thematic orientation will increase the need for expertise at embassies in areas such as health and education, as well as expertise on multilateral development assistance.

Section 5.1.2 discusses the broadening of the development agenda and heightened attention to the role of the private sector as a source of financing. The shift towards more co-operation and co-financing with the private sector, especially through new financial mechanisms, will require competence in private sector finance and business models (Development Committee, 2015). Promoting Norwegian businesses is a central task of all

²² Based on own calculations of shares of budget posts 166 and 1482 using data from MFA's grant portal.

Norwegian embassies, in both developing and developed countries. This means that it will be possible to leverage skills from diplomatic representations in developed countries (thus not in a development co-operation context) to accompany the increased openness of development co-operation to the private sector. However, as investment risk in developing countries is higher, the business establishment often requests mechanisms for risk reduction, such as guarantees, long-term purchase agreements, subsidies, etc. This indicates a need for expertise in financial mechanisms not commonly used at embassies.

The Jeløya platform indicates a shift towards more focus on fragile states and conflict areas. This shift also implies renewed focus on country- and regional-level factors of conflict and fragility, and increased importance of embassies in delivering the right type of expertise. Understanding the dynamics of fragility and tailoring approaches to different circumstances and risk factors will be key. Public diplomacy and implementation of development assistance in these areas is naturally more complex due to large, inherent variations in the potential outcome of conflict and fragility, and a diverse set of actors involved in existing or potential future conflicts.

Embassies will need people with good context knowledge and the ability to move and operate in fragile contexts. Various evaluations stating the need for contextual understanding of Norwegian development assistance results underline the need for country competence. In addition, the potential increase of inflows of refugees to Europe as a result of new or existing conflicts and the collapse of states creates a substantial need for competence in immigration issues at embassies. At several embassies both in West and North Africa we have already seen a strengthening of competence in migration issues.

The declaration of the current government (Jeløya-platform, 2018), links the SDGs to a need for Norway to support global public goods such as the climate. Ensuring policy coherence at both the Norwegian and recipient country levels will require capacity to co-ordinate and apply “global good” thinking.

5.2.3 Effects on the autonomy

White Paper 24 (Meld. St. 24 , 2016-2017) and White Paper 13 (Meld St. 13, 2017-2018) asks embassies to broaden their role. This means a shift from co-operation to more focus on providing development assistance. The current Government platform also emphasises broadening co-operation with more focus on trade, stating that Norway should:

- › Promote business development and job creation in low-income countries, giving particular priority to co-operation with LICs in Sub-Saharan Africa with which Norway has concluded co-operation agreements
- › Increase trade with poor countries and promote trade facilitation and imports from developing countries
- › Make it easier for Norwegian companies to engage as partners in development co-operation and seek to negotiate tax agreements with as many relevant countries as possible to avoid double taxation (Jeløya-platform, 2018)

At the same time, the platform emphasises (1) further development of Norway’s global leadership role in promoting high-quality education for all, (2) strengthening Norway’s global health efforts, particularly in the areas of vaccines, child health, and sexual and reproductive health, and (3) continuing Norway’s broad-based efforts to combat climate change and protect the rainforest, and intensify efforts to protect the environment and fight environmental crime. So far, this thematically oriented support has been channelled through multilateral organisations. Norad now manages the support while embassies have been asked

to make more efforts to follow and oversee project implementation.

The declaration also makes explicit reference to the White Paper “Common Responsibility for Common Future (Meld. St. 24 (2016–2017)), which states:

There will be stronger focus on countries affected by conflict. The situation in the world today makes it necessary for Norway to direct more attention to countries and regions that are directly or indirectly affected by war or conflict. This applies to the belt of countries from Mali in the west, via North Africa, the Horn of Africa, and the Middle East, to Afghanistan in the east. (Ibid)

In essence, we believe the signals point to a more plural role for embassies, with increased efforts in areas not necessarily connected to managing Norwegian ODA. At the same time, the Jeløya declaration does not indicate a decrease in support managed by embassies. New tasks are given to embassies in addition to those already being performed.

5.3 SWOT ANALYSIS OF THE CURRENT ORGANISATION AND ROLE OF EMBASSIES IN DEVELOPMENT CO-OPERATION

SWOT analysis is a strategic planning technique used to identify the strengths, weaknesses,

opportunities and threats to an organisation with regards to achieving a specific objective. We focus on Norwegian development co-operation, and particularly on the current division of labour between embassies, the MFA and Norad. We then discuss strengths, weaknesses, opportunities and threats of the current organisation with respect to achieving Norway’s development co-operation objectives. Norway’s development policy is based on the 2030 Agenda, and SDGs goals (Meld. St. 24 , 2016-2017). Our focus is therefore on the role of embassies in achieving developmental outcomes, as defined by the SDGs.

We focus on internal strengths that give the current organisation an advantage relative to other organisational forms, and on weaknesses that put the current organisation at a disadvantage compared to alternative ways of organising Norwegian development co-operation. Opportunities and threats refer to external factors that interact with the organisation in terms of achieving developmental objectives. We base our discussion of external factors on the previous section’s presentation of trends in international development co-operation.

Interviews with personnel at the embassies and with other donors and collaborators in

the countries selected for in-depth study, as well as with stakeholders at home constitute an important basis for the discussion in this chapter. In addition, we build on insights from previous evaluations, reviews and academic literature, with the most relevant findings summarised in Section 3.4.

5.3.1 Coherence versus fragmentation

In agreement with the Norad Evaluation Department, we interpret coherence to mean a coherent approach across different channels of Norwegian aid administration. As shown in Section 5.3, there are considerable interlinkages between support and assistance to multilaterals, NGOs and businesses handled by different organisational units. This creates potential for a fragmented organisational response due to a high degree of perceived autonomy at embassies (cf. Chapter 4) as well as in Norad’s autonomy as a directorate. A lack of embassy oversight of the support through different channels could contribute to a fragmented approach since different organisational units do not necessarily have knowledge of others’ activities. We regard this as a potential weakness in the current organisational structure.

At the same time, a strength of the current system is the perceived autonomy of embassies

to make decisions on continuation, termination or changes in support managed by the embassy. This could contribute to alignment with other donors and to necessary adjustments to local context.

Thus, we regard embassies' perceived autonomy as both a strength and a weakness. If co-ordinated with other organisational units, it could be a strength. However, lack of co-ordination could lead to substantial challenges. Co-ordination also constitutes an opportunity. Better tools for informing other organisational units on support and initiatives can contribute to a more integrated Norwegian approach.

As shown in Section 5.1, the population of donors has become more fragmented and there is a broadening of channels for development co-operation because of the SDG agenda. We believe this would contribute to making it more difficult to get an overview of support given through different channels, which would again contribute to making it more difficult to align support with other donors. We believe this could be a threat to the current organisational structure where decision-making authority is spread over several organisational units.

5.3.2 Competence versus capacity

Several kinds of competence and skills are relevant for achieving developmental objectives. Country and context specific competence is relevant for understanding the needs and conditions for success in the host country. Aid management competence is relevant for understanding the different roles of the international aid community, current policy on alignment and co-ordination, as well as the technical aspects of aid management. Thematic competence within specific aid sectors is important for achieving and measuring results. Finally, diplomatic competence or generalist competence is important in the gradual transition from a bilateral relationship based mainly on aid to a relationship increasingly based on common interests, trade, investment and co-operation on research, culture and multilateral issues.

The current organisation of Norwegian development co-operation implies increased generalist competence at embassies at the expense of specialist development competence. As described above, several of those interviewed identify increased generalist competence as a strength in terms of understanding the political situation, discussing trade and investment issues, etc.

On the other hand, lack of specialist development competence is also seen as a weakness by some of the collaborators and other donors interviewed, for instance in terms of knowing how aid management and collaboration between donors takes place at the country level. Although the interviewees emphasise that this is not a major problem, it may affect both efficiency of implementation and possibilities for collaboration with other partners.

A more plural role for embassies implies the need to diversify competence with increased understanding of the local political situation (e.g. in fragile countries). Diplomatic competence may also be better suited to situations with increased focus on the private sector as a partner in development co-operation. Finally, diplomacy and foreign policy competence will clearly be important in building necessary alliances, negotiating and delivering global public goods.

On the other hand, several trends imply that the movement away from specialist competence at embassies could present a threat. The shift towards sector-specific interventions and global initiatives means that thematic knowledge and competence will be at a premium. As discussed in Section 3.4, multiple evaluations of Norwegian development assistance show that understanding country context is essential

for the success of programs. Increased focus on fragile states implies renewed focus on country and context knowledge.

Norad is a centre of technical expertise and quality assurance in the current organisation of Norwegian development co-operation. However, several stakeholders raised issues related to the ability of the MFA to take advantage of Norad's competence and make it available to embassies. The interviews reveal that there are diverging expectations regarding Norad's role. The substantial increase in aid management responsibility by the transfer of thematic funds in 2017 might reduce Norad's capacity as a technical expert and quality assurer vis-a-vis embassies.

Embassy staff mention another issue related to competence when discussing strategic and operational support by the MFA. Several were concerned about lacking aid management and development co-operation competence at the MFA. Some explain this by issues such as frequent staff rotations, while others emphasise a lack of interest and prestige of development co-operation work in the MFA. The views expressed in interviews generally correspond to Ølberg (2017), stating that:

Aid management competence is viewed by many of those in the foreign service as a competence that does not advance your career, and many of those with aid and grant management competence have applied for other positions in consideration of their career.

The need for competence at embassy level depends on the role we expect embassies to take in development co-operation in the future. The trends described imply a more plural role for embassies, and the need for competence will probably differ across different types of embassies. In some countries, local expertise and specialist competence is essential, while in others, the role will be observing and assessing the performance of multilateral and other global goods programmes at country level. This type of expertise can be regionalised, with knowledge of multilaterals being important.

5.3.3 Co-operation and co-ordination

Co-operation between Norwegian embassies, other donors, multilateral institutions and NGOs at the country level can be essential to achieving development objectives. There are several aspects of the current organisation and role of embassies that influence the potential for this co-operation.

Embassy staff and collaborators in the countries visited for in-depth analysis frequently mentioned the flexibility of Norwegian development aid as an advantage. The ability to adjust to needs as they arise is a strength of the current organisation, and the system is relatively decentralised with autonomous embassies in terms of making strategic decision at country level.

On the other hand, our results also indicate a strategy gap at country level. The three-year strategic plans were discontinued in 2011, and representatives at four out of five embassies expressed concerns about strategic support from the MFA. The MFA states that the strategy for development co-operation is communicated to embassies, for example through the process of creating the annual plans, and that it is the task of embassies to operationalise these strategic signals at country level. While this indicates that strategic decisions regarding development policy are made year-by-year by embassy staff in dialogue with the MFA, according to most embassy staff interviewed, this is without an arena for discussing longer-term strategic decisions. Lack of a clear, longer-term, country-level strategy may also weaken the dialogue with authorities in the partner country.

Some point to a lack of interest, competence or political priority for development policy as a cause of this strategy gap. Others point to the shift from geographic focus to thematic focus, which reduced political attention to country level development strategies. This contrasts with other countries that have increasingly focused their development co-operation on a few focus countries and developed detailed strategies for these countries (OECD, 2015).

The trends in international development co-operation discussed above point to some opportunities and threats in terms of achieving developmental goals. The flexibility of the current organisation can be a strength when responding to emerging needs in fragile countries. This also holds for the likely more complex donor landscape of the future. With new donors operating in concentrated geographic areas, this implies less co-ordination and co-operation at the global level, and increased value of flexibility.

However, the trends also present challenges that can threaten the current organisation. Several trends increase the need for longer-term strategies to facilitate co-ordination and co-operation among donors and between donors and other agents. Increasing poverty in fragile countries requires stronger co-ordination

between humanitarian assistance and development aid, and a different organisation for the implementation of these activities than at present. Operating in these countries also requires longer-term strategies at country level, an issue that is already recognised and being responded to by re-introducing strategies for some countries.

The integration of development co-operation into the MFA, combined with a rise in national interests, may also pose a threat to overall donor collaboration if Norwegian development co-operation puts increasing priority on national interests.

5.3.4 Understanding the development context in the country

In order to perform a SWOT analysis, we define understanding of the development context in the country as:

- › Understanding the overall situation with regard to development, and how the different sectors of society contribute to both the current situation and potential future development
- › Understanding the need for financing or technical assistance from donors, and where such assistance is given today

Interviews with other donors and recipients clearly indicate that staff at Norwegian embassies have good understanding of the development context in their countries. Nevertheless, there are nuances, especially regarding views expressed by other donors. While most donors said that staff at Norwegian embassies have a good understanding of the development context and especially a good understanding of the political context, some said that they had noted a slight decrease in interest from Norwegian diplomats on development issues. The latter represented bilateral donors with broad thematic portfolios. However, we must underline that the number of interviews are limited, and therefore not statistically representative.

While the views expressed are not representative, they might result from the thematic concentration of Norwegian development assistance as described in Section 4.1. The 2004 reform intended to strengthen understanding of the development context and the ability to act at country level. The general thinking in the 2004 reform was that Norway should provide assistance with needs expressed in the countries' PRSPs and align this support to what was provided by other donors (see Annex 6). Through a thematic concentration, more emphasis goes to sectors

where Norway has a competitive strength. In addition to a thematic concentration of issues managed by embassies, thematic concentration has also taken place through scaling up support given through multilaterals.

Compared to an alternative where more support channels through embassies, there is less need for overview of the total range of possible sectors to support. The thematic concentration has in this regard to some extent reduced the need for in-depth knowledge at embassies in several sectors. As the development context consists both of insight on the overall situation and into how sectors contribute to existing and potential future development, one can claim that the thematic concentration has led to reduced need for a total overview.

All recipients and most donors view embassies' knowledge of country context positively, which is a strength. A potential weakness then is embassies' trend to recruit personnel with less experience in development issues and more experience from other diplomatic work. However, in interviews, donors and recipients do not consider this early shift a weakness because general diplomatic experience gives insight into political issues.

We see an opportunity in a more prominent role for embassies in supervising programmes channelled through multilaterals. In a more prominent role, embassies could get deeper insights into sectors through which Norway gives support to the country, as well as better insight into the overall portfolio of donors in the country.

We see a broadening of the content performed at embassies as a potential threat. A broadening of tasks while funds and staffing remain constant implies that embassies' attention will spread to tasks other than understanding the development context. On the other hand, given both thematic concentration and a broadening of tasks, it is questionable whether understanding the development context is as important as it once was.

6. Options for the future

The role of Norway's embassies in development co-operation must adapt to a changing landscape, but this adaptation faces a dilemma. On one hand, the growing complexity of development co-operation generates a need for enhanced expertise on the ground, and therefore demands increased resources at embassies. On the other hand, the amount of development assistance that embassies directly manage is likely to remain constant or even decrease, with greater emphasis on efficiency in fund management. This chapter discusses various options to solve this dilemma.

6.1 PROSPECTS TO FURTHER CONCENTRATE RESOURCES AT LOCAL LEVEL

It would be natural to concentrate resources to reconcile the tension between the need for additional expertise and the limitations on additional resources. Various solutions can be imagined: (1) focus assistance on fewer themes, (2) create regional centres of expertise within certain embassies, or (3) reduce the number of embassies. However, all of these have costs and therefore must be implemented in a careful – and sometimes restricted – manner.

As described in Chapter 4, successive Norwegian governments implemented measures to improve aid effectiveness and efficiency, in particular by increasing the thematic concentration of projects, reducing the number of agreements, and channelling a bigger share of aid through multilateral institutions.

With more competition for development co-operation resources, efficiency is likely to drive the search for economies of scale in managing development co-operation. Resources can be reallocated either thematically (option 1: thematic concentration) or geographically (option 2: regional centres of expertise), possibly going as far as to entirely transfer the competencies of some embassies to others (option 3: reducing the number of embassies).

6.1.1 Further concentration in thematic areas

The drive towards thematic concentration of development aid was first initiated by the Stoltenberg II Government (St. Meld. nr. 13, 2008-2009) and later followed by the Solberg government. This policy orientation stemmed in particular from the recommendations of the

OECD DAC reviews of 2008 and 2013, and heightened attention to the additionality of aid, i.e. concentrating on those areas where Norwegian development assistance makes a difference. In line with the recommendations of St. Meld. nr. 13 (2008-2009), another objective was to increase aid effectiveness in areas outside of Norway's strengths by letting better-positioned and more knowledgeable donors manage the corresponding flows.

This policy could continue in the coming years, for example, by strictly defining the thematic areas in which Norway appears to have a comparative strength and channelling all other ODA through other donors. A narrower focus would lead to economies of scale and increased possibilities to harvest knowledge-based synergies, thereby reducing resource needs at embassies. This would reduce efficiency losses from the high turnover of personnel in the Norwegian aid administration architecture, as fewer, but larger engagement areas will increase people's opportunities to move from one job to another within the same area.

Although gains can be expected from further thematic concentration, their magnitude is questionable. Most of the low hanging fruit has probably been picked in ten years of implementing this policy, and the remaining fruit might well be costly to reach. In particular, further thematic concentration may adversely affect opportunities for political dialogue through development co-operation. Such dialogue can be important for Norway even in areas that are not part of its comparative strengths. In any event, a prerequisite for further channelling Norwegian assistance through multilateral institutions would be enabling embassies to better leverage this assistance for policy dialogue. This will require improving embassies' information about support distributed through multilaterals and strengthening their role in supervising the corresponding flows.

6.1.2 Developing regional centres of expertise

Another response strategy would consist of selecting an embassy in each sub-region of interest for Norwegian development co-operation to act as the focal point for resources and competencies currently scattered across the region's embassies. The aim would be to create centres of expertise in key sectors targeted by Norwegian development co-operation – such as fragility and conflict,

climate change and environmental vulnerability, migration, trade and economic specialisation – for which regional rather than national scale is more relevant. These expert teams would improve the technical quality of aid monitoring and evaluation, and the assessment of additionality, justifying the transfer of responsibility over these functions from individual embassies to a regional embassy. Individual embassies would then serve as hubs for the partners involved in development co-operation, concentrating on advice and facilitation using their country-specific and thematic knowledge.

As part of this new role, individual embassies would have an overview of the portfolio of Norwegian development co-operation and of Norwegian interests more broadly in the country. They would centralise information about Norwegian engagements in the country, including programmes implemented by multilateral institutions, public agencies such as Norfund, and other partners. This would enable them to identify potential synergies and risks, a role that is largely unfulfilled at present.

This solution seems to offer potential to improve the quality and efficiency of aid management without any increase in the total resources of embassies, while also improving

the responsiveness and capacity of embassies to orient development co-operation in a more complex landscape.

However, establishing regional centres of expertise by drawing exclusively on the capacity of the region's embassies may deprive the latter of resources for country knowledge, influence and dialogue, and the benefit may not be commensurate. Further, it is uncertain whether the Norwegian development co-operation architecture has the means to maintain presence in a large number of countries and develop expert teams with a high level of operational capacity in every region and sector of interest. The regional centres of expertise could thus be a suboptimal compromise between solutions that could have achieved greater economies of scale, namely: either going further towards regional organisation by closing down some embassies, or going further towards global integration on a functional basis by shifting the expertise to Oslo.

6.1.3 Reducing the number of embassies

In an effort to improve Norwegian embassies' capacity to navigate a complex environment under a strict budget constraint, a third option would be to close down some embassies and shift their resources to others in the form of expert staff. To some extent, this option would

follow the policy laid out in White Paper 24 (Meld. St. 24 , 2016-2017) and White Paper 17 (Meld St 17 (2017-2018)), that Norway should be involved in a smaller number of countries.

Closing embassies, however, would affect Norwegian presence in developing countries in a radical way, and would reduce political dialogue and co-operation in areas other than development assistance, which White Paper 17 (Meld St 17 (2017-2018)) also emphasises. Such a solution should be limited to a small number of countries in which Norway does not have major interests. It should also be implemented carefully, mindful of the cumulative effects of withdrawal. The aim should be to increase the effectiveness of Norwegian presence in developing countries without substantially reducing that presence. Once these factors are accounted for, the gains from this solution also appear limited.

6.2 REVISITING THE DIVISION OF LABOUR BETWEEN MFA HEADQUARTERS AND EMBASSIES

Another option to solving the dilemma of embassies' future role in development co-operation would be to further shift the Norwegian development assistance architecture towards either one of the two archetypes reviewed earlier: local responsiveness or global integration.

6.2.1 Local responsiveness

As argued earlier, many factors demand embassies' increased capacity and flexibility in managing development co-operation, including: the broadening of their role with more focus on private-sector development and on alliance with private donors, the need to monitor Norwegian ODA channelled through other institutions, and the need for political dialogue, coupled with the increased complexity of the development agenda and growing diversity of donors.

Going further towards local responsiveness would empower embassies with more decision-making authority, increased personnel and larger grant portfolios. Stronger capacity at country level would improve understanding of the country context, which several evaluations of Norwegian development assistance identified as an area for improvement, as discussed in Section 3.4. In particular, greater contextual knowledge would better enable embassies to align support to other donors. One way to achieve greater local responsiveness would be to let embassies manage the funds channelled through multilaterals, following the model of Sweden's SIDA, whose country offices have substantially larger staff than Norwegian embassies (See Annex 5 for more information).

The government's stated ambition to improve efficiency through annual operational budget cuts at ministries and directorates, combined with the long-term trends discussed above, seem to rule out an increase in staffing levels in the foreseeable future. Increasing embassies' resources would thus come at the cost of reducing resources in other areas. Taking away resources from the (mostly) thematically oriented units of Norad and the MFA would reduce capacity for thematic specialisation. A distribution of personnel to embassies would probably weaken the ability to focus Norwegian development co-operation on priority themes, in contradiction with the objectives stated in White Paper 13 (St. Meld. nr. 13, 2008-2009). As the White Paper points out, this could affect aid effectiveness and efficiency by hampering a division of labour based on specialisation by donors.

This problem is compounded by a potentially substantial capacity gap that would prevent embassies from achieving a higher level of responsiveness. As pinpointed in the Ølberg report (MFA, 2017), embassies' competence in managing funds is currently inadequate. The report proposes to address this by moving away from the local responsiveness model, i.e. through better technical assistance in fund management and a reduction in the number of

embassies that manage development assistance. In contrast, developing fund management capacity in embassies would further reduce resources in other organisational units and further limit possibilities for technical specialisation.

Interviews with embassies indicate that they lack knowledge of Norwegian thematic support given through multilateral organisations. This lack of information has several negative consequences:

- a) It reduces embassies' ability to assess whether the support is implemented as intended. Being on the ground, embassies are well positioned to have such a supervisory role.
- b) Embassies miss opportunities to use project financing to connect with the political leadership in the host country, collect information and build influence on issues of relevance for Norway's foreign and development policy.

Norway therefore fails to reap some benefits of both its presence in developing countries and the support it provides through multilaterals.

As future trends point towards continued thematic orientation of Norwegian development

assistance and continued channelling of substantial funds through multilaterals, increased co-ordination and better information flow between embassies and Oslo will be essential. As Oslo headquarters are responsible for managing funds to multilaterals, embassies can probably be given a clearer supervisory role in this area without a significant increase in staffing. Furthermore, as shown in Section 6.2.2, because of organisational overlaps in the Oslo-based part of the administration, embassies currently report the same content to different units. By correcting these deficiencies, embassies will be able to re-orient resources towards supervision of multilateral assistance portfolios. Embassies should build competence in multilateral support and in relevant thematic areas in order to fulfil the supervision role with sufficient depth and add value to the work of Oslo-based teams. This requirement should be reflected in the future staffing of embassies. Establishing a clearer career path for development assistance within the MFA could also contribute (see Section 6.2.2). Continued thematic concentration of Norwegian development assistance would also increase the continuity of job content when staff rotate between embassies and the Oslo headquarters.

6.2.2 Global integration

As shown in Chapter 4, the Norwegian aid administration architecture evolved somewhat towards global integration in recent years, as Norad and the MFA manage more grants. Going further would imply strengthening the Oslo-based part of the aid administration while embassies play a greater role in supervising portfolios and providing advice on local context. This will make aid administration more consistent and easier to direct.

Increasing complexity from a broadened Sustainable Development Goals (SDG) agenda, a more diverse population of donors, more focus on alignment with the private sector, and more involvement in fragile states all point to a need for increased specialisation. The question is whether such specialisation should take place within embassies or at headquarters, given that it should combine both country and thematic competence. The lack of country experience of the expert staff in a centralised unit might limit the relevance of their technical assistance on country-specific issues. A substantial number of evaluations presented in Section 3.4 argue that in the past, the results of Norwegian development assistance have been hampered by a poor understanding of country context more often than by inadequate technical expertise. They indicate that strengthening

country knowledge is crucial for successful implementation of development co-operation in the future. On the other hand, placing technical competence within embassies would reduce possibilities for exchange and synergies between experts working on a given topic in a centralised unit. The consequences of such a loss of technical expertise are difficult to anticipate.

As discussed at length in Chapter 3, such dilemmas are not new to geographically distributed organisations like the Norwegian aid management architecture. Most organisations address the challenge by establishing formal or informal organisational structures that allow for a combination of both thematic and geographic specialisation. The establishment of country teams in Norad, within a structure with a clear thematic orientation, is an example of such dual specialisation. Other organisations designed other arrangements. For instance, the Norwegian Labour Inspection Authority established thematic networks within a geographic structure, connecting employees across regions (Menon, 2018). Such networks also exist in NAV (Christensen, et al., 2016). The more decision-making and personnel authority these networks receive, the more they move towards a matrix organisation (Colbjørnsen, 1995). As shown in Annex 5, the Canadian aid administration, CIDA, offers

a model in which the headquarters centralise both decision-making authority and the administration of staff at country level. With regard to the Oslo-based part of the Norwegian aid administration architecture, the dilemma could be solved by having geographically oriented teams in a thematically based overall structure. While Norad today has a thematically oriented structure, the MFA has a mix of both thematic and geographic organisation.

Because annual cuts in the administrative budget preclude an increase in staffing, such a strengthening must be achieved through better effectiveness and efficiency. From an organisational theory point of view (Jakobsen & Lien, 2015) there are two main ways to achieve this:

1. Better *separation* of work assignments, particularly to avoid duplication of competence and tasks. This would lead to improved economies of scale and allow for more technical specialisation. However, if there were substantial technical, strategic or political linkages between cases, such a separation of organisational units would impede possibilities for realising synergies from related cases.

2. By *integrating* organisational units, in order to harvest synergies from cases that has more linkages. It is always easier to communicate and co-ordinate within than across organisational boundaries.

Therefore from an organisational theory point of view, separation is advisable when cases require limited co-ordination between different organisational units, while integration is better when there are substantial linkages (Jakobsen & Lien, 2015). If linkages are important but organisational units have substantial autonomy, decisions made by one unit might interfere with implementation of policy by another, leading to a sub-optimal solution for the system as a whole. This was the reason for more integration of organisational units as described in Section 3.3.

Other aspects also influence such a decision. If there is a need for clearer separation between policy, strategy and implementation, efficiency gains should be sought through separation. In that case, autonomy of organisational units based on political signals is advisable. However, as Section 4.3 shows, such organisational boundaries created challenges for several European countries in implementing coherent policy responses, leading to more hybrid organisation and more mergers of organisations (Lægried, et al.,

2016). The need for more coherent foreign policy was also the argument for merging directorates specialised in development assistance into MFAs in Canada and Australia, as shown in Section 3.4.

Regarding the Norwegian aid administration architecture, we see several such linkages:

- › MFA manages core support to multilaterals, while Norad now manages substantial project support through the thematic funds in health and education. The effect of such support should be monitored more closely by embassies.
- › Support to NGOs has many channels. Some organisations receive support from the MFA under humanitarian assistance, and others from Norad as civil society organisations, based on advice from embassies. Furthermore, embassies can support NGOs through their own grant management.
- › Norad gives support to Norwegian businesses evaluating establishment in developing countries, while embassies promote Norwegian businesses at country level.
- › Norad manages thematically oriented programs, such as Oil for Development,

implemented at country level, often with support from embassies. Norad takes decisions regarding which countries to prioritise.

Interviews with embassies also point to time-consuming activities related to overlap. In particular, embassies note that different organisational units request feedback on similar issues and are often surprised to learn of the overlap. Several embassies even claim that they co-ordinate units within the MFA and Norad rather than the opposite. Such overlaps contribute to inefficient use of resources both in the Oslo-based administration and at embassies:

- a) Embassies have to report the same content several times, but because the requests differ in format, a “copy and paste” between similar requests is insufficient. Embassies use substantial resources to tailor the same information to different units.
- b) Oslo uses resources to both request and process information from embassies. As this information is already requested and processed by other organisational units, this leads to redundant work – or at least organisational units do not build on the efforts of others.

These are only examples of how overlap contributes to inefficient use of organisational resources. Overlap also contributes to inefficiency by not realising gains from economies of scale and specialisation.

The evaluation did not gather data on the division of labour between the MFA and Norad. The discussion above is therefore based more on advice from the literature on organisational theory and strategy. As we do not have empirical data to support our discussions, the report will refrain from establishing strong conclusions or making recommendations in this regard.

Another important question is whether *integration* would favour *foreign policy* over *the interests of developing countries*. As pointed out in Sections 3.3 and 5.1.4, a potential concern is that lack of separation might cause development assistance to be used for promoting national interest to a larger degree than before. However, such a shift would more likely be due to a shift in political priorities than to a change in organisational structure. Given that most development assistance is handled by the MFA, the dilemma already exists. Thus, integration would not create a new situation. Having separate units in the MFA deal with development and foreign policy issues could help maintain the distance. Furthermore, the

re-introduction of a Development Minister with separate responsibility for development issues may have already reduced such challenges.

Chapter 4 described embassies' frustration with MFA competence in development assistance. The impression given in interviews aligns with views expressed in the Ølberg report (MFA, 2017) regarding competence and the status of development assistance at the MFA. As the role of embassies in developing countries with long-term bilateral co-operation is intended to broaden and align with the role of other embassies (Meld. St. 24 , 2016-2017), one could argue that this frustration will decrease given increased demand for competence from the MFA on issues broader than development assistance. In addition, a pre-condition for going towards global integration is that regional offices reflect the specialisation of headquarters. By better aligning what embassies provide with expertise in Oslo, the reason for frustration would decrease.

On the other hand, Sections 5.1 and 5.2 show that trends and important drivers of change will cause more complexity, with the increasing importance of private source funding, new financial mechanisms, the growing importance of new donors etc. Furthermore, the SDG agenda will contribute to this complexity by

enlarging the potential population of recipients. A career path specialised in development could be necessary to improve efforts at embassies as follows:

1. In recruiting, embassies will have access to personnel with relevant experience on development issues.
2. Embassies will get better advice from the Oslo-based part of the Norwegian aid administration architecture.
3. Embassies will be better positioned to supervise multilateral support.

We must however underline that too separate a career path might be counterproductive given that trends also point towards knowledge build-up at embassies in developed countries becoming more relevant.

6.2.3 A matrix organisation

The combination of thematic concentration and country focus could be managed through a matrix organization where staff at the embassies report to organisational units in Oslo. However, as shown in Section 3.1, such models present challenges related to co-ordination, leading to high administrative costs. We do not recommend this model

due to the bureaucracy of a more complex structure, as well as findings that such models become less functional with increased distance and cultural differences.²³

²³ The cultural difference appears since a substantial number of staff at embassies are local.

7. Conclusion and recommendation

The role of an embassy varies as a function of the importance and structure of development co-operation, local dynamics and Norway's interests in the host country. The role of embassies in development co-operation in particular depends on the choice of support channels, be they the embassy, Norwegian agencies, or other entities.

Using the Integration-Response framework, we find that the overall organisational structure of Norwegian aid administration evolved towards a model of global integration. We base this conclusion on the following findings:

- a) Embassies' share of fund management decreased since 2009. In some fragile countries, responsibility for fund management was transferred to the MFA.
- b) While embassies managing aid experienced an increase in staffing during the period as a whole, a lack of information on the work of staff provided by the MFA makes it difficult to assess whether this was due to greater emphasis on development assistance or other interests.

- c) Embassies experienced a reduction in authority for entering new agreements.

This shift towards global integration might be surprising, considering that the stated intent of the 2004 reform was to strengthen the role of embassies. It seems, however, to be part of a broader movement of re-centralisation observed both in other parts of the Norwegian public administration and in other OECD countries. The consequences of such changes for the recipient countries are believed to be minimal as the amount of assistance was not affected, only the shift to increasingly channel funds through multilaterals.

The division of labour between embassies and the MFA is clear, but there are some challenging areas. In interviews, embassies report that different organisational units in the MFA request that similar information be reported in different formats. This creates inefficiencies both in embassies and at the MFA. Embassies also report a lack of strategic support and competence on development issues at the MFA. Last but not least, embassies do not

have good enough information on support provided through different channels, including multilateral institutions.

Embassies do not have a clear enough mandate to supervise support to multilaterals. As a consequence, Norway does not reap the full benefits of its embassies, in particular regarding possibilities for political dialogue with host countries.

Trends and important drivers of change point to the tasks of embassies becoming more complex in the future. However, there is no indication of a substantial increase in funds managed by embassies. Since total Norwegian ODA is expected to grow in line with Norway's GDP, the share managed by embassies is expected to decline. This creates a dilemma. Increased complexity points to a need for more expert staff, while a decrease in the share of funding points to stability or reduction. To manage the dilemma the following strategies could be considered:

- › Further thematic concentration of Norwegian development assistance
- › Constituting centres of expertise in regional embassies by pooling some of the embassies' resources
- › Closing certain embassies and using their resources to strengthen capacity in others

However, all these strategies have costs, in particular in terms of possibilities for political dialogue. Using the Integration-Response framework to assess whether to change the division of labour between the centre and regional offices, we find that going towards global integration would help address future challenges. With a reduction in overlap between organisational units, strengthening the Oslo-based part of the Norwegian aid administration architecture can be managed without any increase in staffing. By strengthening Oslo-based entities and improving information flows, without increasing staff embassies could handle more complexity and play a more active role as supervisors and advisors of development co-operation in the host country. In order to enable the new division of labour, a career path in development assistance should be established at the MFA.

7.1 Recommendations

We recommend that the Norwegian aid administration architecture go further towards global integration. With a reduction in overlap between organisational units, strengthening the Oslo-based part of the Norwegian aid administration architecture can be managed without any increase in staffing. By strengthening Oslo-based entities and improving information flows, embassies could handle more complexity and play a more active role as supervisors and advisors of development co-operation in the host country without increasing staff.

We recommend that the Norwegian aid administration architecture deepen its thematic specialization. A narrower focus would lead to economies of scale and increased possibilities for harvesting knowledge-based synergies, thereby reducing resource needs at embassies. It would reduce efficiency losses from the high turnover of personnel in the Norwegian aid administration architecture, as fewer but larger areas of engagement would increase people's chances to move from one job to another within the same area. Although gains can be expected from further thematic concentration, their magnitude is questionable. Most of the low hanging fruit has probably been picked in ten years of implementing this policy.

We recommend that the MFA make adjustments in its career management model in order to facilitate the emergence of centres of expertise in development co-operation in Oslo.

This would improve the ability of the Oslo-based part to assist embassies on complex issues related to development and reduce efficiency loss due to turnover.

We recommend that embassies increase supervision of development assistance provided through channels. By strengthening the role of embassies in supervision, Norway would to a larger degree reap the benefits of its presence in developing countries.

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Annex 1: Terms of Reference

EVALUATION OF ORGANISATIONAL ASPECTS OF THE NORWEGIAN AID ADMINISTRATION; THE DIVISION OF LABOUR AT HOME AND ABROAD AND THE ROLES AND RESPONSIBILITIES OF EMBASSIES

Background and rationale for the evaluation:

Norway has a strong engagement in international development. Norway has consistently maintained a high level of development assistance as well as its position as one of the world's top donors in relative terms. For 2015, Norway was the second largest donor.²⁴ In 2016, 89 countries received development assistance, compared to 113 in 2014. The recent White Paper (Meld. St. 24 , 2016-2017) indicates that partner countries will be concentrated (20-25)²⁵. The Norwegian Government has kept its target for official development assistance to approximately 1 per cent of gross domestic product since 2009 (OECD, 2013). Now the Norwegian economy is going through a period

of structural change with prospects of more limited growth. This creates a momentum for learning and exploration of organisational change.

For a small country with a considerable budget for development and high policy ambitions, it is key to nurture a critical mass of competence and capacity. In 2004, the Norwegian development aid administration was reorganised to achieve modernization, simplification and a more effective aid management, and the reform consisted of the following seven organisational elements (St. prp nr. 1 Tillegg nr. 7, 2003-2004)²⁶;

- a. More delegation and decentralisation to the embassies.
- b. Bring together the country- and regional competence in the Ministry of Foreign Affairs (MFA).
- c. Bring together policy development, strategy development and information work in MFA.

- d. Bring together knowledge management in the Norwegian Agency for Development Co-operation (Norad).
- e. Strengthen evaluation and quality assurance in Norad.
- f. Bring together the grant management from civil society and private sector in Norad.
- g. Bring together the overall administrative responsibility for all embassies in MFA.

The reform was implemented during 2004, and Norad was reorganised as mainly a technical advisory agency under the MFA. The responsibility for bilateral aid management was transferred to the MFA, and more tasks and responsibilities in development co-operation and grant management were delegated to the embassies. The division of labour was further adapted in the following years.

The international aid landscape has in many ways been profoundly transformed since the 2004 reform of the Norwegian aid management administration. Almost all OECD countries have adopted some form of strengthened policy coherence and co-ordination and general

²⁴ OECD/Norad-Department for statistics.

²⁵ (Meld. St. 24 , 2016-2017) indicates that 20-25 countries will be selected as partner countries. After 2015, the concentration efforts resulted in 12 so-called focus countries.

²⁶ For the background for the reform, see (ECON, 2003).

“whole-of government”-approaches²⁷ that also seeks to place development assistance more specifically within the framework of foreign policy, which also affects the overall role of embassies in developing countries. Official development assistance (ODA), while still critical to the most fragile and lowest income countries, represents a shrinking proportion of the total resources going to developing countries. Yet, demand for development co-operation, from ODA and other sources, continues to remain strong among many fragile countries²⁸.

Through the Agenda 2030, donors have agreed to align their support with the strategies of the partner countries, to use strengthened country systems for the realisation of aid projects and to avoid overlap.²⁹

The OECD Peer Reviews (2008), (2013) have noted that Norway’s aid structure and systems are highly flexible and decentralised, that Norway would benefit from making its aid more predictable and transparent to its partner countries and to continue to improve the clarity between the respective roles within the system of Norwegian development assistance.

27 See for instance discussions of different models of WoG-approaches, in Lægneid et al. (2010). OECD. (2006), (2015).

28 OECD. 2015.

29 See for instance; (Holzapfel & Rudolph, 2017).

Previous evaluations of Norwegian development assistance have pointed to weak overall strategic directives, insufficient documentation of results combined with high degrees of flexibility (Evaluation Department, May 2016). The Office of the Auditor General in Norway has also pointed to the lack of overall strategic planning in several areas.³⁰ There have not been undertaken external evaluations of the organisational structure of Norwegian aid administration since the reform was implemented in 2004.

On this background the Evaluation department has decided to undertake this evaluation to map and analyse the current division of labour between home and abroad and the roles and responsibilities of Norwegian embassies in relation to the management of Norwegian development assistance, and how these roles and responsibilities have changed over time. The evaluation will cover the technical management of development assistance and the contribution to development co-operation in general. The evaluation will be of relevance for the MFA, when considering the future roles and responsibilities of embassies within Norwegian development co-operation.

30 The Court of Auditors is of the opinion that concentration and a closer co-operation to fewer countries are positive, including the development of possible country strategies. Document 3:9 (2014-2015).

Evaluation purpose, users and objectives

The purpose of the evaluation is to assess the roles, responsibilities and the division of labour between home (MFA and Norad) and abroad (Norwegian embassies) in management and implementation of development co-operation. This assessment will provide lessons and inputs to MFA’s on-going efforts to improve Norwegian development co-operation. The role of the embassies will be assessed beyond merely technical aspects of bilateral grant management and will include other responsibilities and tasks within the area of development co-operation. The evaluation will also explore how the roles, responsibilities and division of labour have changed over time since 2004.

The main stakeholder and user of the evaluation will be the Ministry of Foreign Affairs.

The main objectives for the evaluation are to;

- a. Map the current division of labour and the roles and responsibilities, including delegated authority, of Norwegian embassies in development co-operation, and how the set-up has developed over time since 2004.

- b. Identify relevant evaluations of decentralisation and delegated authority in the management of development co-operation in comparable countries/organisations, regarding country presence and role of embassies/field offices and discuss findings in relation to the Norwegian set-up³¹.
- c. Assess and discuss strengths and weaknesses, opportunities and threats related to the current set-up and division of labour in the Norwegian system related to the overall goals of Norwegian development co-operation.
- d. Formulate lessons learned.
- e. Indicate potential outlooks concerning the roles, responsibility and the division of labour in the light of international trends, such as the international aid architecture and international declarations on donor co-ordination.

Scope, evaluation object and possible approach

The evaluation object is the roles, responsibilities and division of labour within the Norwegian aid administration today, and how it has developed since 2004. The role of Norwegian embassies will include all aspects of their work within Norwegian development co-operation.

³¹ See for instance (IFAD, 2016).

The evaluation will map, assess and analyse the current set-up concerning the current division of labour and roles and responsibilities of Norwegian embassies in development co-operation, and over time. This includes the identification of formal and informal reasoning that have guided the development and changes.

Experience from other relevant countries and organisations will be part of the mapping exercise and background information.

The Norwegian reform of the aid system in 2004 will be considered as relevant background information, but will not as such be subject to the evaluation.

Research on internal and external driving forces for change in public organisations will be of relevance to frame the discussion and assess arguments, models and principles used to guide and frame the current set-up ³².

The division of labour between ministers in the Norwegian government is outside the scope of the evaluation.

³² See for instance (Lægreid & Verhoest, 2010) & (Pollitt, 2013).

Evaluation questions

The following evaluation questions will guide the evaluation. The inception report will further develop and elaborate these questions.

- › What are the current major roles and responsibilities including division of labour and delegated authority of embassies³³ in Norwegian aid management and development co-operation?
- › How have the division of labour developed since 2004 regarding roles and responsibilities of embassies?
- › Which major types of arguments and reasoning have guided the division of labour and current roles and responsibilities assigned to the embassies since the reform?
- › What have been the implications for the management and implementation of development aid at country level? For development co-operation at country level?

³³ Also including foreign missions, if relevant, and Embassy responsibilities for side-accredited countries.

- › What are the strengths and weaknesses, threats and opportunities in the current division of labour and the role of embassies within development co-operation, f. instance;
 - Coherence versus fragmentation
 - Competence versus capacity
 - Co-operation and co-ordination (governments, civil society and other donors) in the partner countries
 - Understanding of the development context in the country
- › What are the lessons learned concerning country presence?
- › What are some broad potential future scenarios/outlooks for the role of Norwegian embassies in management and implementation of development aid and in development co-operation at country level?

Methodology

All parts of the evaluation shall adhere to recognised evaluation principles and the OECD DAC's quality standards of development evaluation, as well as following guidelines from the Evaluation Department, including the specific requirements for the inception report and the evaluation report, Guidelines for the evaluation process and for preparing reports in Annex 1. The evaluation team will propose an outline

of a methodological approach that optimizes the possibility of producing evidence-based assessments. The award criteria for this evaluation will be competence and methodology/solution suggestion. Methods for data collection and data sources will be further presented in the proposal and in the inception report.

The methodological approach will include:

- a. A cross-section of data sources and using mixed methods, for instance;
 - quantitative data on staffing, size of budgets, etc
 - qualitative data, including desk studies of relevant documents, mapping information through questionnaires, desk studies, interviews and field visits
 - triangulate questions and findings through semi-structured and in-depth interviews with key informants at home and abroad
 - relevant documents, evaluations, reviews and research
 - discussions with stakeholders etc.
- b. Synthesized findings in an evaluation matrix
- c. All tools for data collection will be submitted in the inception report

The methodology will be further presented in the proposal and in the inception report.

The following elements should be addressed in the proposal:

- d. Questionnaires/surveys covering major embassies with roles and responsibilities within development aid administration. If not all embassies with development tasks are covered, the selection need to reflect a geographical, thematic and budgetary diversity
- e. Desk studies of a selected number of embassies
- f. Interviews with donors, civil society, multilateral organisations and host governments
- g. A selection of embassies for field visits.
- h. A list of relevant key informants shall be developed

Country cases will be selected for further in-depth assessments and field visits to be decided in dialogue between the team and the Evaluation department. A selected number of government representatives in the partner countries selected for case studies will be interviewed, as well as a selected number of civil society representatives and bilateral and multilateral donors with field offices.

In addition to mapping, assessing and discussing the current set-up and past experiences, the evaluation will include some future oriented perspectives, taking into account the changes of the international aid architecture and recent developments (Paris/Busan/Accra declarations, MDGs, SDGs/Agenda 2030), and how this may shape the role of embassies and the division of labour in the Norwegian aid management organisation at country level.

The evaluation team may propose alternative methods that responds to the purpose and objectives in this Terms of Reference in other ways than those laid out above, demonstrating comparable rigour and ability to respond to the evaluation questions.

8.1.1 Organisation

The Evaluation department, Norad, will manage the evaluation. The evaluation team will report to the Evaluation department through the team leader. The team leader shall be in charge of all deliveries and will report to the Evaluation department on the team's progress, including any problems that may jeopardise the assignment. The department and the team shall emphasise transparent and open communication with all the stakeholders. Regular contact between the evaluation manager, team and stakeholders will assist in discussing any arising

issues and ensuring a participatory process. All decisions concerning the interpretation of these Terms of Reference, and all deliverables are subject to approval by the Evaluation department.

The team shall consult widely with stakeholders to the assignment. Stakeholders will be asked to comment on the draft inception report and the draft final report. In addition, experts or other relevant parties may be invited to comment upon reports or specific issues during the process. The evaluation team shall take note of all comments received from all stakeholders. Where there is a significant divergence of views between the evaluation team and stakeholders, this shall be reflected in the final report.

A reference group of Norwegian stakeholders will be established, consisting of representatives from MFA and Norad, and possibly also including representatives of Norwegian partners at country level.

Access to archives and statistics will be facilitated by Norad and stakeholders, however all searches will have to be conducted by the Evaluation team.

In some evaluations, the Evaluation department participates in field visits to better understand

the context of the evaluation. This will also be discussed for this evaluation. Costs will be covered by Norad.

Quality assurance shall be provided by the institution delivering the consultancy services prior to submission of all deliverables. Norad and stakeholders will facilitate access to archives and statistics.

8.1.2 Budget and deliverables

The evaluation will be budgeted with a fixed price up to 1,500,000 NOK ex. VAT. The award criteria in the tender will be based on competence and approach/methodology.

The deliverables shall consist of the following outputs:

- Inception report not exceeding 20 pages to be approved by the Evaluation department (further on the inception report below), including further information on data methods and data collection tools
- The Evaluation department will circulate the draft inception report to stakeholders, and then provide feed-back

- › Draft evaluation report. The Evaluation department will circulate a draft to stakeholders and provide feedback to the team
- › Final evaluation report not exceeding (50 pages) excluding executive summary and annexes
- › Up to two policy briefs not exceeding 4 pages targeting a wider audience and relevant personnel involved in development co-operation
- › Oral/written dissemination in approx. 3 visits/meetings in Oslo (MFA/Norad) should be planned and budgeted for; i) the inception phase/meeting, ii) to discuss draft recommendations iii) presentation of the findings and the final evaluation report, and the policy brief, in a final seminar. (Data collection visits must be budgeted in addition). In addition; possibly availability for other dissemination activities organised by the Evaluation department in Oslo, but such meetings will be reimbursed separately. The team leader shall be present at all meetings that are considered part of the deliverables.

8.1.3 References and some tentative background documents

DIE: Linking aid effectiveness with the 2030 Agenda: three steps. 2017. Deutsches Institut für Entwicklungspolitik.

General Auditor. Assessments of Norwegian Development Co-operation. Dokument 3:9 (2014-2015). Riksrevisjonens undersøkelse av bistand til godt styresett og anti-korrupsjon.

IFAD. IFAD's Decentralisation Experience. Corporate-level Evaluation. International Fund for Agricultural Development. 2016.

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Lægreid, Per and Verhoest, Karen. Governance and Public Sector Organisations, see for instance, The Structural Anatomy of the Norwegian State: Increased Specialisation or a Pendulum shift? Lægreid et al. 2010.

Meld. St. 24 (2016/2017) Felles ansvar for felles fremtid. Bærekraftsmålene og norsk utviklingspolitikk.

Norad/Evaluation Department; Guidelines and reports.

NUPI. Norske interesser og norske utenriksstasjoner. Norsk utenrikspolitisk institutt. 2015.

OECD Making Development Co-operation Fit for the Future. A Survey of Partner Countries. Working paper no 20, 2015.

OECD Peer Review 2013. Norway. OECD/DAC.

OECD Peer Review 2008. Norway. OECD/DAC.

OECD. A whole of government approach to fragile states. Reference Document. OECD/DAC. 2006 OECD. Policy coherence for inclusive and sustainable development. 2015.

Pollitt, Christopher ed. Context in Public Policy and Management. The missing link? Elgar. 2013.

Meld. St.prp.no 1, Addendum 7 (2003-2004); Om modernisering, forenkling og effektivisering av bistandsforvaltningen (Modernisation, simplification and effectiveness of the aid administration). ECON.

Annex 2: List of interviewees

TABLE A.1 // LIST OF INTERVIEWEES, INCLUDING DATES OF FIELD VISITS

Name	Position	Organisation
Norway		
Ministry of Foreign Affairs		
Tine Mørch Smith	Director General	Department for Regional Affairs
Rasmus Gedde-Dahl	Director – Section for Budget and Co-ordination	Department for Regional Affairs
Gjermund Sæter	Director - Section for south and central Africa	Department for Regional Affairs
Lisa Golden	Director – Section for South Asia and Afghanistan	Department for Regional Affairs
Ole Øveraas		Department for Regional Affairs
Siv Cathrine Moe	Director – Section for Budget, Financial Monitoring and Management	Department for UN and Humanitarian Affairs
Lajla B Jakhelln	Director – Section for Human Rights, Democracy and Gender Equality	Department for UN and Humanitarian Affairs
Hans Jacob Frydenlund	Director – Section for UN Policy	Department for UN and Humanitarian Affairs
Kristian Ødegaard	Senior Advisor	
Rita Furuseth Sandberg	Enhetsleder	
Anonym		The person asked us to not reveal the name

→



Name	Position	Organisation
Norad		
Jon Lomøy	Director General	Director General's Office
Marit Brandtzæg	Deputy Director General	Director General's Office
Astrid Lillethun	Policy Director	Department for Human Resources and Administration
Wenche Fone	Director	Civil Society Department
Paul Richard Fife	Director	Department for Education and Global Health
Anonym		The person asked us to not reveal the name
Tori Hoven	Director	Department for Economic Development, Gender and Governance





Name	Position	Organisation
Mozambique: 11.12.17 - 15.12.17		
Anne Lene Dale	Ambassador	Royal Norwegian Embassy in Maputo
Tom Edvard Eriksen	Minister Counsellor	Royal Norwegian Embassy in Maputo
Lars Ekman	Counsellor	Royal Norwegian Embassy in Maputo
Tonje Flatmark	First Secretary	Royal Norwegian Embassy in Maputo
Camilla Rasmos Fjellvang	Second Secretary	Royal Norwegian Embassy in Maputo
Clarisse Barbosa Fernandez	Programme Officer	Royal Norwegian Embassy in Maputo
Jose Abreu Capote	Programme Officer	Royal Norwegian Embassy in Maputo
Maren Nygård Basso	Adviser	Royal Norwegian Embassy in Maputo
Marianne Angvik	Project co-ordinator	Royal Norwegian Embassy in Maputo
Guttorm Udjus	Intern	Royal Norwegian Embassy in Maputo
Heber E.S.A. Janeiro	Director	Electricidade de Moçambique
Caroline Reynoso Pieters	Country Director	CLUSA
Harriston Ruben	Programme Manager	Right to Play





Name	Position	Organisation
Kenya: 15.01.18 - 19.01.18		
Victor C. Rønneberg	Ambassador	Royal Norwegian Embassy in Nairobi
Einar Telnes	Commercial and Energy Counsellor	Royal Norwegian Embassy in Nairobi
Gunnvor Skancke	Development Counsellor, Somalia & Kenya	Royal Norwegian Embassy in Nairobi
David C. Jordan	Political Counsellor, Kenya	Royal Norwegian Embassy in Nairobi
Margaret Komen	Adviser	Royal Norwegian Embassy in Nairobi
Dorcas Gaucugia	Adviser	Royal Norwegian Embassy in Nairobi
Henrik Larsen	Deputy Head of Mission, Kenya	Royal Danish Embassy in Nairobi
Nina Berg	Deputy Head of Mission, Somalia	Royal Danish Embassy in Nairobi
Sandra Diesel	Head of Development Co-operation	Embassy of Sweden in Nairobi
Jenny Hill	Head of Development Co-operation	High Commission of Canada
Kobi Bentley	Deputy Head of Mission	DFID
Mattias Mayr	Programme Officer, Somalia	The World Bank
Per Knutson	Head RCO	Office of the United Nations Resident Co-ordinator





Name	Position	Organisation
Ethiopia: 05.02.18 – 09.02.18		
Andreas Gaarder	Ambassador	Royal Norwegian Embassy in Addis Ababa
Mariann Murvoll	Deputy Head of Mission	Royal Norwegian Embassy in Addis Ababa
Morten Heide	Counsellor – Head of Development Co-operation	Royal Norwegian Embassy in Addis Ababa
Marianne Johansen	Counsellor – Climate and Forests	Royal Norwegian Embassy in Addis Ababa
Sissel Idland	Counsellor	Royal Norwegian Embassy in Addis Ababa
Rina Kristmoen	Counsellor – Regional Affairs	Royal Norwegian Embassy in Addis Ababa
Tsige Alemayehu	Senior Programme Offices – Human Rights/Gender Equality	Royal Norwegian Embassy in Addis Ababa
Tsehay Ataklt Hailemichael	Senior Programme Officer	Royal Norwegian Embassy in Addis Ababa
Annika Jayawardena	Head of Development Co-operation	Embassy of Sweden in Addis Ababa
Carolyn Turk + representatives	Country Director	World Bank, Ethiopia
Niall Tierney	Deputy Head of Co-operation	Irish Aid in Ethiopia
Anne Maria Madsen	Deputy Head of Mission	Royal Embassy of Denmark in Addis Ababa
Astrid Wein	Head of Development Co-operation	Austrian Development Agency, Ethiopia
UNICEF representative + team		UNICEF Ethiopia
Elias Wakjira	Planning Director	Ministry of Education, Ethiopia





Name	Position	Organisation
Nepal: 22.01.18 – 26.01.18		
Lasse Bjørn Johannessen	Ambassador	Royal Norwegian Embassy in Kathmandu
Edle Hamre	Minister Counsellor	Royal Norwegian Embassy in Kathmandu
Solveig Andresen	Counsellor	Royal Norwegian Embassy in Kathmandu
Elin Graae Linnestad	First Secretary	Royal Norwegian Embassy in Kathmandu
Vivian Opsvik	First Secretary	Royal Norwegian Embassy in Kathmandu
Caroline Hargreaves	Second Secretary	Royal Norwegian Embassy in Kathmandu
Raj Kumar Dhungana	Governance Advisor	Royal Norwegian Embassy in Kathmandu
Bibek Chapagain	Energy Advisor	Royal Norwegian Embassy in Kathmandu
Kamla Bisth	Education Advisor	Royal Norwegian Embassy in Kathmandu
Kasper Thede Anderskov	Head of Unit	Royal Danish Embassy in Kathmandu
Rurik Marsden	Head	DFID Nepal
Tom Wingfield	Team Leader, Governance	DFID Nepal
Stine Heiselberg	Head of UN Resident Coordination Office	UN RCO
Jimi Oostrum	Education Policy Specialist	UNICEF
Baikuntha Aryal	Head of the International Economic Cooperation Coordination Division	Ministry of Finance, Nepal
Bhola Thapa	Professor; Dept of Mech. Eng.	Kathmandu University
Eklabya Sharma	Deputy Director General	ICIMOD





Name	Position	Organisation
Afghanistan		
Mari Skåre	Ambassador	Royal Norwegian Embassy in Kabil
Johnny Almestad	Counsellor	Royal Norwegian Embassy in Kabul

TABLE A.2 // PARTICIPANTS AT WORKSHOP ON FUTURE TRENDS

Name	Position	Organisation
Oslo October 6 2017		
Kai Eide	Former ambassador	
Mona Brøther	Former ambassador	
Asbjørn Eidhammer	Former ambassador	
Stein Hansen	Expert	
Øivind Eggen	Expert	
Tom Christensen	Professor	
Maputo December 10 2017		
Anne Lene Dale	Ambassador	Royal Norwegian Embassy in Maputo
Tom Edvard Eriksen	Minister Counsellor	Royal Norwegian Embassy in Maputo
Lars Ekman	Counsellor	Royal Norwegian Embassy in Maputo
Tonje Flatmark	First Secretary	Royal Norwegian Embassy in Maputo
Camilla Ramos Fjellvang	Second Secretary	Royal Norwegian Embassy in Maputo
Maren Nygård Basso	Adviser	Royal Norwegian Embassy in Maputo
Marianne Angvik	Project co-ordinator	Royal Norwegian Embassy in Maputo
Guttorm Udjus	Intern	Royal Norwegian Embassy in Maputo

Annex 3: Members of expert panel

TABLE A.3 // MEMBERS OF EXPERT PANEL

Name	Position
Kai Eide	Former ambassador
Mona Brøther	Former ambassador
Asbjørn Eidhammer	Former ambassador
Stein Hanssen	Expert
Øivind Eggen	Expert
Tom Christensen	Professor

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ANNEX 6 – What has guided the division of labour?
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ANNEX 7 – Criteria for selection of countries for in-depth analysis

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Acronyms and abbreviations

AIIB	African Infrastructure Investment Bank	SDG	Sustainable Development Goal
CIDA	Canadian International Development Agency	SIDA	Swedish International Development Co-operation Agency
DAC	Development Assistance Committee	ToR	Terms of Reference
DFID	Department for International Development	UN	United Nations
EXIM	(China) Export-Import Bank	UNDP	United Nations Development Programme
FDI	Foreign Direct Investment	UNEP	United Nations Environment Programme
LICs	Low-Income Countries	UNICEF	United Nations Children's Fund
LDCs	Least Developed Countries		
MDGs	Millennium Development Goals		
MFA	Ministry of Foreign Affairs		
MICs	Middle-Income Countries		
NDB	New Development Bank		
NGOs	Non-Governmental Organisations		
NICFI	Norway's International Climate and Forest Initiative		
NVE	Norges vassdrags- og energidirektorat (The Norwegian Water Resources and Energy Directorate)		
ODA	Official Development Assistance		
OECD	Organisation for Economic Co-operation and Development		
PRSP	Poverty Reduction Strategy Paper		
RBM	Result-Based Management		

Former reports from the Evaluation Department

All reports are available at our website: www.norad.no/evaluation

2018

- 12.18 The Norway-India Partnership Initiative Phase II: Impact Evaluation of Five Interventions
- 11.18 UNGP Human Rights and Norwegian Development Cooperation Involving Business
- 10.18 A Trusted Facilitator: An Evaluation of Norwegian Engagement in the Peace Process between the Colombian Government and the FARC, 2010–2016
- 9.18 Civil society under pressure: Synthesis study of evaluations of Civil Society Organisations' democratisation and human rights work in Southern and Eastern Africa
- 8.18 Evaluation of Norwegian Efforts to Ensure Policy Coherence for Development
- 7.18 International tax agreements and domestic resource mobilisation: Norway's treaty network with low-income countries in Africa
- 6.18 Country Evaluation Brief: Mali
- 5.18 Country Evaluation Brief: Tanzania
- 4.18 Evaluation of the Norwegian Aid Administration's Practice of Results-Based Management
- 3.18 Country Evaluation Brief: Haiti
- 2.18 Country Evaluation Brief: Ethiopia

- 1.18 From Donors to Partners? Evaluation of Norwegian Support to Strengthen Civil Society in Developing Countries through Norwegian Civil Society Organisations

2017

- 11.17 Country Evaluation Brief: Myanmar
- 10.17 Country Evaluation Brief: Nepal
- 9.17 Realising Potential: Evaluation of Norway's Support to Education in Conflict and Crisis through Civil Society Organisations
- 8.17 Norway's International Climate and Forest Initiative: Lessons learned and recommendations
- 7.17 Real-time evaluation of Norway's International Climate and Forest Initiative. An evaluation of empowerment of indigenous peoples and forest dependent local communities through support to civil society organisations
- 6.17 Monolog eller dialog? Evaluering av informasjons- og kommunikasjonsvirksomhet i norsk bistands- og utviklingspolitikk
- 5.17 Country Evaluation Brief: Palestine
- 4.17 Country Evaluation Brief: Malawi
- 3.17 Country Evaluation Brief: Somalia

- 2.17 How to engage in long-term humanitarian crises – a desk review
- 1.17 The Quality of Reviews and Decentralised Evaluations in Norwegian Development Cooperation

2016

- 8.16 Country Evaluation Brief: Mozambique
- 7.16 Country Evaluation Brief: Afghanistan
- 6.16 Country Evaluation Brief: South Sudan
- 5.16 Evaluation of Norway's support for advocacy in the development policy arena
- 4.16 Striking the Balance: Evaluation of the Planning, Organisation and Management of Norwegian Assistance related to the Syria Regional Crisis
- 3.16 Real-Time Evaluation of Norway's International Climate and Forest Initiative. Literature review and programme theory
- 2.16 More than just talk? A Literature Review on Promoting Human Rights through Political Dialogue
- 1.16 Chasing civil society? Evaluation of Fredskorpset

2015

- 10.15 Evaluation of Norwegian Support to capacity development
- 9.15 Evaluation series of NORHED: Evaluability study
- 8.15 Work in Progress: How the Norwegian Ministry of Foreign Affairs and its Partners See and Do Engagement with Crisis-Affected Populations
- 7.15 Evaluation of Norwegian Multilateral Support to Basic Education
- 6.15 Evaluation Series of NORHED Higher Education and Research for Development. Evaluation of the Award Mechanism
- 5.15 Basis for Decisions to use Results-Based Payments in Norwegian Development Aid
- 4.15 Experiences with Results-Based Payments in Norwegian Development Aid
- 3.15 A Baseline Study of Norwegian Development Cooperation within the areas of Environment and Natural Resources Management in Myanmar
- 2.15 Evaluation of Norway's support to women's rights and gender equality in development cooperation
- 1.15 Evaluation of the Norwegian Investment Fund for Developing Countries (Norfund)

2014

- 8.14 Evaluation of Norway's Support to Haiti after the 2010 Earthquake
- 7.14 Baseline. Impact Evaluation of the Norway India Partnership Initiative Phase II for Maternal and Child Health

- 6.14 Building Blocks for Peace. An Evaluation of the Training for Peace in Africa Programme
- 5.14 Evaluation of Norwegian support through and to umbrella and network organisations in civil society
- 4.14 Evaluation Series of NORHED Higher Education and Research for Development. Theory of Change and Evaluation Methods
- 3.14 Real-Time Evaluation of Norway's International Climate and Forest Initiative: Synthesising Report 2007–2013
- 2.14 Unintended Effects in Evaluations of Norwegian Aid
- 1.14 Can We Demonstrate the Difference that Norwegian Aid Makes? Evaluation of results measurement and how this can be improved

2013

- 5.13 Real-Time Evaluation of Norway's International Climate and Forest Initiative: Measurement, Reporting and Verification
- 4.13 Evaluation of Five Humanitarian Programmes of the Norwegian Refugee Council and of the Standby Roster NORCAP
- 3.13 Evaluation of the Norway India Partnership Initiative for Maternal and Child Health
- 2.13 Local Perception, Participation and Accountability in Malawi's Health Sector
- 1.13 A Framework for Analysing Participation in Development

2012

- 9.12 Evaluation of Norway's Bilateral Agricultural Support to Food Security
- 8.12 Use of Evaluations in the Norwegian Development Cooperation System
- 7.12 A Study of Monitoring and Evaluation in Six Norwegian Civil Society Organisations
- 6.12 Facing the Resource Curse: Norway's Oil for Development Program
- 5.12 Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Lessons Learned from Support to Civil Society Organisations
- 4.12 Evaluation of the Health Results Innovation Trust Fund
- 3.12 Evaluation of Norwegian Development Cooperation with Afghanistan 2001–2011
- 2.12 Hunting for Per Diem. The Uses and Abuses of Travel Compensation in Three Developing Countries
- 1.12 Mainstreaming disability in the new development paradigm

2011

- 10.11 Evaluation of Norwegian Health Sector Support to Botswana
- 9.11 Activity-Based Financial Flows in UN System: A study of Select UN Organisations
- 8.11 Norway's Trade Related Assistance through Multilateral Organizations: A Synthesis Study
- 7.11 Evaluation: Evaluation of Norwegian Development Cooperation to Promote Human Rights

6.11	Joint Evaluation of Support to Anti-Corruption Efforts, 2002–2009	12.10	Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative (NICFI)	5.09	Evaluation: Evaluation of Norwegian Support to Peacebuilding in Haiti 1998–2008
5.11	Pawns of Peace. Evaluation of Norwegian peace efforts in Sri Lanka, 1997–2009	11.10	Evaluation: Evaluation of the International Organization for Migration and its Efforts to Combat Human Trafficking	4.09	Evaluation: Evaluation of Norwegian Support to the Protection of Cultural Heritage
4.11	Study: Contextual Choices in Fighting Corruption: Lessons Learned	10.10	Evaluation: Democracy Support through the United Nations	4.09	Study Report: Norwegian Environmental Action Plan
3.11	Evaluation: Evaluation of the Strategy for Norway's Culture and Sports Cooperation with Countries in the South	9.10	Study: Evaluability Study of Partnership Initiatives	3.09	Evaluation: Evaluation of Norwegian Development Cooperation through Norwegian Non-Governmental Organisations in Northern Uganda (2003–2007)
2.11	Evaluation: Evaluation of Research on Norwegian Development Assistance	8.10	Evaluation: Evaluation of Transparency International	3.09	Study Report: Evaluation of Norwegian Business-related Assistance Sri Lanka Case Study
1.11	Evaluation: Results of Development Cooperation through Norwegian NGO's in East Africa	7.10	Evaluation: Evaluation of Norwegian Development Cooperation with the Western Balkans	2.09	Evaluation: Mid-Term Evaluation of the Joint Donor Team in Juba, Sudan
2010		6.10	Study: Evaluation of Norwegian Business-related Assistance Uganda Case Study	2.09	Study Report: A synthesis of Evaluations of Environment Assistance by Multilateral Organisations
18.10	Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative	5.10	Study: Evaluation of Norwegian Business-related Assistance Bangladesh Case Study	1.09	Study Report: Global Aid Architecture and the Health Millenium Development Goals
17.10	Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Tanzania	4.10	Study: Evaluation of Norwegian Business-related Assistance South Africa Case Study	1.09	Evaluation: Joint Evaluation of Nepal's Education for All 2004–2009 Sector Programme
16.10	Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Indonesia	3.10	Synthesis Main Report: Evaluation of Norwegian Business-related Assistance	2008	
15.10	Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Guyana	2.10	Synthesis Study: Support to Legislatures	6.08	Evaluation: Evaluation of Norwegian Development Cooperation in the Fisheries Sector
14.10	Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Democratic Republic of Congo	1.10	Evaluation: Evaluation of the Norwegian Centre for Democracy Support 2002–2009	5.08	Evaluation: Evaluation of the Norwegian Research and Development Activities in Conflict Prevention and Peace-building
13.10	Evaluation: Real-Time Evaluation of Norway's International Climate and Forest Initiative. Country Report: Brasil	2009		4.08	Evaluation: Evaluation of Norwegian HIV/AIDS Responses
		7.09	Evaluation: Evaluation of the Norwegian Programme for Development, Research and Education (NUFU) and of Norad's Programme for Master Studies (NOMA)	3.08	Evaluation: Mid-term Evaluation the EEA Grants
		6.09	Evaluation: Evaluation of the Humanitarian Mine Action Activities of Norwegian People's Aid		

- 2.08 Evaluation: Joint Evaluation of the Trust Fund for Environmentally and Socially Sustainable Development (TFESSD)
- 2.08 Synthesis Study: Cash Transfers Contributing to Social Protection: A Synthesis of Evaluation Findings
- 2.08 Study: Anti-Corruption Approaches. A Literature Review
- 1.08 Evaluation: Evaluation of the Norwegian Emergency Preparedness System (NOREPS)
- 1.08 Study: The challenge of Assessing Aid Impact: A review of Norwegian Evaluation Practise
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