



Riksrevisjonen

The Office of the Auditor General's investigation of information on the results of education aid

Document 3:10 (2018–2019)



The Office of the Auditor General's investigation of information on the results of education aid

Dokument 3:10 (2018–2019)

To the Storting

The Office of the Auditor General hereby submits Document 3:10 (2018–2019)
The Office of the Auditor General's investigation of information on the results of education aid

Documents in this series have the following subdivision:

- Summary of key findings, the Office of the Auditor General's remarks, recommendations, follow-up by the ministry and the Office of the Auditor General's closing remarks
- Appendix 1: The Office of the Auditor General's letter to the Minister
- Appendix 2: Reply from the Minister
- Appendix 3: Report on the administration audit department's investigation and assessments

The Office of the Auditor General uses the following terms for criticism, ranked according to highest severity:

1. **Very serious** is used to refer to circumstances where the consequences for society or the citizens concerned are very serious, e.g. risk to life or health.
2. **Serious** is used to refer to circumstances that could have major consequences for society or the citizens concerned, or where the sum of errors and deficiencies is so great collectively that the situation must be considered serious in itself.
3. **Very reprehensible** refers to circumstances that have less serious consequences, but which nevertheless concern matters of fundamental or major importance.
4. **Reprehensible** is used to characterise inadequate management where the consequences will not necessarily be serious. This could concern errors and deficiencies that have financial consequences, the infringement of regulations or matters that have been brought up previously but have still not been rectified.

The Office of the Auditor General, 7 May 2019

For the Board of Auditors General

Per-Kristian Foss
Auditor General

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The Office of the Auditor General's investigation of information on the results of education aid

Significant funds are allocated for aid every year. A total of almost NOK 200 billion was allocated for aid between 2012 and 2017, while the balanced budget for 2018 amounted to NOK 35.3 billion. The Storting has repeatedly indicated that it is important to obtain good information on the allocation of aid and the results of the funds.

Education has been a high priority area in Norwegian development policy since 2013. The annual appropriation has doubled from NOK 1.7 billion in 2013 to around NOK 3.6 billion in 2017. In White Paper 25 (2013–2014) *Education for Development*, the Ministry of Foreign Affairs lays down a framework for the Norwegian initiative. The White Paper states that the field of education must be a main priority for Norwegian foreign and development policy, and that Norway must help to create results through knowledge-based, innovative initiatives based on experiences and skills.

Reliable and relevant information on the results of education aid are crucial in order to assess whether targets and performance requirements are being met. As a result of weak performance information, the grant manager has a poor foundation to work from when managing aid projects. The Ministry of Foreign Affairs, Norad and the embassies then risk creating plans and follow-up activities that fail to address the actual problems. Good data and correct performance information are therefore important to ensure that targets are being met and that education aid is being structured in the most appropriate way possible.

The objective of the investigation has been to assess the work being done by Norad and the Ministry of Foreign Affairs to ensure reliable and relevant performance information in education aid. The investigation essentially covers the 2012–2018 period.

The investigation was based on the following decisions and intentions of the Storting:

- Recommendations 7 S for the budget propositions for the Ministry of Foreign Affairs for 2014 to 2018
- Recommendation to the Storting no. 93 (2004–2005) *Innstilling fra utenrikskomiteen om felles kamp mot fattigdom. En helhetlig utviklingspolitikk.*
- Recommendation to the Storting no. 269 (2008–2009) *Innstilling fra utenrikskomiteen om klima, konflikt og kapital. Norsk utviklingspolitikk i et endret handlingsrom.*
- Recommendation 125 S (2014–2015) *Innstilling fra utenriks- og forsvarskomiteen om utdanning for utvikling.*
- Recommendation 440 S (2016–2017) *Innstilling fra utenriks- og forsvarskomiteen om Felles ansvar for felles fremtid – Bærekraftsmålene og norsk utviklingspolitikk.*

The report was submitted to the Ministry of Foreign Affairs in a letter dated 1 December 2018. The Ministry commented on the report in a letter dated 25 January 2019. A letter from Norad dated 15 January 2019, which included comments on the report, was enclosed with the Ministry's letter. The comments have largely been incorporated into the report and this document.

The report, the Board of Auditors General's covering letter to the Ministry dated 26 February 2019 and the Minister's reply of 12 March 2019 are enclosed as appendices.

1 Key findings

- The aid administration is not doing enough to ensure reliable and relevant performance information on education aid.
- Norway's funding for the REACH* trust fund has uncertain and delayed results.
- Reporting to the Storting on results from Norwegian education aid lacks nuance and includes a number of examples of misleading information
- Insufficient information is provided on results, administrative costs and the use of Norwegian development funds.
- The Norwegian prioritisation of education for children with disabilities is hardly followed up in practice.
- DFID's work on performance information shows that the Norwegian aid administration has potential to learn and improve.

* Results in Education for All Children

** Department for International Development in the United Kingdom

2 The Office of the Auditor General's comments

2.1 The aid administration is not doing enough to ensure reliable and relevant performance information on education aid

When discussing White Paper 25 (2013–2014) *Education for Development*, see Recommendation 125 S (2014–2015), the Foreign and Defence Committee emphasised the importance of operational targets and specific measurement of results in the education initiative. As grant managers, the Ministry of Foreign Affairs, Norad and the embassies must monitor that the recipients meet the conditions of the grants. Specific requirements for the administration's follow-up are provided in guidelines developed by the Ministry of Foreign Affairs.

2.1.1 The basis for funding decisions is better documented in bilateral projects than for multilateral organisations

Development of a good results framework with good baseline data is an important element in planning an aid project, as this is absolutely key to whether it is possible to measure progress and assess the results achieved by the project.

The investigation shows that the aid administration is moving in the right direction with regard to the planning of education projects for specific countries. All the bilateral projects investigated have results frameworks, and Norad and the embassies consider these relatively thoroughly. There are still some weaknesses: for example, less than one third of the projects have compiled adequate baseline data, but there appears to be a positive development. For instance, more systematic and verifiable assessment of applications for funding from civil society organisations has been introduced.

The investigation also shows that the preparations for providing global education funding to UNICEF and, to an extent, the Global Partnership for Education (GPE), has been less well-documented than for the bilateral projects. There are no decision documents that systematically consider the results framework, risks, sustainability and budget in connection with the decision to provide funding for the UNICEF Global Thematic Education Fund. The Ministry of Foreign Affairs has only prepared memoranda for the Ministry's political staff, providing brief reasons as to why UNICEF should receive the funding. In addition to this, the Ministry of Foreign Affairs is following up the funding for UNICEF by means of board meetings and negotiations, and performs regular assessments of UNICEF's plans, results and finances. However, experiences from this work have not been compiled into a comprehensive, systematic assessment that makes it possible to verify the basis for the decisions to provide funding. No decision document was prepared for the funding for GPE for 2015–2017. However, an extensive decision document in which all relevant issues were systematically reviewed was prepared for the funding for GPE for 2018–2020. The global unspecified allocation to these two organisations stands at more than NOK 1 billion annually. Furthermore NOK 110 million was provided to the multi-donor trust fund REACH without the existence of a complete results framework describing what the fund was to achieve and how this was to be achieved.

Given the major financial scope of the agreements with UNICEF and REACH, the limited documentation of the preliminary assessment of these funds does not appear to be very balanced compared with the preliminary assessment of education projects for civil society organisations that are of less financial value. While, in the opinion of the Office of the Auditor General, the latest decision document for the GPE represents good administrative practice, it is difficult to verify the considerations underlying the decision on funding for UNICEF. In the opinion of the Office of the Auditor General, it is reprehensible that key elements are not systematically compiled and documented before decisions to provide funding are made.

2.1.2 The aid administration places little emphasis on data quality when following up projects and when continuing funding

The 2013 Grant Management Manual specifies requirements for how the grant manager should follow up aid projects during the implementation phase, for example by reviewing progress reports and annual reports from the grant recipient, assessing reported performance information and achievement of objectives, holding annual meetings and conducting field trips. The grant manager is the Ministry of Foreign Affairs, Norad or the embassy, depending on the project.

The review of 21 selected Norwegian aid projects for education shows that the aid administration's follow-up is more thorough during the planning phase than during the implementation and final phases of the projects. The investigation shows that there are clear weaknesses in how the administration follows up performance reporting from agreements in progress. The grant manager rarely undertakes thorough assessments of the achievement of objectives based on the indicators in the results framework. Section 6.3.6 of the Provisions on Financial Management in Central Government state that the grant manager must obtain reports from the grant recipients that make it possible to assess to what extent the objectives of the grant have been met. The investigation also shows that for a number of the selected projects, the administration has only to a limited extent met this requirement. For a number of the projects, the grant recipient has not reported in accordance with the results framework.

In the investigation, 18 of the 21 selected aid projects were assessed to see whether the performance information was reliable and relevant. Just 4 of the 18 projects were

assessed to have performance information that was both reliable and relevant. Most of the projects were assessed to have relevant performance information overall, although weaknesses were identified here as well; for instance with regard to establishing whether the aid reaches priority groups such as children with disabilities. Fewer projects were assessed to have reliable performance information. The fact that a number of projects have relevant performance information may be linked with the fact that all the projects have results frameworks in compliance with applicable requirements, and this helps to ensure that performance information is more relevant.

Assessments of whether the reported performance information is reliable seems only to a limited extent to be part of the follow-up performed by the administration. Of the projects reviewed, there are few instances in which the grant manager has asked questions about the reliability of the performance information or has verified the information by gathering data from alternative sources or undertaking a random check. If the Ministry of Foreign Affairs, Norad and the embassies do not verify the performance information from grant recipients, they have to assume that the information is correct. Norway's funding for UNICEF's country programme in South Sudan is one of few instances where the administration has questioned whether the performance information is reliable. In this case, the results had to be downgraded as they were unrealistic. This shows that the grant manager ought to make independent assessments of reported results and not rely exclusively on grant recipient's own reported performance information.

The audit has reviewed whether projects with reliable and relevant performance information have special features. The analysis shows that projects with reliable performance information are characterised by the fact that improving data quality is an integral part of the project. Moreover, these are more recent projects and have solid results frameworks. Projects with relevant performance information are characterised by the fact that there are few administrative intermediaries between the grant manager and the organisations implementing the project, and they also have solid results frameworks.

Most of the investigated projects were either continued from previous agreements, or a decision has been made to continue them. The investigation shows that a number of these projects have been continued without their results having being reviewed or evaluated comprehensively. The project review also shows that in some cases, Norad or the embassies have continued agreements even if they had critical remarks on the performance reporting by the grant recipient. This was applicable, for example, to an agreement between Norad and a civil society organisation amounting to more than NOK 500 million that was continued and increased to more than NOK 800 million despite the fact that Norad found it difficult to conclude whether the results from the first agreement period were good. The Office of the Auditor General considers it reprehensible that weak performance reporting from the grant recipients seems to be of little consequence to the allocation of grants, in that even grant recipients that are limited in their ability to document results continue to receive funding. Thus the administration has not used the performance information as a basis for new decisions to a sufficient extent.

2.2 Norway's funding for the REACH trust fund has uncertain and delayed results

In White Paper 25 (2013–2014) *Education for Development*, it is underlined that traditional aid has not resulted in satisfactory learning outcomes, and that results-based financing is considered to be a potentially important tool for improving results in certain areas. Therefore, an exploratory trust fund for results-based financing of

education aid, “Results in Education for All Children – REACH”, was set up in 2015. The trust fund was managed by the World Bank and Norway initially provided NOK 60 million to the fund. As of 2018, Norway has contributed NOK 110 million to the fund.

Before the trust fund was set up, Norad commented on the World Bank’s project proposals on a number of occasions. Norad strongly recommended that the World Bank should establish a robust results framework before Norway allocated resources to the trust fund. In that context, Norad referred to the requirement in the Financial Regulations stating that the grant manager should be able to obtain reports that make it possible to assess to what degree objectives were achieved. In the opinion of Norad, the World Bank’s project proposal did not contain sufficient information on anticipated results and how these could be measured. Nevertheless, the Ministry of Foreign Affairs entered into an agreement with the World Bank without the existence of a results framework. There are no comments in the decision document written by the Ministry of Foreign Affairs before the fund was set up to indicate why the expert advice from Norad was not followed. Nor was the project assessed externally before the agreement was entered into, although the decision document indicated that this should be done.

In 2017, a decision was made to perform an external assessment of the trust fund. This assessment indicated that the REACH trust fund was failing to deliver results as anticipated. It also emphasised that the World Bank is too concerned with building its own capacity and has not passed on its knowledge to other development partners. As of 2018, the various projects funded through REACH are delayed by about 18 months. The donors – Germany and the US, in addition to Norway – agree that new funding should not be provided to the trust fund. Both Norad and the Ministry of Foreign Affairs stated in the autumn of 2018 that they had no clear indicator of what REACH had achieved to date.

The Provisions on Financial Management state that the grant manager must obtain reports from the grant recipients that make it possible to assess to what extent the objectives of the grant have been met. To enable this, the objective achievement criteria must be so specific and precise that they can be followed up in progress reports and annual reports. The status is that Norway has spent NOK 110 million on the REACH trust fund without knowing what the results are. The aid administration also demonstrates little ability to learn in this case, as a 2012 evaluation of a similar health trust fund supported by Norway had emphasised the importance of having a robust results framework for such trust funds. The Office of the Auditor General considers it reprehensible that the Ministry of Foreign Affairs failed to follow the advice to develop a robust results framework before entering into the agreement.

2.3 Reporting to the Storting on results from Norwegian education aid lacks nuance and includes a number of examples of misleading information

In Recommendation 7 S (2014–2015), the Foreign and Defence Committee notes that there have been a number of mergers of budget entries over a period of years, and that such changes may make it more difficult for the Storting to influence and control how the funding is used. Therefore, the Committee asked the Government to prepare budget-related changes that improve the Storting’s chances of gaining an insight into budget funds in the 2016 budget, and influencing and controlling their use. The budget structure has been amended in the budget proposition for 2019 and has been thematically organised to a greater extent.

Working on the basis of the selected education aid projects, the audit has reviewed the budget propositions for the 2017–2019 financial years with a view to illustrating reliability and relevance in the reporting. The investigation shows that there are

weaknesses in the reporting to the Storting on education aid, in terms of both reliability and relevance. The reporting is characterised by the highlighting of certain examples and individual indicators from selected aid projects, resulting in the Storting failing to gain a comprehensive view of what results have been achieved. Random checks have also revealed a number of examples of erroneous reporting. Errors have been found with regard to both the number of children enrolled in schools and the number of children who do not attend school in Nepal. It is also difficult to verify the information when reference is made to statistics, as there is no indication of the sources from which the statistics are taken. Another example is from a civil society organisation where the budget proposition reports that children with disabilities had been given access to schooling, while the investigation has shown that this was incorrect – children with disabilities were not a target group for the project.

In many cases, only the positive results from the projects are highlighted in the budget proposition, while poor results or weak achievement of objectives are rarely referred to. This is also true for major multilateral initiatives of high financial significance. The reporting from the education funding for UNICEF is one example of this. Prop. 1 S (2017–2018) states that UNICEF's achievement of objectives related to its milestones for education for 2016 stands at 94 per cent. It is not evident from the report that UNICEF has downgraded its targets for individual indicators significantly in relation to the previous year during the funding period, so that the percentage achievement of targets has increased. The Office of the Auditor General understands that a lack of space in the budget proposition means that it is not possible to explain all indicators in full. Nevertheless, the Ministry is responsible for ensuring that the information provided to the Storting is not misleading. The Office of the Auditor General considers that the budget proposition may give the Storting the impression that UNICEF is achieving better results than is actually the case.

The project review also shows that there is little reporting on the challenges in aid for education. The references to the multi-donor trust fund REACH, for example, do not mention the delays in the implementation of the trust fund's projects, or that the trust fund has failed to deliver results as anticipated. The same is true of the challenges in the Norwegian-funded education programme in South Sudan run by UNICEF. In 2016, an external review of the Norwegian portfolio of education projects in South Sudan was carried out. It made a number of critical remarks on UNICEF, which mainly reported on activities and not on the learning outcomes for children. Neither the review nor any of its findings are referred to in the budget proposition.

The instances of misleading reporting and little reference to challenges in the budget propositions make it difficult to obtain a general overview of the results of Norwegian education aid. This may entail that the Storting is provided with a weaker basis for making decisions about the size and distribution of the aid budget.

2.4 Insufficient information is provided on results, administrative costs and the use of Norwegian development funds

In its 2017 report *Rising to the Challenge*, Norad collected data on the results of Norwegian education aid for the 2013 to 2016 period. The Office of the Auditor General considers this to be positive, as it gives the general public a better insight into Norway's education aid overall. At the same time, the investigation shows that there is insufficient transparency with regard to both administrative costs and results of individual projects and programmes.

2.4.1 Administrative costs are not clearly shown

The Provisions on Financial Management require efficient use of resources and sufficient management information. The Office of the Auditor General acknowledges

that the implementation of aid projects requires administration of the projects and running of the recipient organisations. This is why a part of the grant provided for aid projects covers administrative costs. The amount required for administration depends on factors such as conditions in the countries in which the projects are implemented, for example, the security situation. Administrative costs are understood in the investigation to be costs that cannot be linked directly to the implementation of the project in question, such as rent and salaries to administrative employees, both at the organisation's head office and in the recipient countries. Costs related to the administration of specific projects come in addition, and are not examined here.

For funding for civil society organisations and individual projects, the Ministry of Foreign Affairs and Norad have determined that normally 5 percent and a maximum of 7 percent of the funding can be used as a contribution to cover the grant recipient's administrative costs.

The investigation shows that the administrative costs of civil society organisations in fact amount to more than 7 percent of the funding from Norad in a number of cases. This is in line with practice established by Norad which entails that administrative costs at civil society organisations' offices in recipient countries are interpreted as project costs and so are not included in the maximum rate of 7 percent. Only administrative costs at the head office in Norway are included in the rate. In one of the selected framework agreements, which is of considerable size, administrative costs actually amount to around 20 percent of the expenses covered by the grant, when administrative costs in the recipient countries are also included. The Office of the Auditor General takes no position on whether this is a reasonable percentage to be spent on administration, but takes note of the fact that the actual administrative costs are not made clear in the agreement between Norad and the recipient organisation. Furthermore, Norad does not generally receive country level accounts from the civil society organisations.

The Ministry of Foreign Affairs or Norad has not unilaterally set a maximum rate for how much of Norway's funding for UNICEF, the GPE or multi-donor trust funds such as REACH can be spent on administrative costs. Norway is to comply with the rates established within the organisations. The investigation shows that establishing what proportion of education funding for these organisations that is spent on administration may be a complex task. The Ministry of Foreign Affairs and Norad have been dissatisfied with the level of detail in the financial reporting from UNICEF and REACH, and could only provide a more detailed calculation of the REACH trust fund's administrative costs after a request from the audit.

The Office of the Auditor General concludes that the Ministry of Foreign Affairs and Norad do not have a complete overview of how much education aid is spent on administration. The Office of the Auditor General also notes that the Ministry of Foreign Affairs provides little information in its budget proposition and to the general public on how much of the development funds are spent on covering the administrative costs of the recipients. In the opinion of the Office of the Auditor General, there is less insight into how the funds are used, making it more difficult for the general public and the Storting to follow the funds provided for aid purposes.

2.4.2 Norway ranks low on the Aid Transparency Index

Norway has endorsed several declarations on aid effectiveness, most recently in Busan (2011). Transparency is one of a number of donor principles for aid: see White Paper No. 24 (2016–2017) *Common Responsibility for a Common Future – The Sustainable Development Goals and Norway's Development Policy*. The international

Aid Transparency Index measures how transparent countries and organisations are about their aid. Norway ranks 35th out of a total of 45 donors in the index for 2018. In comparison, DFID in the UK ranks third and UNICEF ranks ninth.

Among other things, Norway is given a score of 0 on the indicator relating to publication of information on results from projects. Although some information on results is available on the websites of the Ministry of Foreign Affairs and Norad, little information on results from individual projects is available to the general public. Results frameworks, preliminary assessments, progress reports and internal project evaluations are not published on the websites. Furthermore, the Ministry of Foreign Affairs and Norad merely publish results from selected projects, as in the case of Norad's annual performance report. The investigation's review of DFID's education projects shows that DFID makes all relevant project documents available on its own website. The Office of the Auditor General notes that Norway does not publish all relevant project documentation. This increases the risk of performance information becoming less relevant and reliable as it is difficult for the general public to verify it.

2.5 The Norwegian prioritisation of education for children with disabilities is hardly followed up in practice

Inclusion of children with disabilities is a key element in the Norwegian education initiative. In Recommendation 125 S (2014–2015) of White Paper 25 (2013–2014) *Education for Development*, the Foreign and Defence Committee has made a specific statement on children with disabilities. The Committee is of the opinion that the amount of aid going to the disabled must be increased, and that more precise reports must be submitted to the Storting concerning the efforts for the disabled. The committee also notes that the initiative for children with disabilities is highly relevant in Norway's cooperation with UNICEF and the GPE.

In 17 of the 21 the projects reviewed, the emphasis on children with disabilities is used to a greater or lesser extent as an argument for the provision of Norwegian funding. However, only four projects report on how many children with disabilities actually gain access to schooling, complete their schooling, etc. The results frameworks for the remaining projects that highlight children with disabilities as a key target group in their applications and decision documents have no indicators that make it possible to tell whether the project is actually helping to provide a better education for these children.

UNICEF and the GPE – the two biggest recipients of Norwegian education funding and, according to the Ministry of Foreign Affairs the most important channels for initiatives involving children with disabilities – do not report on the number of children with disabilities. Both organisations support what they call inclusive education projects, which is also at the heart of Sustainability Development Goal no. 4, but using the term “inclusive education” is less binding than reporting specifically on results aimed at children with disabilities. None of the indicators in the GPE's strategic plan for 2016–2020 measure the number of children with disabilities who have gained access to schooling and learning, despite the fact that one of the main objectives in the strategic plan explicitly includes children with disabilities as one of the main groups to be reached.

Two exceptions are the civil society organisations Save the Children and ADRA (Adventist Development and Relief Agency), which report on children with disabilities in their four education projects. This indicates that it is possible to facilitate data collection.

The Office of the Auditor General considers it reprehensible that overall, the prioritisation of children with disabilities, as stated in Norwegian development policy, is not reflected in the implementation and reporting of the projects. This also means that there is little relevant information on the results for children with disabilities, from education aid projects funded by Norway.

2.6 DFID's work on performance information shows that the Norwegian aid administration has potential to learn and improve

As part of the investigation, a comparison has been made with the United Kingdom's *Department for International Development* (DFID). The purpose has been to see how DFID works with performance information from its education aid projects.

The review of a selection of DFID's education projects shows that DFID carries out thorough assessments of the proposed project during the planning phase. The decision documents prepared by DFID refer more extensively to previous research and knowledge within the relevant area than the decision documents prepared by the Norwegian aid administration.

When following up the projects, DFID ensures that the recipient organisations report on relevant indicators in the results framework each year. DFID's annual reviews of the projects assess the achievement of objectives for each individual indicator. Changes to the results framework are also documented here.

The investigation also shows that DFID verifies the performance information from the selected aid projects more often than the Norwegian aid administration. This is, for example, done by result advisers employed at DFID's country offices. In the education programme in Ethiopia, which is funded by both Norway and DFID, DFID has carried out its own examination of performance information from the programme. DFID has also developed a number of guides and practical manuals to assist with efforts to improve performance information from aid. For example, a practical guide on how DFID can improve its collection of data on children with disabilities has been developed.

The Office of the Auditor General is aware that there are differences between DFID and the Norwegian aid administration in respect of regulations, financial scope and how the aid is administered. DFID has both larger and fewer projects than Norway; and less of its education aid is provided via multilateral organisations. Nevertheless, the investigation indicates that DFID's assessment of performance information from education aid projects provides a basis for more knowledge-based management than is the case with the Norwegian aid administration. In the opinion of the Office of the Auditor General, the Norwegian aid administration has opportunities to learn and improve its efforts to ensure that it receives high-quality performance information. In turn, this will help to lay a foundation which will better allow Norwegian education aid to achieve its objective of increasing learning outcomes for all children.

3 The Office of the Auditor General's recommendations

The Office of the Auditor General recommends that the Ministry of Foreign Affairs:

- Ensures that the aid administration follows up on and verifies performance reporting during the implementation phase of the projects and uses this information to make new decisions

- Facilitates systematic learning by the aid administration from projects and other stakeholders that achieve good results and maintain good performance information.
- Ensures that information is available on results for children with disabilities in line with the Storting's request for more precise reporting for this group.
- Facilitates a more balanced reporting of results from Norwegian aid, with information on both strong and weak results.
- Makes more information on results from projects available to the general public, and shows the administrative costs of the grant recipients.

4 The Ministry's follow-up

The Minister expresses that the report draws attention to important aspects of Norwegian aid administration and provides useful input for learning and improvement. The Minister is pleased that it is pointed out that the aid administration is moving in the right direction in key areas, and will follow up closely on outstanding challenges. In particular, efforts will be made to improve reporting on results for children with disabilities.

The Minister considers it positive that the preparation of aid initiatives appears to have been strengthened over the past few years. The Minister notes and intends to follow up on the report's findings that the decisions on funding to UNICEF to a greater extent should be compiled in a decision document. The Minister notes, however, that the Ministry puts considerable effort into developing UNICEF strategies, budgets, reports and evaluations as part of its participation on the UNICEF board of directors.

The Minister takes note of the findings of the report that state that the aid administration is placing insufficient emphasis on performance reporting when continuing agreements. However, the Minister is not of the opinion that this was the case for the agreement between Norad and a civil society organisation to which the Office of the Auditor General refers in its comments. The Minister emphasises that the civil society organisation in question is a robust partner achieving good results, and that this formed the basis for the continuation and increase of funding to the organisation.

The Minister notes that the Office of the Auditor General has found a few errors in figures that have been reported to the Storting, and that parts of the reporting on education aid are lacking nuance. The Minister takes these findings very seriously and will ensure that the reporting is improved in future. The Government's amendment of the budget structure is one element in the facilitation of better reporting to the Storting.

The Minister emphasises that there are a number of complex issues linked with administrative costs. He will look more closely at possibly clarifying grant recipients' administrative costs. The Minister highlights that the level of administrative costs does not necessarily reflect the effectiveness of the aid. Administrative costs for the most vulnerable groups in conflict zones, for example, will be higher due to the security situation. The Minister points out that it would be unfortunate if the discussion on administrative costs were to be separated from the context in which the projects are implemented, who the partners are and the purpose of the projects.

The Minister notes that the Ministry has probably not published sufficient information on Norwegian aid and intends to make such information more readily accessible.

The Minister agrees with the conclusion that there is much to be learned from the United Kingdom Department for International Development (DFID). A discussion of this kind must be based on an understanding of the differing conditions that are in place at DFID and the aid administration in Norway.

The Minister outlines a number of measures for following up on the Office of the Auditor General's recommendations. The Ministry is already working on reinforcing its guidelines to executive officers and managers on how to ensure the quality of performance information from grant recipients. The Ministry will also consider further measures for increasing the control of incoming data, like random samples, in order to reduce the risk of incorrect information. The establishment of a new results portal will provide insight into projects and the level of goal achievement for anyone who would like to access such information. Further development of the grants portal that gathers information on all projects will also enable systematic learning across projects. The Ministry is considering starting a trial for REACH and GPE in order to test annual reviews of multilateral funds and programmes as part of efforts to learn from DFID. The Ministry will also consider using the grants portal to better highlight administrative costs.

To improve reporting on children with disabilities, efforts have recently been made to make it possible to clearly mark in the Ministry's internal administration tool the grant agreements where children with disabilities form a key objective of the agreement. The Minister also refers to a number of other initiatives, including the fact that Norway has helped to set up a new multi-donor trust fund that aims to strengthen the collection of data on children with disabilities in the poorest countries.

The Minister points out that the changes to the budget proposition for 2019 have formed a basis for more concentrated and aggregated reporting on the results of education aid. Although reporting will be sample-based, the Ministry will strive to make the reporting more balanced. The Minister will also emphasise the specification of sources of figures and statistics.

5 The Office of the Auditor General's closing remarks

The Office of the Auditor General has no further remarks.

The case will be submitted to the Storting.

Adopted at the meeting of the Office of the Auditor General on 24 April 2019

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Appendix 1

The Office of the Auditor General's
letter to the Minister

MINISTRY OF FOREIGN AFFAIRS
Postboks 8114 DEP
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FAO: Minister Dag-Inge Ulstein

Submission of Document 3:x on the Office of the Auditor General's investigation of information on the results of education aid

Please find enclosed a draft version of Document 3:x (2018–2019), *The Office of the Auditor General's investigation of information on the results of education aid*.

The document is based on a report that was sent to the Ministry of Foreign Affairs in connection with our letter dated 7 December 2018, and on the Ministry's reply dated 25 January 2019.

The Minister is asked to explain how the Ministry will follow up the Office of the Auditor General's remarks and recommendations, and whether the Ministry disagrees with the Office of the Auditor General.

The Ministry's follow-up will be summarised in the final document submitted to the Storting. The Minister's reply will be enclosed with the document in its entirety. Please submit the reply as a PDF file saved from Word, not scanned as an image, so that its contents may be made available to everyone in compliance with universal design requirements.

Deadline for reply: 13 March 2019.

For the Board of Auditors General

Per-Kristian Foss
Auditor General

Appendices:

Draft version of Document 3:x (2018-2019) *The Office of the Auditor General's investigation of information on the results of education aid*

The letter has been sent digitally and therefore has no handwritten signature.

Appendix 2

The Minister's reply



Office of the Auditor General
Postboks 6835 St. Olavs plass
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Confidential; see
Freedom of
Information Act
section 5, second
paragraph

Your ref.:

Our ref.: 16/12509 -

Date: 12/03/2019

Response from the Minister for Development concerning the Office of the Auditor General's investigation of information on the results of education aid

I refer to your letter dated 26 February and the draft version of Document 3:x (2018–2019) *The Office of the Auditor General's investigation of information on the results of education aid*.

The Office of the Auditor General has worked extensively on investigating the information on the results of education aid for the period covering 2012–18. In this report, the Office of the Auditor General draws attention to important aspects of the Norwegian aid administration and provides useful input for learning and improvement. I am pleased that it has been pointed out that the aid administration is moving in the right in key areas and will follow up closely on outstanding challenges. In particular, I would like to take action and improve reporting on the results for children with disabilities.

Furthermore, I would like to note that the aid is intended for people in complex life situations, who live in high-risk areas where conditions are often unpredictable. This should not prevent good, responsible administration. Nevertheless, it could affect access to relevant and reliable performance data.

I have the following comments on the remarks made by the Office of the Auditor General:

The basis for funding decisions is better documented in bilateral projects than for multilateral organisations.

The fact that the Office of the Auditor General finds that administration in the preparation of education aid funding appears to have been strengthened over the past few years is a positive factor. Guaranteeing such “quality at entry” has been a high

priority. In general, there is a good tendency for more recent projects to be reviewed most positively in the Office of the Auditor General's investigation; and this includes relevant and reliable performance information as well. The Office of the Auditor General emphasises that the aid administration is moving in the right direction with regard to the planning of education projects in specific countries. All the bilateral projects investigated have results frameworks, and Norad and the embassies consider these relatively thoroughly, according to the report. There are still weaknesses, but there appear to be positive developments. Furthermore, more systematic and verifiable assessment of applications for funding from civil society organisations has been introduced.

The Office of the Auditor General is of the opinion that there are opportunities for improvement linked to the preparation of decisions regarding funding to multilateral recipients such as UNICEF. As an active board member, we invest a significant amount of effort in assessing and developing UNICEF strategies, budgets, performance monitoring systems, reports and evaluations. As a member of MOPAN (Multilateral Organisation Performance Assessment Network), we contribute and gain access to thorough reviews of multilateral organisations and funds. All this information and the decisions made by the board form a basis for our decisions on funding, which are approved at a political level. The Office of the Auditor General is of the opinion that these assessments ought to be compiled more extensively into documents as a basis for decisions on funding. I have noted this and will follow up.

The report shows that no decision documents were compiled for the funding for the Global Partnership for Education (GPE) for 2015–17. This is a failure in our procedures. I note that the Office of the Auditor General emphasises that an extensive decision document has been prepared for GPE funding for 2018–20, and that this document has systematically reviewed all relevant conditions and represents good administrative practice in the opinion of the Office of the Auditor General.

The aid administration places little emphasis on data quality in project follow-up and when continuing funding, where applicable

The Office of the Auditor General points out that Norwegian aid administration places insufficient emphasis on performance reporting when continuing agreements. I will make a note of this. At the same time, I would like to point out that I do not believe that the example provided by the Office of the Auditor General in its remarks is such a case. The civil society organisation in question is a robust partner that achieves good results, and this also formed the basis for the continuation and increase in funding as referred to.

Norway's funding for the REACH trust fund has uncertain and delayed results

The Office of the Auditor General emphasises that a lack of a results framework in the 2015 agreement with the multi-donor trust fund Results in Education for All Children (REACH) has presented a challenge with regard to assessment of the achievement of the fund's goals. In White Paper 25 (2013-14) *Education for Development*, it was established that the Government, where appropriate, will work more extensively on the basis of the principle of results-based financing (RBF) in education programmes and projects. Results-based financing is an important instrument in education aid, and 30 per cent of GPE education funds and 75 per cent of the World Bank's education funds use results-based financing. Information on what works is both relevant and necessary. The purpose

of the REACH trust fund has been to obtain information on how this type of financing works. As the report states, the results from REACH have been delayed. However, an extensive report was published in early 2019 which provides an insight into important criteria that allow results-based financing in education to work. This report will be a useful tool for stakeholders working with results-based financing in the field of education.

Reporting to the Storting on results from Norwegian education aid lacks nuance and includes a number of examples of misleading information

I note that the Office of the Auditor General has found a few errors in figures reported to the Storting and that parts of the report on education aid results lack nuance. I am taking this finding extremely seriously and will ensure that the reporting is improved and more comprehensive in future. Given the fact that Prop. 1 S has a very limited scope, we will assess nuanced and supplementary reports on education aid. A recent example of this is the report entitled Rising to the Challenge (2017), which presents quality-assured performance information on Norwegian education.

The Government collated education funding in a budget chapter dated 2018. This restructuring is part of the effort to ensure good, accurate reporting to the Storting.

There is no doubt that UNICEF has a high level of achievement of goals with regard to education. Unfortunately, reporting to the Storting on UNICEF's results for 2016 may appear to be misleading. In the 2017–2018 period, the Ministry of Foreign Affairs spoke to UNICEF on the issue relating to the calculation method for achievement of goals. This has been amended in the thematic annual reports in line with the indications, and so UNICEF's reporting for 2017 and 2018 provides a more accurate view of its achievement of goals.

Administrative costs are not made clear

The Office of the Auditor General recommends that the Ministry of Foreign Affairs highlights the administrative costs of grant recipients. This is something I will look at more closely. I would like to underline the fact that a number of complex issues are linked to administrative costs. The Ministry of Foreign Affairs and Norad have guidelines on how much can be given in administrative contributions to cover administrative costs among grant recipients. These costs are established in each individual agreement and could be reported to the Storting. However, we have no guidelines on how much of the funding can also be spent on covering administrative costs beyond this, among local partners of our grant recipients. This is because direct or indirect costs at country level vary from project to project. The report by the Office of the Auditor General provides a good explanation of how these may vary from a civil society project, where there is often a direct programme cost for reinforcing the organisation and capacity of a local partner. Corresponding costs in a cooperation project with a major professional, international voluntary organisation may be indirect operating costs.

Reporting of overall administrative costs at country level is demanding, for a number of reasons. Administrative costs of different kinds and direct project costs are often interwoven. Grant recipients vary widely, from small projects to large funds and programmes. Reporting on administrative costs will require mutual understanding with all our grant recipients on how administrative costs at country level are to be defined and reported.

It is important for me to emphasise that the level of collective administrative costs does not necessarily reflect the effectiveness of the aid. The most vulnerable groups often live in conflict zones. Here, administrative costs are often higher on account of the security situation. Providing effective aid is one objective, but it would be unfortunate if a situation were created resulting purely in discussion on percentages of administrative costs, detached from the context in which projects are implemented, the partners in question and the purposes of the project.

Norway ranks low on the Aid Transparency Index

There must be complete transparency with regard to how Norwegian aid funding is spent. Norad's statistics portal can be accessed by everyone at Norad.no, and it includes quality-assured figures showing the countries, sectors and channels to which funding has been given. Quality-assured figures for the previous year are published in April each year.

Norway operates in compliance with the regulations of the OECD Development Assistance Committee (DAC) when it comes to keeping aid statistics. The OECD/DAC highlights Norwegian statistics as an example of high-quality statistics offering good coverage.

I have noted that we have probably published insufficient information on Norwegian aid, and we intend to make this information more readily accessible. Thematic reports and evaluations can also be accessed on our website. The Rising to the Challenge (2017) report referred to above, which summarises quality-assured performance information relating to Norwegian education aid for 2013-2016, gave a boost to our presentation of Norwegian education aid results.

The Norwegian prioritisation of education for children with disabilities is hardly followed up in practice

This report discusses the need for better reporting on education offerings for children with disabilities. This is an important finding that I take extremely seriously. A lack of statistics and data relating to children with disabilities is a primary challenge when it comes to inclusive education efforts. Through stakeholders such as UNICEF and GPE, Norway has been a driving force encouraging increased emphasis on children and young people with disabilities. Integrating statistics relating to disability in our partner countries' data systems requires good data collection tools and expertise at national statistics agencies. Work on education statistics for children and young people is complex and time consuming, even in Norway.

DFID's work on performance information shows that the Norwegian aid administration has potential to learn and improve

I agree with the conclusion of the Office of the Auditor General, which states that there is a lot we can learn from the United Kingdom's Department for International Development (DFID). Nevertheless, a discussion of this kind must be anchored in a good understanding of different criteria for DFID and the aid administration in Norway, and an awareness of the direction that we wish Norwegian administration to take. If we want strong local ownership of the projects we fund, and if we want to assist with developing the capacity of the recipient, this will impact on how we should intervene and control our partners' preparation and reporting work and the extent to which we should do this. This is also a question of resources.

I have the following recommendations on the remarks made by the Office of the Auditor General:

The Office of the Auditor General recommends that the Ministry of Foreign Affairs:

- ***Ensures that the aid administration follows up on and verifies performance reporting during the implementation phase of the projects and uses this information to make new decisions***

The Office of the Auditor General's report indicates a need to strengthen the ability of the system to guarantee reliable, relevant information on the results achieved. I will follow up on this. Efforts are already being made to strengthen performance reporting at project and portfolio level. The Ministry is working on reinforcing guidelines to executive officers and managers on how to assure the quality of performance information from the recipients of grants, e.g. as part of the development of a new electronic grant administration manual. Efforts to improve goal formulation and reporting in budget work, along with simplification and revision of scheme regulations, will also help to achieve better management by objectives and results.

I will also assess further measures to enhance the verification of data received, including random checks as mentioned by the Office of the Auditor General. The goal was to *reduce* the risk of incorrect information. It will not be possible to *eliminate* the risk entirely. Quality assurance of performance data requires resources in the form of time and expertise, while the aid administration has limited resources. Here, this is necessary to strike a good balance between cost and ensuring sufficiently reliable and relevant performance information.

The guidelines will also be more accessible when the grant portal commissioned in the autumn of 2017 is developed further. This will gradually become the key location for administration of grants from the Ministry of Foreign Affairs (UD), Norad and the embassies.

- ***Facilitates systematic learning by the aid administration from projects and other stakeholders that achieve good results and maintain good performance information***

Ongoing efforts are being made to ensure that the reporting of results is used strategically and systematically to improve administration. There is also increasing emphasis on reinforcing the learning impact and use of evaluations in aid administration.

A considerable amount of work has been done on learning from results. The selection of measures and partners must be measured against the objective of the measure, but also against the goals of the portfolio.

The Government declaration states that *a new results portal will be established with a view to improving the use and learning impact of management by objectives and results*. New ways of systematising, analysing and presenting performance information are currently being tested so that this information can be displayed in a portal of this kind. Another aim is for more systematised assessments of progress and analyses of attainment of results to focus attention on measures requiring more detailed follow-up, and also to help provide more information on what works. I will be closely monitoring work on an electronic results portal relating to measures funded by Norway. The results portal will provide insight into projects and goal achievement for anyone who would like to access such information. This will be an important contribution for sharing and learning from results relating to aid in order to ensure that decisions on new measures are based on the best information.

Moreover, the grants portal will act as a digital interaction tool for more and more grant applicants and administrators at the Ministry of Foreign Affairs, Norad and the embassies. More than one thousand applications were processed in the portal in 2018. The grants portal is based on a flexible digital platform that is well suited to adapting to new requirements and considerations on grant administration, and this will provide a major advantage when following up on the Office of the Auditor General's investigation. In the grants portal, information is gathered on the projects using systematic and consistent methods for all measures. This permits systematic learning across projects.

The recommendation by the Office of the Auditor General, to learn from DFID's methods with regard to following up on and verifying reporting, is a useful starting point. DFID's system for annual reviews is relevant insofar as launching a pilot based on REACH and GPE is being considered in order to test annual reviews of multilateral funds and programmes in Norwegian aid administration.

- *Ensures that information is available on results for children with disabilities in line with the Storting's request for more precise reporting for this group*

I agree with this recommendation and have already taken the initiative to ensure better targeting of aid to individuals with disabilities and better reporting on how this group is reached. We are holding discussions with important partners and requiring more precise reporting. We also recently introduced a new policy marker in the administration tool 'Plan-Tilskudd-Avtale' (PTA) for inclusion and empowerment of people with disabilities. This will make it possible to mark grant agreements for which this is the only objective or a key objective of the agreement.

As part of Norway's prioritisation of children and young people with disabilities in education programmes, we have implemented a number of initiatives to improve the

knowledge base and reporting. For example, Norway has funded the work of the UN's Washington Group on Disability Statistics in developing simple data collection tools. Authorities in 12 developing countries have worked via UNICEF and UNESCO International Institute for Educational Planning (IIEP) to increase their capacity with regard to data and statistics on inclusive education. Norway has also helped to create a new multi-donor trust fund, the Inclusive Education Initiative, which aims to strengthen the collection of data relating to children with disabilities in the poorest countries. This is a complex task, but Norway will be giving it priority in years to come.

The embassy in Nepal has recently entered into a three-year agreement with UNICEF on inclusion of children with disabilities in school. Among other things, UNICEF will be assisting the Nepalese Central Bureau of Statistics with collecting data on children with disabilities via a national Multiple Indicator Cluster Survey (MICS).

- *Facilitates more balanced reporting of results from Norwegian aid, with information on strong and weak results*

The amendments made to the budget proposition for 2019 have provided a foundation for more concentrated and comprehensive review of both goals and results for education aid and other key topics. In addition to a new, thematised budget structure and a shorter, clearer budget proposition, the formulation of goals for 2019 has been simplified and tightened up throughout. There is still work to be done in this field, but the 2019 budget laid a good foundation for more results-oriented reporting.

Performance reporting will have to be based on a sample on account of the size of the budget proposition. However, the Ministry will aim to ensure that performance reporting in the budget proposition is more balanced, and that performance information that could be of significance to the establishment of grant levels for items is nuanced and relevant.

In further efforts to improve the ministry's reporting to the Storting, I would also like to emphasise specification of sources of figures and statistics and refer to the performance portal that is being developed. This will provide further performance information at individual measure level that it will not be possible to include in the budget proposition.

- *makes more information available to the general public on the results of the projects and highlights the administrative costs of grant recipients*

Work is being done on measures to ensure greater transparency with regard to Norwegian aid for both education and other purposes. The results portal planned as stated above will help to provide transparency while also paving the way for better use of performance information for learning and management.

The grants portal has a budget module that can be used to develop information on administrative costs. I will be asking the administration to look more closely at how administrative costs can be highlighted more in the measures than is currently the case.

The Office of the Auditor General's report reveals important conditions linked to information on education aid results. This report and the recommendations from the Office of the Auditor General provide an important contribution to our ongoing efforts in this field.

Yours

Dag-Inge

Appendix 3

Report: The Office of the Auditor
General's investigation of
information on the results of
education aid

The audit was conducted in accordance with the Norwegian Act on the Office of the Auditor General of Norway and the instructions for the Office of the Auditor General, and following Performance Audit Guidelines that are consistent with and build on ISSAI 300 and INTOSAI's international standards for performance audits.

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Abbreviations and definitions

AfBD	African Development Bank
ATI	Aid Transparency Index, measures how transparent countries and organisations are with regard to the administration of their aid. Published by Publish What You Fund
BETF	Bank-executed Trust Fund, a type of trust fund where the World Bank implements the activities and manages the funds
DFID	Department for International Development in the United Kingdom
DHS	Demographic and health surveys are representative surveys performed in more than 90 countries
EMIS	Education Management Information System, the designation for countries' own administrative systems for collection and reporting of education data
GEQIP	General Education Quality Improvement Project, a multi-donor trust fund for education in Ethiopia, managed by the World Bank
GPE	Global Partnership for Education
HRITF	Health Results Innovation Trust Fund, a multi-donor trust fund managed by the World Bank
IDB	Inter-American Development Bank
OECD DAC	Organisation for Economic Cooperation and Development, Development Assistance Committee
PTA	Plan-Tilskudd-Avtale, the Ministry of Foreign Affairs' system for financial administration and follow-up of grant agreements
QCA	Qualitative Comparative Analysis
RAM	Resource Allocation Model, an internal instrument designed to ensure more transparency and a more systematic approach in the distribution of grants to civil society organisations
REACH	Results in Education for All Children, a multi-donor trust fund managed by the World Bank
RETF	Recipient-executed Trust Fund, a type of World Bank trust fund where activities are implemented and the funds are managed by the recipient
SSDP	School Sector Development Programme, a continuation of the sector programme for education in Nepal for 2016–2023
SSRP	School Sector Reform Program, a sector programme for education in Nepal for 2009–2016
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund

1 Introduction

1.1 Background

1.1.1 The significance of good performance information

Significant funds are allocated for aid every year. A total of almost NOK 200 billion was allocated for aid between 2012 and 2017, while the balanced budget for 2018 amounted to NOK 35.3 billion.¹ The Storting has repeatedly indicated that it is important to obtain good information on the allocation of aid and the results of the funds. It is important to have reliable and relevant reporting on the results in order to show what is being achieved through aid. Incorrect data and weak performance reporting will undermine the chances of achieving set objectives, weaken the Ministry of Foreign Affairs' basis for decision making and provide insufficient information on which measures are effective. Both the general requirements in the Regulations on Financial Management in Central Government (the Financial Regulations) and the recommendations of the Standing Committee on Foreign Affairs and Defence and the Standing Committee on Scrutiny and Constitutional Affairs state that the Ministry of Foreign Affairs should perform quality assurance of, and use performance information in, all phases of its development work.

Results have been given increased attention by the Norwegian aid administration over a period of time. At the same time, a number of evaluations and investigations, including those performed by the Office of the Auditor General, have indicated significant weaknesses in performance information.

1.1.2 Education as a selected area in the investigation

Education has been a key area in Norwegian aid and is one of the main areas of focus for the incumbent government. The allocation of education aid has increased significantly, amounting to around 9 percent of overall Norwegian aid in 2017.² Norway has also taken on an international leadership role in initiatives for education in development work, and should use political leadership, diplomacy and strategic financial support to act as a global driving force, ensuring that all children – even the most marginalised individuals – are given the right to education. This is in line with the UN's Sustainable Development Goals, which have been endorsed by Norway.³

Sustainable Development Goal 4 is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. The Sustainable Development Goals are a continuation of the UN's Millennium Development Goals. The Millennium Development Goals were applicable between 2000 and 2015, while the Sustainable Development Goals will apply to 2016–2030. While the Millennium Development Goals focused on enrolment in primary education and equal opportunities for education, the Sustainable Development Goals focus on the entire educational path. Children should not just start schooling, they should complete it as well. Increased school coverage must also be followed up with requirements for enhanced teaching quality and increased learning outcomes.

1) Prop. 1 S (2018–2019) for the Ministry of Foreign Affairs, p. 16.

2) Norad's statistics database, *Norwegian Aid Statistics*. The amount increases to about 13 percent if multilateral funding – core funding, that is – is excluded.

3) White Paper 25 (2013–2014) *Education for Development* and Prop. 1 S (2017–2018) for the Ministry of Foreign Affairs.

Sustainable Development Goal 4 provides a reference framework for the follow-up of White Paper 25 (2013–2014) *Education for Development*, see Recommendation 125 S (2014–2015). This white paper states that Norway should assist with a new international initiative in order to ensure good education for all by means of three primary objectives:

- 1) Helping to ensure that all children are able to start and complete primary education
- 2) Helping to ensure that all children and young people learn basic life skills
- 3) Helping to ensure that as many people as possible acquire skills that will allow them to make the transition into employment and improve conditions for economic growth and development in a broad sense

Education is one of the aid areas where the most progress has been made in terms of quality assurance and the use of performance data and baseline data. For example, Norad has developed a common results framework for Norwegian education aid. If there are any weaknesses in education aid, therefore, this provides an indication that other aid areas probably also face similar challenges.

1.2 Objectives and audit questions

The objective of the investigation is to assess the work being done by Norad and the Ministry of Foreign Affairs to ensure reliable and relevant performance information in education aid.

This is examined by means of the following audit questions:

1) What is the scope of Norwegian education aid, and how is it distributed?

This audit question considers the economic scope and distribution of Norwegian education aid.

2) How is the aid administration working to ensure that performance information in education projects and programmes is reliable and relevant?

This audit question considers the quality of performance information in selected education projects in selected countries and within global education support. The audit question also looks at how the Ministry of Foreign Affairs, via the embassies, and Norad are working to ensure that performance information is of satisfactory quality and used as a basis for new decisions and further learning.

The investigation considers how education aid projects are selected, the cash flow for such projects, control and follow-up of the funds, criteria for achievement of objectives (the results framework) and actual results.

3) How does the Ministry of Foreign Affairs' management and follow-up help to ensure good performance information in education aid?

This audit question looks at whether the risk factors linked with ensuring reliable and relevant performance information are addressed in the Ministry of Foreign Affairs' risk management, and in the management dialogue with the embassies and Norad. The audit question also considers how the Ministry of Foreign Affairs reports results in the area through its budget propositions and Norad's annual performance reporting.

1.3 Audited entities

The investigation focuses on the Norwegian aid administration at the Ministry of Foreign Affairs, the embassies and Norad. Responsibility for the administration of education aid was transferred from the Ministry of Foreign Affairs to Norad in 2017. However, the Ministry of Foreign Affairs has maintained its responsibility for education aid to multilateral organisations such as UNICEF, UNESCO and the World Bank, and for state-to-state cooperation and projects managed by the embassies. Among other things, Norad holds responsibility for aid via civil society organisations, including education aid via the same, and via the Global Partnership for Education (GPE). The total amount allocated for education aid in 2017 stood at around NOK 3.4 billion. Of this, the Ministry of Foreign Affairs and the embassies managed just over NOK 1.5 billion, while Norad managed almost NOK 1.6 billion.⁴

Norad is also generally responsible for providing legal, administrative and performance-related advice to embassies and departments at the Ministry of Foreign Affairs that administer aid,⁵ helping the ministry and the embassies in their efforts to perform quality assurance of aid agreements, and implementing independent evaluations of the development cooperation.⁶ Norad is also tasked with informing the general public of the long-term development cooperation and its results.

4) Prop. 1 S (2017–2018), p. 11 and Norad (2018) *Norads årsrapport 2017*, p. 7.

5) Norad (2018) *Norads årsrapport 2017*. Exceptions have been made for humanitarian aid, human rights/democracy and peace and reconciliation, where responsibility for quality assurance remains with the Ministry of Foreign Affairs.

6) *Instruks for Direktoratet for utviklingssamarbeid (Norad) gitt ved kongelig resolusjon av 13. desember 2013*.

2 Methodology and implementation

The audit questions are addressed through document review and statistics, and through interviews with the Ministry of Foreign Affairs, Norad, the education authorities in Nepal and Ethiopia, and other partners and recipients of Norwegian education funding. Data has also been collected during field trips to Nepal and Ethiopia. The investigation essentially covers the 2012–2018 period. Data collection was ended in October 2018.

2.1 Further details on performance information

The theme of this investigation is the quality of performance information in Norwegian education aid. In this respect, results are both the immediate results of the aid at product level – the number of children enrolled in schools, for example (output) – and direct and indirect effects at user level such as genuine learning outcomes for children as a result of their school places (outcome).⁷

In the investigation, it is assumed that the quality of performance information comprises two elements: whether the information is reliable, and whether the information is relevant (valid). For performance information to be reliable, it has to be accurate and correct. For it to be relevant, it must actually describe what there is a desire to know something about. For example, the number of pupils with disabilities should be reported if the objective of the project is to reach out specifically to these pupils.

For it to be possible to know the extent to which objectives and performance requirements are being met, targets and performance indicators must be developed prior to the start of the project, and reports on the indicators must be submitted during and after the project. This investigation considers the results that are reported during and after; but it also considers whether targets, indicators and results frameworks have been developed beforehand, as this is a prerequisite if relevant information on performance is to be obtained.

2.2 Selection of countries and projects

A selection of 21 aid agreements for education for the 2012–2017 period have been selected for review in order to examine how the aid administration is working and ensure that performance information is reliable and relevant. Although there are more than 400 agreements per year in total for the period, the 21 agreements selected cover more than 40 percent of the total amount. For the sake of simplicity, the aid agreements selected are largely referred to as projects in the report. The projects selected are from Ethiopia, Nepal and South Sudan, with the exception of three geographically unspecified projects;⁸ that is to say, they have not been earmarked for a specific geographic area. The countries were selected on the basis of an assessment whereby they had to be partner countries for Norwegian aid, they had to be relatively major recipients of Norwegian education aid, and they had to have differing degrees of stability/vulnerability. The global agreements are with UNICEF, the Global Partnership

7) The terms output and outcome are derived from the performance chain, which is a model indicating how performance, via various activities, reshapes input factors into products or services that focus on external users and society.

8) Such agreements are referred to as “global unspecified” in *Norwegian Aid Statistics*, and this designation is also used in this investigation.

for Education (GPE) and the multi-donor trust fund “REACH”. These were selected on the basis of economic scope.

Aid agreements of various sizes and durations were selected within each country, each with different responsible administrators (Norad or the Norwegian Embassy in that country). The Ministry of Foreign Affairs and Norad were given the opportunity to comment on the selection of projects, and the selection was amended slightly on the basis of these comments. All 21 of the selected projects are classified as education projects in OECD DAC categories 111–113.⁹

2.3 Document analysis

Project review

Project documentation from each of the projects selected has been analysed in order to assess whether performance information for education aid is reliable and relevant. The analysed documentation includes:

- Application
- Preliminary assessment
- Decision document
- The agreement between recipient and donor, with associated appendices (such as project documents or programme documents)
- Results framework
- Progress reports/annual reports and such like
- Final report
- Assessments by the Ministry of Foreign Affairs, Norad or the embassy, of progress reports and final reports
- Reviews/evaluations
- Emails and meeting minutes and such like from the projects

For some of the projects, data has also been obtained by means of interviews with the responsible administrator, letters containing questions to relevant stakeholders, or field trips.

The quality of performance information with regard to aid is measured by designing two indices, one for reliable performance information and one for relevant (valid) performance information. See Appendix 2 for a detailed description of how this has been done.

The quality of performance information is considered in greater detail using the QCA method (*Qualitative Comparative Analysis*). This method is described in section 6.6. The purpose of this analysis was to identify characteristics of the projects with reliable and/or relevant performance information. The analysis is based on a *truth table* which shows all combinations of characteristics of the projects with reliable and relevant performance information. The number of characteristics and combinations of

9) The OECD development committee (OECD DAC) maintains statistics on aid. OECD DAC codes 111–113 cover all projects focusing on education in general where the education level is not specified, and projects relating to basic education and secondary education. Projects registered under OECD DAC code 114 for post-secondary education have not been included in the selection for the investigation. See <<http://www.oecd.org/dac/stats/education.htm>> for a more detailed explanation of the education categories.

characteristics is then reduced to a smaller number of combinations, logically covering many of the variations in the data.¹⁰

All the projects have been reviewed by at least two members of project staff in order to strengthen the consistency in the assessment of performance information in the projects.

The Ministry of Foreign Affairs' letters of commitment to Norad, the embassies' letters of commitment, annual performance plans and interim reports, and Norad's performance reports to the Ministry for 2015–2017, have been used in order to see how the Ministry of Foreign Affairs is fulfilling its responsibility for education aid. Administration reviews performed by Norad at the embassies in Nepal, Ethiopia and South Sudan have also been examined.

Budget propositions for the Ministry of Foreign Affairs for the fiscal years 2017–2019 have been analysed in order to shed light on the Ministry of Foreign Affairs' reporting of education aid to the Storting.

Specialist literature and reports on aid performance measurement have also been examined.¹¹

Comparison with DFID

As part of this audit, the Ministry of Foreign Affairs' and Norad's administration of education aid has been compared with the United Kingdom's *Department for International Development* (DFID). The purpose of this comparison was to see how DFID works with performance information and to highlight any elements from which lessons could be learned. DFID was selected as a number of evaluations have indicated that it has made a great deal of progress on measuring and reporting aid results.¹² This comparison was performed by reviewing documentation from four education projects funded by DFID. This project documentation is freely available at the DFID online portal at <https://devtracker.dfid.gov.uk>. Among other things, an education programme in Ethiopia known as GEQIP II, which is funded by both Norway and the United Kingdom, has been analysed to see whether there are any differences in how the two countries follow up performance information from the programme.

Administrative costs

Administrative costs for 7 of the 21 selected projects were also considered by reviewing budgets and accounting figures.

2.4 Statistics

Norad's statistics database, *Norwegian Aid Statistics*, has been used to analyse the scope and distribution of Norwegian education aid by year, country, theme, project, budget entry and agreement partner.

10) This reduction is based on set theory and counterfactual logic. If, for example, the set of projects with good performance information comprises two subsets with the following characteristics: 1) A, B, C and 2) A, B, not-C, it may be concluded counterfactually that the combination AB is applicable regardless of whether or not the property C is present. Consequently, sets 1 and 2 above can be reduced to one subset, i.e. the set of properties A and B.

11) See, for example, Norad (2014) *Can we demonstrate the difference that Norwegian aid makes? Evaluation of results measurement and how this can be improved*. Report 1/2014, Norad (2018) *Evaluation of the Norwegian aid administration's practice of results-based management*. Report 4/2018, and Norad (2017) *Rising to the challenge. Results of Norwegian education aid 2013–2016*.

12) Norad (2014) *Can we demonstrate the difference that Norwegian aid makes?*, inter alia. *Evaluation of results measurement and how this can be improved*. Report 1/2014.

The Aid Transparency Index from the *Publish What You Fund* organisation has been used to compare Norway's transparency concerning the administration of aid funding with transparency in other countries and within other organisations. The methodical approach to the index is described on the *Publish What You Fund* website.¹³

2.5 Interviews and project visits

A total of 28 interviews were carried out in order to supplement and expand upon the document reviews. In Norway, the Ministry of Foreign Affairs and Norad were interviewed a number of times during the data collection period. The interviews with the Ministry of Foreign Affairs were attended by representatives of the sections for grant administration, UN policy, development policy and budget, financial management and administration. The interview with Norad was attended by representatives of the section for education, the performance section and the section for management and finance. In Nepal and Ethiopia, interviews were held during trips to these countries in November/December 2017 and March 2018. Letters containing questions were also sent to the Norwegian Embassy in South Sudan. A telephone interview also took place with the head office of DFID in the United Kingdom.

In Nepal, interviews were held with representatives of the embassy, the Ministry of Education, the Department of Education, UNICEF's country office, UNESCO's country office, the World Bank's country office, DFID's country office and the civil society organisations Parents Federation of Persons with Intellectual Disability (PEPID, via funding to the Atlas Alliance), Early Childhood Educational Centers (ECEC, via funding to Digni), Save the Children, Aasaman Nepal and the National Campaign For Education.

In Ethiopia, interviews were held with representatives of the embassy, the Federal Ministry of Education, the regional education office in Amhara, UNICEF's country office, UNESCO's country office, DFID's country office and the civil society organisations the Norwegian Refugee Council, Save the Children, Harvest Church of God (via funding to Digni) and ADRA (the Adventist Development and Relief Agency). A telephone interview was held with the World Bank's country office in Ethiopia following the trip to Ethiopia.

Prior to the interviews in Nepal and Ethiopia, an information letter was sent by the Office of the Auditor General regarding the theme of the investigation, so that the stakeholders interviewed were able to provide relevant representatives for the interview.

A number of visits to schools and discussions with management at the schools took place in connection with both trips. In Nepal, the schools' attendance registers were also reviewed. The archives at both embassies were also examined. The aim of this was to ensure that all relevant documentation had been reviewed.

All the interview minutes used in the report have been confirmed by the units interviewed.

¹³ Publish What You Fund (2018) *2018 Aid Transparency Index. Technical Paper*.

3 Audit criteria

3.1 General Norwegian aid policies

In Recommendation to the Storting no. 93 (2004–2005), see White Paper no. No. 35 (2003–2004) *Fighting Poverty Together*, the Foreign Committee emphasised that bringing people out of poverty is a key target for Norwegian development work. In Recommendation to the Storting no. 269 (2008–2009), see White Paper no. 13 (2008–2009) *Climate, Conflict and Capital – Norwegian development policy adapting to change*, the Foreign Committee referred to the obligations undertaken by Norway concerning prioritisation of the UN's Millennium Development Goals and fighting world poverty up to 2015. The Foreign Committee also referred to the fact that a unanimous committee has confirmed repeatedly that aid for implementation of the Millennium Development Goals, not least with regard to health and education, must be given priority in Norwegian development cooperation. The approach to the initiative for implementation of the Millennium Development Goals was repeated when discussing Document 3:4 (2010–2011) *Riksrevisjonens undersøkelse av resultatorienteringen i norsk bistand*, see Recommendation 104 S (2011–2012). The Standing Committee on Scrutiny and Constitutional Affairs indicated in the recommendation that there is a broad Storting majority in favour of Norwegian development and aid policy, and that the UN's Millennium Development Goals provide the key foundation for mobilisation for fighting poverty together.

In connection with the consideration of Prop. 1 S (2015–2016), see Recommendation 7 S (2015–2016), the Foreign and Defence Committee referred to the new Sustainability Development Goals adopted by the UN General Assembly in October 2015, which have also been endorsed by Norway. This proposition states that the Millennium Development Goals will be continued, partly with a view to reducing inequality and ensuring economic growth. Focusing on poverty in Norwegian aid policy, with primary emphasis on education and health, is therefore fixed, most recently in Recommendation 7 S (2017–2018).

Over the last few years, the desire to concentrate Norwegian aid efforts has been emphasised by the Storting. In Recommendation to the Storting no. 269 (2008–2009), the Foreign Committee indicated that fragmenting aid over an excessively large number of geographical areas and countries may impact on quality and weaken the results. In White Paper No. 24 (2016–2017) *Common Responsibility for a Common Future – The Sustainable Development Goals and Norway's Development Policy*, see Recommendation 440 S (2016–2017), a desire to concentrate aid not just geographically, but also thematically, was expressed. According to the white paper, this increase in concentration is an element in the Government's streamlining efforts. Prioritising fewer themes and areas lays a foundation for achieving better results through aid. During the consideration of the white paper, the committee's majority – members of the Labour Party, the Christian Democratic Party, the Centre Party, the Liberal Party and the Socialist Left Party – stated that thematic and geographical concentration of Norwegian bilateral aid may help to improve quality, but pointed out at the same time that if the aim of reducing the number of aid agreements were to lead to denial of continuing funding for good development initiatives, this would be highly problematic.

3.2 General policies concerning performance information for aid

The requirements for emphasis on results and the need for quality assurance in aid have been key since consideration of White Paper no. 35 (2003–2004) *Fighting Poverty Together*, and are reproduced in a range of propositions to the Storting and in the consideration of the reports of the Office of the Auditor General in this field in subsequent years.

During the consideration of White Paper No. 35 (2003–2004), the Foreign Committee pointed out that emphasis on performance and quality assurance must be absolutely key to Norwegian development work, see Recommendation to the Storting no. 93 (2004–2005). It was pointed out that this is necessary in order to ensure that the desired results are achieved for Norwegian development policy, but also to ensure that the legitimacy of and support for this policy are maintained. In this context, importance was also attached to international cooperation on performance measurement, and to more systematic use of reporting from the various donors.

During consideration of Document 3:4 (2010–2011) *Riksrevisjonens undersøkelse av resultatorienteringen i norsk bistand*, see Recommendation 104 S (2011–2012), the Standing Committee on Scrutiny and Constitutional Affairs indicated that one important purpose of performance orientation and performance measurements is to ensure that the funding reaches the designated target groups, and that they produce results in compliance with politically adopted objectives. Performance orientation must take centre stage in order to ensure that aid funding and other development measures help to implement the UN's Millennium Development Goals.

During consideration of Document 3:9 (2014–2015) *Riksrevisjonens undersøkelse av bistand til godt styresett og antikorrupsjon i utvalgte samarbeidsland*, see Recommendation 74 S (2015–2016), the Standing Committee on Scrutiny and Constitutional Affairs recommended that the Ministry of Foreign Affairs should improve its administrative practice by providing the projects with good, clear target structure criteria and ensuring that recipients of grants submit better reports. The Committee also recommended reinforcing the foundation for independent learning by introducing a structured, systematic and documented assessment of achievement of objectives in individual projects, as a number of other countries and donors have done. Furthermore, the committee recommended that the Ministry of Foreign Affairs should have effective procedures for systemisation of experiences and evaluation of individual projects. The Committee also noted that the Ministry wished to revise the regulations for grant schemes in 2015, and that this work should result in stricter requirements for quality assurance throughout the entire cycle of projects receiving funding.

A number of declarations of aid efficiency endorsed by Norway have also been compiled; see the declarations from Paris (2005), Accra (2008) and Busan (2011). These include four donor principles – results, partnership, transparency and recipient responsibility – that form a basis for a long-term bilateral initiative, referred to most recently in White Paper No. 24 (2016–2017). Among other things, the donor principles mean that aid must be managed and implemented with the desired results in mind, and that performance information should be used to improve decision-making processes. They also mean that Norway, as a donor, must base its funding on the national development strategies, institutions and procedures in the recipient countries. During consideration of Document 3:4 (2010–2011), see Recommendation 104 S (2011–2012), the Standing Committee on Scrutiny and Constitutional Affairs emphasised that the principle of working on the basis of national development plans in the partner

countries does not release Norwegian aid authorities from their responsibility for performance orientation and quality assurance of Norwegian aid.

3.3 Requirements for the Ministry of Foreign Affairs' quality assurance of performance information in grant management

The Ministry of Foreign Affairs' grant management is subject to the principle of management by objectives and results, as specified in the Regulations on Financial Management in Central Government (the Financial Regulations). Chapter 1 in Provisions on Financial Management in Central Government (the Financial Provisions) points out that the Ministry holds overall responsibility for ensuring that the organisation uses resources efficiently and reports relevant and reliable performance and accounting information. According to section 4 in the Financial Regulations, all organisations must ensure that set objectives and performance requirements are met, and ensure sufficient management information and an appropriate basis for decision-making.

As a grant manager, the Ministry of Foreign Affairs must monitor that the grant recipients meet the conditions of the grants. This requirement is specified in greater detail in section 6.3.6 of the Financial Provisions. The grant manager must obtain reports from the grant recipients which make it possible to assess the extent to which the objectives for the grant have been met. The criteria for achievement of objectives must be specific enough and formulated precisely enough that they can be followed up without disproportionately large costs. Therefore, grant recipients must be required to submit reports in compliance with these criteria. At the same time, the reporting requirements must not be more extensive than what is reasonable in relation to the benefit of the grant for the recipient. Control of the reporting must be adapted to the grant scheme in question and assessed against the objective of the scheme. The control must be of a reasonable scope in relation to the usefulness and costs of the control.

According to the Financial Regulations, section 16, all organisations must also ensure that evaluations are carried out to obtain information concerning effectiveness and the achievement of objectives and results in either all or part of the organisation's area of responsibility and activities. Among other things, evaluations must be carried out in order to examine whether the grant schemes are appropriate. The frequency and scope of the evaluations must be based on an assessment of risk, materiality and significance for the grant scheme in question, including how extensive and important the grant scheme is, how extensive and effective other reporting is, and the extent to which the annual results can be described.

with regard to aid in particular, White Paper no. 35 (2003–2004) highlights that quality assurance covers all efforts relating to development measures; that is to say, the planning and execution phases as well as reporting and learning. Norway is obliged to react if the aid measure is not implemented in line with agreed plans or fails to lead to the anticipated results. In connection with consideration of the Fiscal Budget, the Foreign and Defence Committee has also referred repeatedly to the fact that the Office of the Auditor General has pointed out, in a number of reports, a lack of control of projects out in the field.

Prop. 1 S (2016–2017) for the Ministry of Foreign Affairs makes reference to the fact that new rules for the Ministry's grant schemes and new agreement templates for bilateral aid emerged in 2015–2016. The grant scheme rules specify objectives for the

schemes and ensure that there are links between the political objectives of the Ministry of Foreign Affairs and grant management, while also formulating quality assurance and control requirements. New framework agreements were concluded with nine UN organisations in 2015 and 2016, reinforcing the requirements for the UN organisations' work with results.

What quality assurance entails is further translated into realisable objectives in directives and guidelines developed by the Ministry of Foreign Affairs and Norad. One of the most key is *Håndbok i tilskuddsforvaltning* of 2008, which was replaced by the *Grant Management Manual* (GMM) in 2013 (referred to below as the 2013 Grant Management Manual). The latter document includes the *V04 Guide to assessment of results and risk management* (referred to below as V04), which is the central document for grant management result and risk management in the Foreign Service. A revised version of this was issued in June 2017, with an additional section on cross-cutting issues.

V04 was initially supplemented by the Norad guide *Results management in Norwegian development cooperation. A practical guide* of 2008. This establishes the following:

To be able to pursue results management, use of a "logical planning model" is key so that the aid initiative is designed effectively. It is pointed out that such models are also useful when establishing a monitoring and evaluation framework in the implementation and conclusion of the aid initiative. Indicators must be selected so that the initiative can be measured and the extent to which the objectives are reached can be assessed. The guide emphasises that the indicators must be based on valid and reliable data, and that it must be possible to measure them using simple data collection methods; ideally they should also be part of the partner's existing system.

The guide also emphasises that once the framework with indicators, the situation prior to the measure (baseline) and the objectives have been established, these must be linked to a plan and to a system that allows the people involved in the aid initiative to get hold of reliable information on which elements of the initiative are working and not working. Furthermore, this means – according to the guide – that it is necessary to implement a monitoring and reporting system that measures the results, ensure that necessary data is available, decide on the need for measurement frequency, and have competent personnel in place to collect data relating to the results. Reference is also made to the fact that there must be support for the results management system in reality and that the system must be perceived as useful; thus a simple, realistic and practical approach to results management is suggested.

3.4 Requirements for reliable reporting and risk management in grant management

According to section 2.4 of the Financial Provisions, all governmental organisations must establish internal control. The Norwegian Government Agency for Financial Management (DFØ) *Veileder i internkontroll*, which uses COSO's international internal control framework as a basis, makes it clear that reliable reporting is one of the three main objectives for the organisation's internal control. For reporting to be reliable, information that is conveyed internally and externally must be correct, arrive on time and be compliant with established requirements. This is true of information that is used as a basis for decisions and internal management, and information that is conveyed externally to an overarching level and to the general public.

To ensure reliable reporting, the organisation must maintain an overview of the internal and external requirements applicable to reporting within the organisation, and procedures, systems and structures that meet these requirements must also be in place. Regardless of whether data processed internally or externally is included in the basis for reporting, it is important for the organisation to have procedures that ensure the information is correct and reliable, and that data sources and foundations are defined and verifiable. Effective internal control also requires the organisation to follow up reporting to ensure that it is working as intended; that is to say, that it is correct, arrives on time and is relevant, as well as being compliant with the needs of the recipient.

As part of the internal control, section 2.4 of the Financial Provisions also states that the organisation must identify risk factors that may contribute to failure to achieve the objectives of the organisation, and identify corrective measures that could reasonably reduce the likelihood of failure to achieve the objectives. The DFØ guide emphasises the fact that this also includes the reliable reporting target of the internal control.

The Standing Committee on Scrutiny and Constitutional Affairs emphasises in Recommendation to the Storting no. 214 (2003–2004), see Document no. 3:6 (2003–2004) *Riksrevisjonens undersøkelse av effektiviteten av norsk bistand til Mosambik*, that the Storting should be given the opportunity to assess whether the latter's appropriation criteria are met. According to the committee, the Government must identify criteria and reporting forms that make it possible to assess the effect of aid more effectively, regardless of the form of aid: this is key.

In Recommendation 7 S (2014–2015), the Foreign and Defence Committee notes that there have been a number of mergers of budget entries over a period of years. Hence the budget structure has taken on more of a nature of collective items. According to the Committee, such changes may make it more difficult for the Storting to influence and control how the funding is used. The Committee is of the opinion that there are now grounds for looking more closely at how the budget structure and budget proposition can provide the Storting with better information and a greater opportunity for influence and control. The Committee asks the Government to prepare budget-related changes that improve the Storting's chances of gaining an insight into budget funds in the 2016 budget, and influencing and controlling their use. Given the said statements, the investigation assumes that the Storting must be able to track the funds donated in aid, and that it is therefore important for the reporting of results to be clear and provide adequate insight.

3.5 Requirement for reporting in the field of education

During consideration of White Paper 25 (2013–2014) *Education for Development*, see Recommendation 125 S (2014–2015), the Foreign and Defence Committee endorsed three main objectives for Norwegian education aid, which involve focusing on better school coverage, increased learning outcomes and education providing work-related qualifications. The Committee requires annual reports to be submitted on how much of the initiative is invested in the strengthening of primary education and the training of teachers. The Committee also emphasises that it is important to define specific interim objectives as a basis for assessment of implementation and attainment of the results associated with them. The Committee also notes that Prop. 1 S (2014–2015) provides a bulleted list of what the budget entry for education should contribute to, and emphasises a number of interim objectives in that regard. One of these involves reaching out to marginalised and excluded groups of children, particularly in vulnerable

states and in conflict and crisis zones, focusing in particular on girls and children with disabilities. The budget entry must also help to ensure that education becomes more learning-oriented and provides children, young people and adults with skills that contribute to their own personal development and the development of their communities. Furthermore, the committee requests that the Storting should receive more specific information, in an appropriate manner, on the various escalation measures planned for in education aid.

In connection with the target of better school coverage, the Foreign and Defence Committee also refers to the selected target groups in the Norwegian education initiative: 1) those not included in the educational provisions, 2) girls, 3) poor children, 4) children with disabilities, 5) children from minority backgrounds and indigenous populations and 6) children in crisis and conflict zones. The Committee supports the initiative involving these groups.

The Committee has made a separate statement on children with disabilities. Although it is not always possible to identify expenditure to guarantee schooling for the disabled in more inclusive programmes, the Committee is of the opinion that systematic reporting of the scope of Norwegian measures involving this target must be ensured where possible. The Committee is of the opinion that the amount of aid going to the disabled must be increased, and that more precise reports must be submitted to the Storting concerning the efforts for the disabled. The Committee also notes that the initiative for children with disabilities is highly relevant in Norway's cooperation with UNICEF. In this regard, the Committee refers to the fact that Norway is one of the biggest contributors to UNICEF. The same is true of the Global Partnership for Education (GPE).

The Committee emphasises the significance of ensuring that Norwegian education aid does not replace countries' own initiatives in the education sector, but supports them. Hence Norwegian support should be provided in addition to the countries' own support, and not instead of it. The Committee also emphasises that it is important to stress operational objectives and specific performance measurement in the education initiative.

4 Scope and distribution of Norwegian education aid

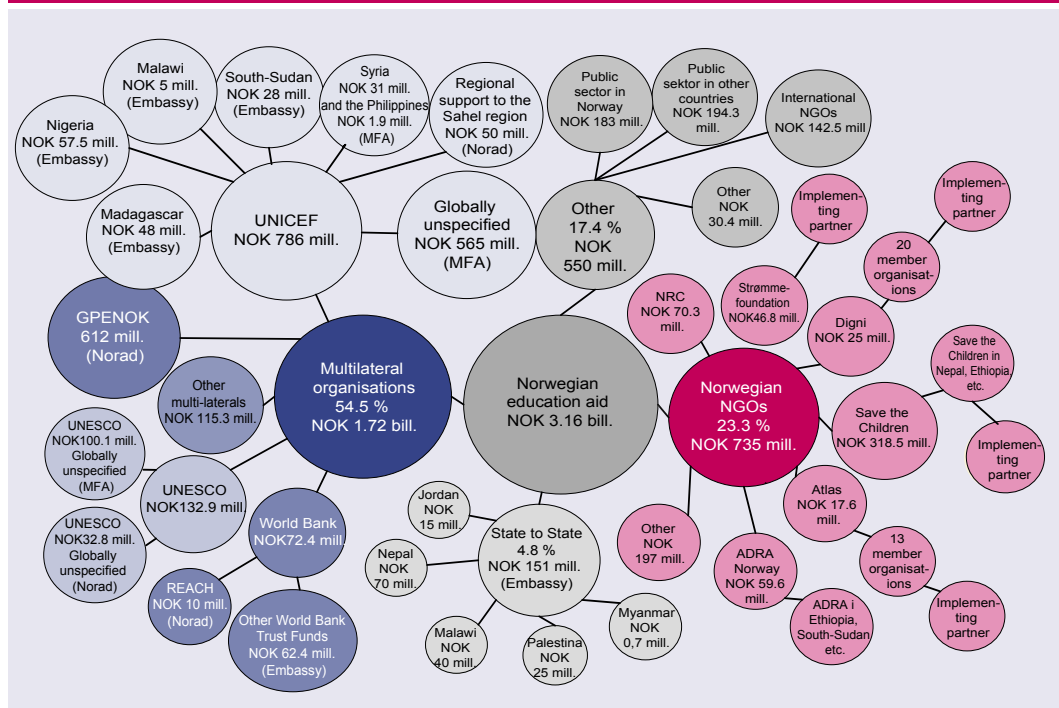
Norwegian development aid totalled almost NOK 200 billion between 2012 and 2017.¹⁴ Of this, almost NOK 14 billion has been spent on education aid. Since 2013, education has been one of the biggest focus areas for Norwegian aid. Expenditure on education aid has increased, from NOK 1.7 billion in 2013 to NOK 3.2 billion in 2017. Moreover, humanitarian aid is earmarked for education, so the total for 2017 stands at around NOK 3.6 billion. For 2019, grants total around NOK 3.7 billion.¹⁵

4.1 Distribution of education aid via various channels and stakeholders

Education aid is provided bilaterally, multi-bilaterally or multilaterally. Aid channelled from Norwegian authorities directly to the authorities in the recipient country or to civil society organisations is normally referred to as bilateral aid. Aid that is channelled via multilateral organisations can either be donated as core funding, which is not earmarked (multilateral aid), or it can be donated earmarked to a country, sector or theme (multi-bilateral aid). There are a number of subcategories within these three main categories.

Education aid is distributed over a number of stakeholders within each channel. Figure 1 shows a simplified view of how education aid is distributed via different channels and different stakeholders for 2017.¹⁶

Figure 1 Distribution of education aid via different channels and stakeholders in 2017



Source: Norad's statistics database, Norwegian Aid Statistics

14) This section is based on figures from Norad's statistics database, *Norwegian Aid Statistics*.

15) Prop. 1 S (2018–2019), p. 20 for the Ministry of Foreign Affairs.

16) Core funding for multilateral organisations that is used for education is not included in Figure 1.

The numbers in figure 1 are taken from Norad's statistics database *Norwegian Aid Statistics*, and the total education aid here is slightly lower than that used as a basis in the Ministry of Foreign Affairs' record of the funds, as shown in table 2 (NOK 3.16 billion as opposed to NOK 3.48 billion). The Ministry of Foreign Affairs states in an email dated 14 June 2018 that this discrepancy is due to the statistical record designating what is deemed to be education aid. See section 4.3 for a more detailed explanation.

Figure 1 shows that the highest proportion of education aid, 54.5 percent or NOK 1.72 billion, in 2017 was donated via multilateral organisations. The biggest recipients were UNICEF and the Global Partnership for Education (GPE). Over time, there has been a significant increase in soft earmarked funding for multilateral organisations, from NOK 868 million in 2012 to NOK 1.72 billion in 2017. In relative figures, however, the proportion of education aid donated to multilateral organisations has remained relatively stable.

The proportion of education aid donated by Norwegian civil society organisations¹⁷ stood at 23.3 percent in 2017. Save the Children is the biggest recipient of the Norwegian civil society organisations, receiving NOK 318.5 million for education aid in 2017. Figure 1 also shows that 4.8 percent of education aid was donated bilaterally as funding for authorities in the recipient country in 2017. This amount has fallen from 10 percent in 2012. The remaining 17.4 percent (NOK 550 million) of education aid in 2017 was channelled via the public sector in Norway, international and local civil society organisations and the private sector, among others.

Figure 1 shows the grant recipients included in the investigation. In reality, there are far more grant recipients for each main channel. For instance, the six Norwegian civil society organisations included in the figure are just some of a far larger number of organisations receiving funding. Figure 1 also shows that funds channelled via the civil society organisations often pass via a number of elements. The umbrella organisation Digni, which had a framework agreement with Norad amounting to NOK 160 million in 2013–2017, has 20 member organisations operating in around 35 countries, for example. The member organisations apply for and are granted funds by the umbrella organisation and then donate the money on to the partner organisation in the recipient country. This is because reinforcing local partners in developing countries is an important objective for civil society aid. Reporting of the results follows the same route back: from the implementing partner, to the member organisation, on to the umbrella organisation, and finally to Norad.

There are also examples of how funding is passed on from one grant recipient to another. This is the case in Nepal, where the sector programme for education is funded by the embassy directly (state to state) and also receives indirect funding from the Norwegian-funded global programmes GPE and REACH.

4.2 Geographical distribution of education aid

Since 2009, the Storting has asked the Ministry of Foreign Affairs to concentrate the Norwegian aid initiative. The Foreign Committee has indicated that fragmenting aid over an excessively large number of geographical areas and countries may impact on quality and weaken the results.¹⁸ Besides geographical concentration, thematic

17) Referred to as "Norwegian NGOs" in the figure.

18) Recommendation to the Storting no. 269 (2008–2009) *Innstilling fra utenrikskomiteen om klima, konflikt og kapital. Norsk utviklingspolitikk i et endret handlingsrom.*

concentration has been identified as an instrument for streamlining aid.¹⁹ Table 1 shows how Norwegian education aid is distributed by number of countries and agreements.

Table 1 Distribution of education aid* by number of countries and projects (2012–2017)²⁰

Year	2012	2013	2014	2015	2016	2017	Total
Number of aid agreements**	491	413	417	400	476	485	
Number of countries***	67	68	75	72	67	67	
Total, NOK billion	1.61	1.71	1.81	2.47	3.17	3.16	13.92
Total in NOK billion, excluding funding for the GPE and UNICEF's Thematic Education Fund	0.87	0.97	1.02	1.51	2.10	2.00	8.47

Source: Norad's statistics database, Norwegian Aid Statistics

* DAC codes 111, 112, 113 and 114

** Agreements without payments or with net deposits are not included

*** Countries without payments and with only deposits are not included

Table 1 shows that Norwegian education aid was distributed over 485 agreements in 67 countries in 2017. The number of agreements and countries has remained relatively stable over the last five years. The total amount of education aid has doubled over the same period, which means that on average, each agreement includes significantly more funding in 2017 than in 2012. The table also shows that funding for UNICEF and the GPE represents around 40 percent of the total funding for education, so the total per agreement is far less if the funding for UNICEF and the GPE is discounted. The funding for UNICEF's Thematic Education Fund and the GPE was around NOK 1 billion annually between 2015 and 2017.

The largest amount of Norwegian education aid goes to global unspecified funds, and extracts from *Norwegian Aid Statistics* show that this amount totals NOK 6.93 billion of NOK 13.92 billion for the period 2012–2017.²¹ This type of funding provides a limited overview of the recipient countries to which the funds are channelled, as the Norwegian funds are often included as part of a larger “pot” that is managed by a multilateral organisation and distributed to education projects in many countries. Funding for UNICEF's Thematic Education Fund and the GPE are examples of global unspecified funding of this kind. This is why the overview of the number of countries receiving education aid in table 1 does not include all countries receiving funding via global unspecified funds, or funds coded as regional. The number of countries receiving Norwegian education aid is therefore actually higher than shown in the table.

Between 2012 and 2017, Nepal received the most in education aid, NOK 510 million. It is followed by Malawi and Ethiopia, receiving NOK 432 million and NOK 382 million respectively in the same period.²²

Five of the 77 countries receiving education aid – South Sudan, Ethiopia, Nepal, Malawi and Niger/Sahel – have been focus countries in respect of education since 2013.²³

19) Recommendation 440 S (2016–2017) *Innstilling fra utenriks- og forsvarskomiteen om Felles ansvar for felles fremtid – Bærekraftsmålene og norsk utviklingspolitikk*.

20) Norad's statistics database, *Norwegian Aid Statistics* [Downloaded 26 September 2018]. Core funding for multilateral organisations that is used for education is not included in Table 1.

21) Norad's statistics database, *Norwegian Aid Statistics*.

22) Norad's statistics database, *Norwegian Aid Statistics*.

23) Prop. 1 S (2016–2017), p. 150 and 284, and Prop. 1 S (2015–2016), p. 141, 164 and 267.

4.3 Distribution of education aid over various budget chapters and items

The demands made of the grant recipient are dependent on the budget chapter and the budget item via which the grant is given. The rules for the individual grant schemes indicate objectives for the schemes, criteria for achievement of objectives, allocation criteria and follow-up and control arrangements. In Prop. 1 S (2017–2018), the Ministry of Foreign Affairs emphasises the fact that the grant scheme rules, together with good agreement templates and an adapted results framework, must ensure coherence between the Ministry's political objectives and grant management. The aid projects included in this investigation are essentially funded via the education item (chapter 169.73), the civil society item (chapter 160.70) or the regional items (chapter 150.78 or 151.78), or as transitional aid (chapter 162.70). Many of the same requirements are applicable to allocations over all items. Specific comments will be provided later on in the presentation, at points where the requirements differ from one another. Table 2 shows the budget chapters and items via which education aid was allocated in 2017.

Table 2 Distribution of bilateral education aid via budget chapters and items in 2017

Chap./ Item	Designation	Earmarked education (Figures in NOK million)
150/	Aid to Africa	
78	Regional grant for Africa	430.7
151/	Aid to Asia	
78	Regional grant for Asia	97.4
152/	Aid to the Middle East and North Africa	
78	Regional grant for the Middle East and North Africa	41.1
153/	Aid to Latin America	
78	Regional grant for Latin America	12.9
160/	Civil society and development of democracy	
70	Civil society	520.5
77	Exchanges via the Peace Corps	16.3
161/	Business development	
70	Business development	14.5
162/	Transitional aid/vulnerable states	
70	Transitional aid/vulnerable states	46.0
163/	Emergency aid, humanitarian aid and human rights	
70	Emergency aid and humanitarian aid	188.9
164/	Peace, reconciliation and democracy	
71	ODA-approved countries in the Balkans	9.7
73	Other ODA-approved OSCE countries	55.8
165/	Research, skills enhancement and evaluation	
71	Specialist cooperation	0.14
168/	Women's rights and equal opportunities	
70	Women's rights and equal opportunities	101.2
169/	Global health and education	
73	Education	1,623.0
170/	UN organisations, etc.	
79	Experts, junior experts and UN Peace Corps	2.8
5309/	Reversals	-6,3
29	Reversals	
	Total for education	3,155.0

Source: Letter from Norad dated 15 January 2019, with excerpts from Norad's statistics database, Norwegian Aid Statistics

The table shows that education aid was distributed over 13 budget chapters and 15 items in 2017. The largest item in 2017 was education item 169.73. Just over NOK 1.6 billion was donated here, i.e. over half of all education aid. This is followed by the civil society item (160.70), with around NOK 520 million, and the emergency aid and humanitarian aid item (163.70), with around NOK 189 million.

The overview in table 2 is based on the official aid statistics from Norad's database, *Norwegian Aid Statistics*. The Ministry of Foreign Affairs states in an email dated 14 June 2018 that there will be a discrepancy between the budgeted education initiatives in the budget proposition, the figures in *Norwegian Aid Statistics* and the Ministry's expenditure figures. According to the Ministry, this is mainly due to the fact that the education initiative is financed over a range of different budget items, and that the statistical record of what is deemed to be education aid is assessed by the individual executive officer for each individual aid project. The fact that executive officers can only specify one sector per aid project is a potential source of errors in the statistics. Part of the education initiative for example, is used for education in humanitarian situations, which in the aid statistics is coded as "Emergency aid". This means that only some of the amount specified as education aid in the budget proposition is coded as education aid in the aid statistics.²⁴ For example, NOK 134 million went to UNICEF via the education item (169.73) in 2017. In *Norwegian Aid Statistics*, this amount is coded as "Emergency aid" and so has not been listed as education aid, see Table 3.

Besides the fact that education aid is given via many budget chapters and items, the same recipient organisation may also receive education aid funds over several different chapters and items.

Table 3 Education aid to UNICEF in 2017, by budget chapter and item ²⁵		
Chap./ Item	Designation	Figures in NOK million
150.78	Aid to Africa Regional grant for Africa	163.5
162.70	Transitional aid/vulnerable states Transitional aid/vulnerable states	31.0
163.70	Emergency aid, humanitarian aid and human rights Emergency aid and humanitarian aid	50.0
168.70	Women's rights and equal opportunities Women's rights and equal opportunities	50.0
169.73	Global health and education Education	490.0
169.73	Global health and education* Education	134.0
170.79	UN organisations, etc. Experts, junior experts and UN Peace Corps	1.9
	Total to UNICEF for education purposes	920.4

Source: Letter from Norad dated 15 January 2019, with excerpts from Norad's statistics database, *Norwegian Aid Statistics*

*This NOK 134 million is given via the education item, but it is coded as emergency aid in Norad's statistics database

24) Ministry of Foreign Affairs (2018) *Svar på spørsmål om fordeling av bistandsbudsjettet til utdanning*. Email to the Office of the Auditor General, 14 June 2018.

25) Here, too, there are discrepancies between the figures in the table and the figures shown in Figure 1. This is for the same reason as outlined above.

Table 3 shows that UNICEF received aid funding for education via six different items in 2017. In 2017, UNICEF was awarded NOK 920.4 million in education aid. NOK 540 million was donated to UNICEF's Global Thematic Education Fund. The funds that were donated to the Thematic Education Fund were donated via the education item (NOK 490 million) and the item for women's rights and equal opportunities (NOK 50 million). UNICEF receives core funding in addition to the NOK 920.4 million. Given that these funds are not earmarked for a specific sector, the proportion of the amount donated by Norway in core funding and spent on education is uncertain. The sector-specific distribution of overall core funding is known, however, and published annually by UNICEF.

There are a number of examples of the same agreement being financed via different budget items. This is applicable, for example, to an agreement between the Norwegian Embassy in South Sudan and UNICEF regarding the provision of access to education for children and young people. This agreement is financed partly via the education item (chapter/item 169.73) and partly via the regional grant for Africa (chapter/item 152.78).²⁶ According to the embassy in South Sudan, this is because there was a great deal of pressure on the education item, so it was not possible to finance the embassy's entire education portfolio with funds from this item alone.²⁷

Correspondingly, Norwegian funding for the multi-donor trust fund for education in Ethiopia, GEQIP²⁸, has changed budget item. Funds were donated via the education item in the first funding period, from 2015 to 2017, while funds in the second funding period, from December 2017, are channelled via the regional grant for Africa. The embassy states in an interview that the distribution of the education initiative over the various items is decided by the Ministry of Foreign Affairs. The embassy points out in an interview that providing funding via the regional grant rather than donating via the education item provides more flexibility for the executive branch of the administration. The embassy in South Sudan also shows that the requirements specified in the grant scheme rules for the regional grant are more flexible than those defined in the grant scheme rules for the education item.²⁹ The embassy in Ethiopia also indicates in an interview that if all funds for education had been entered in the education item, this would have provided a better overview of the Norwegian education initiative. In the opinion of the embassy, this would have given the Storting a better overview of the aid budget and more of an opportunity to control it.

The Storting has indicated a number of times that the use of overlapping funds – which means that different budget items are financing the same aid measures – may make it more difficult for the Storting to influence and control how the funds are used, see Recommendation 7 S (2014–2015) and Recommendation 243 S (2016–2017). The Storting has also asked the Government to set out a new budget structure with clearer, less overlapping distribution of aid objects over the various budget chapters and items in the budget proposition for the Ministry of Foreign Affairs.³⁰ The budget structure has been amended in the budget proposition for 2019. The Ministry of Foreign Affairs states in an interview that the budget is thematically organised to a far greater extent than previously; so education aid, for example, should essentially go via the new education item: see the new chapter 161, item 70. The regional grant must no longer be used for education. Instead, it must be used for multi-sector projects, regional measures and state-to-state projects working within good governance. Besides

26) *Back to Learning (BTL) 2015–2017*, agreement no. SSD-14/0035.

27) Norwegian Embassy in South Sudan (2018) *Answers to questions on the Embassy's agreement with UNICEF Back to Learning*, cf. SSD-14/0035. Letter to the Office of the Auditor General, 7 May 2018.

28) *General Education Quality Improvement Project*.

29) Norwegian Embassy in South Sudan (2018) *Answers to questions on the Embassy's agreement with UNICEF Back to Learning*, cf. SSD-14/0035. Letter to the Office of the Auditor General, 7 May 2018.

30) Recommendation 243 S (2016–2017), see Parliamentary resolution 586 (2016–2017).

education funds having to go via the new education item, they will continue to be channelled via the civil society item and the humanitarian aid item.

According to an interview with the Ministry of Foreign Affairs in January 2019, no new grant scheme rules have been devised for the new education item, see 161.70. The Ministry must assess the grant scheme rules in order to see whether they have to be updated in the light of the new budget structure. This has not been done as of October 2018. The Ministry of Foreign Affairs states in a letter dated 25 January 2019 that the grant scheme rules for the previous education item will be used until further notice.

4.4 Scope and direction of British education aid

As described in the method chapter, the investigation includes a comparison with DFID (*Department for International Development*) in the United Kingdom. The United Kingdom's total aid budget stood at approx. NOK 150 billion in 2017 (approx. GBP 14 billion), and DFID managed around 72 percent of this (approx. NOK 107 billion – GBP 10 billion).³¹ DFID employs around 3000 staff, who are distributed fairly evenly in terms of numbers between the department's offices in the United Kingdom and offices in 32 partner countries.³²

DFID has established its priorities in an aid strategy and a general plan³³ for 2015–2020. Education is one of its priority areas. Around NOK 8.6 billion (GBP 800 million) was spent on bilateral education aid annually between 2013 and 2015, accounting for some 11 percent of the aid budget.³⁴ Total education aid from the United Kingdom in 2016 was around four times as much as the aid provided by Norway, in absolute figures (around NOK 13 billion).³⁵ This constituted 11.9 percent of the country's total aid, a percentage approximately the same as that of Norway.³⁶ Most of this is made up of bilateral project funding, while funding for global unspecified education programmes implemented by multilateral organisations accounts for a small percentage. DFID's portfolio therefore differs from the Norwegian portfolio, where funding for global education programmes constitutes a significant percentage.

DFID's bilateral measures are generally relatively large. A total of 32 education projects are in progress as of July 2018, according to DFID's website *Development Tracker*. These have an average budget of around NOK 700 million (GBP 65 million) each. Some of them are made up of a number of subprojects.

DFID devised an education aid strategy in 2018.³⁷ This indicates three priority areas: better teaching, strengthened education authorities and systems, and funding for the poorest and most marginalised children. This strategy also emphasises the fact that DFID must fund research in order to find out more about what aspects of education aid work.

31) DFID (2018) *Statistics on international development: Provisional UK aid spend 2017*.

32) National Audit Office (2017) *A short guide to the Department for International Development*.

33) "Single departmental plan", see DFID (2018) *Corporate report. Department for International Development single departmental plan*.

34) DFID's education department (2017) *DFID results*. Email to the Office of the Auditor General, 30 August 2017.

35) The United Kingdom's bilateral education aid amounted to GBP 968 million in 2016. This figure includes thematic funding for multilateral organisations such as the GPE. In addition, an estimated percentage of the core funding goes to multilateral organisations and is channelled to education. This amounted to GBP 259 million in 2016. In total, British education aid amounted to GBP 1.2 billion in 2016. See DFID (2018) *DFID annual report and accounts 2017 to 2018*, p. 160; DFID (2018) *Additional tables: Statistics on international development 2017* (Table A9).

36) OECD DAC. *Statistics on resource flows to developing countries. Table 19 Aid by major purposes in 2016*.

37) DFID (2018) *DFID education policy 2018: Get children learning*.

5 Performance information for education aid through global agreements

5.1 The project cycle

The Ministry of Foreign Affairs developed a grant management manual in 2013 (*Grant Management Manual*) which describes the various activities that must be implemented in connection with grant management. This manual aims to ensure that grants are managed in compliance with applicable regulations, to ensure a coherent approach to grant management among all units at the Ministry and Norad and to reduce risk associated with grant management.³⁸

The administration of an aid project can roughly be divided into three phases: planning, follow-up and conclusion. During the planning phase, the grant manager must assess the project description, its theory of change and results framework, budget and risk analysis, and obtain expert advice where necessary. On this basis, the grant manager must prepare decision documents for funding, decide how the grant manager should follow up on the project and enter into an agreement with the grant recipient. During the follow-up phase, the grant manager must review progress reports and annual reports from the project, hold meetings with the grant recipient and conduct field trips if necessary. The agreement should also state at what time interim and final reviews or evaluations are to be conducted. When the funding period is over, the project can be concluded or the parties can enter into an agreement for a new period. Information from both ongoing and concluded projects is reported in the budget proposition.

The evaluation department at Norad conducts independent evaluations of Norwegian development cooperation in order to document whether efforts to achieve development policy objectives are effective and relevant, and whether the expected results are achieved (centralised evaluations).³⁹ In addition, the grant managers conduct reviews and evaluations of projects and programmes in line with the requirements in the respective grant scheme rules (decentralised evaluations). The purpose of such evaluations is to obtain performance information and to contribute to more independent assessment of projects as supplements to the performance reports from grant recipients.

5.2 UNICEF – global education funding

5.2.1 Justification for and documentation of funding decisions

Norwegian education aid is largely donated via global stakeholders, UNICEF being the largest recipient of Norwegian funding. Norway's contribution to UNICEF's Thematic Education Fund, known as soft earmarked funding, stood at NOK 540 million in 2017. The Ministry of Foreign Affairs states in an interview that even though Norad was given responsibility for the administration of education aid in 2017, responsibility for administration of the thematic funding and core funding for UNICEF rests with the Ministry of Foreign Affairs.

38) Ministry of Foreign Affairs (2013) *Grant Management Manual. Management of Grants by the Ministry of Foreign Affairs and Norad*.

39) *Instruks for evalueringsvirksomheten i norsk bistandsforvaltning*. Approved by the Secretary-General in the Ministry of Foreign Affairs and the Permanent Secretary in the Ministry of Climate and Environment on 23 November 2015.

The Ministry of Foreign Affairs also states in an interview that the core funding for UNICEF has been reduced slightly over the past few years, while the thematic funding for education has increased. From 2015 to 2017, the core funding for UNICEF stood at NOK 450 million, NOK 435 million and NOK 410 million a year. According to the Ministry of Foreign Affairs, this reflects the political priorities of the Solberg Government. In order to double the amount allocated for education aid, it was necessary to donate more funds thematically earmarked for education. Norad states in an interview that Norway was responsible for almost 83 percent of the global thematic funding for education at UNICEF in 2016.

Support for the Global Thematic Education Fund is regulated by a framework agreement between Norway and UNICEF, with an associated programme cooperation agreement. Programme cooperation agreements normally remain in force for one to two years at a time. They are linked to UNICEF's strategic plan, which provides an overview of topics that UNICEF will work with. Thus the agreement does not indicate specific activities that UNICEF has to implement when using Norwegian funding. UNICEF has developed a results framework for the 2014–2017 strategic plan period. This results framework includes indicators at both outcome and output level, with baseline data for almost all indicators. The results framework and target figures were amended in 2016.⁴⁰

The Ministry of Foreign Affairs states in an interview that the template for decision documents for bilateral agreements is not suitable for decisions on thematic funding and core funding for multilateral organisations. Therefore, it is not being used. Instead, the Ministry writes decision memoranda to the political leadership, providing brief reasons for why UNICEF should receive funding. The review shows that these memoranda do not include a systematic assessment of the results framework, risk, sustainability or budget in the way that decision documents for bilateral agreements do.

The Ministry of Foreign Affairs states in an interview that the results framework, risk and costs are discussed and approved by UNICEF's board of directors during the development of the strategic plan. Prior to the discussion with the board of directors, the Ministry negotiates with UNICEF and other countries on the basis of experiences with the organisation and established Norwegian policy. The Ministry also uses reports from the donor network MOPAN⁴¹ in its assessment of UNICEF. The Ministry is therefore of the opinion that it is not necessary to consider these aspects further for funding within the specified plan period. The Ministry states that this practice will be reviewed when a new grant portal is developed.

5.2.2 Performance information from UNICEF

UNICEF reports on global funding for education in the organisation's annual report and an annual thematic report.⁴² The thematic report accounts for all of UNICEF's work with education, with all the funds the organisation has had available: core funds, thematic funds and project funding. UNICEF also reports against its results framework for education. According to Norad, the report could have made it clearer which results and activities come from which source of funding. Norad also points out that for Norway, as a major donor of thematic funding, clearer depiction of how the thematic funds are used could be of relevance. Norad adds that Norway has previously asked for the

40) Memorandum from Norad to the Ministry of Foreign Affairs, dated 17 October 2017. *Resultatseksjonens svar på bestilling: Vurdering av UNICEFs resultatrapportering 2016 – innspill til årlig møte 20.10.2017.*

41) Multilateral Organisation Performance Assessment Network. This network consists of 17 member countries that devised collective assessments of multilateral organisations, including factors such as how efficient they are, see White Paper 24 (2016–2017).

42) Annual Results Report Education.

report to explain more clearly what is achieved with the thematic funds for education. This request has only been partly fulfilled by UNICEF.⁴³

The Ministry of Foreign Affairs indicates in an interview that the Ministry does not request separate annual reports on what the thematic funding is used for, in addition to the annual thematic report. For instance, there are no requests for performance information at country level. UNICEF publishes information on the extent of funds donated to each country from the Global Thematic Education Fund. Traditionally, the Ministry of Foreign Affairs has not requested much information on how the money is spent specifically, as this in their opinion contravenes the global unspecified thematic funding model. The Ministry of Foreign Affairs is unable to track precisely how the Norwegian funds are used. The Ministry of Foreign Affairs emphasises that thematic funding for education provides flexibility for UNICEF, which is largely able to use the funds as it wishes within the theme for which the money is donated and within the framework of the strategic plan. According to the Ministry of Foreign Affairs, UNICEF is very pleased with this form of funding, and the Ministry is of the opinion that this is an efficient way of donating aid.

Norad states in an interview that the figures used in UNICEF's annual report for education are obtained from UNICEF's country offices. Norad does not know how UNICEF performs quality assurance of the figures in the education report. Norad makes general comments on the quality of the report, but does not look at the quality assurance of the figures.

To be able to make an objective assessment on the reports produced by UNICEF with regard to results achieved, it is important – according to the Ministry – to have access to information obtained from parties other than UNICEF itself. The Ministry of Foreign Affairs indicates in an interview that the embassies can play a more significant role in this than they do at present. Both the embassy in Ethiopia and the embassy in Nepal do, however, indicate in interviews that it is not possible to know which countries receive Norwegian thematic funding for education, and that it is therefore uncertain whether Ethiopia and Nepal receive Norwegian thematic funding for education via UNICEF.

The Ministry is generally of the opinion that performance reporting from UNICEF has become more transparent and informative than it used to be, and notes in an interview that the reporting is more disaggregated now than just two or three years ago. However, Norad states in an interview that many countries still do not collect national data on the same indicators used by UNICEF. Therefore, the statistics presented in UNICEF's thematic annual report lack figures from many countries. Nor do the reports indicate the specific countries for which there is no data.

For the education funding that Norway provides to UNICEF, it is reported in Prop. 1 S (2017–2018) that UNICEF's achievement of objectives related to its 2016 milestones for education stands at 94 percent.⁴⁴ The Ministry of Foreign Affairs states that UNICEF does not have a satisfactory way of calculating the achievement of objectives, and that the Ministry has discussed this with the organisation. UNICEF does not explain the calculation method used in performance reporting, and the Ministry of Foreign Affairs has not explained this in the budget proposition either. According to the Ministry of Foreign Affairs, however, it is important to be familiar with the calculation method in order to understand what the percentage figure means. This form of achievement of objectives is dependent on how ambitious the objectives defined by UNICEF are. If the

43) Letter from Norad to the Ministry of Foreign Affairs, 2 August 2017. *Svar på bestilling: vurdering av Unicefs årlige rapport om utdanning 2016*.

44) Prop. 1 S (2017–2018), p. 290.

objectives are downgraded as the period progresses, this will result in what appears to be the increased achievement of objectives. The Ministry of Foreign Affairs states in a letter dated 25 January 2019 that the Ministry is subject to strict space restrictions with regard to reporting in the budget proposition, and that the budget proposition is therefore not the most appropriate document for methodological specifications.

The audit has reviewed UNICEF's thematic annual reports for education for 2014–2017. These are all within the same strategic plan period, see 2014–2017. The review shows that a number of the target figures linked with the indicators have been downgraded when the annual reports for 2014 and 2017 are compared. This is true of three education indicators – among others – linked with disadvantaged children, children with disabilities and prevention of gender-related violence, see table 4.⁴⁵ The target figures for what was to have been achieved in 2017 were downgraded significantly between 2014 and 2017. The Ministry of Foreign Affairs confirms in an interview that it has correctly been observed that the target figures for the three indicators have been downgraded within the same strategic plan period. According to the Ministry, UNICEF's board of directors approved the changes in 2016 in order for the target figures to be more realistic. The amendment of the target figures is not referred to nor explained in the annual reports from UNICEF. As stated, the result of the downgrading of the target figures was an indication of higher achievement of objectives in the annual report for 2017, regardless of the results achieved.

Table 4 Examples of downgrading of target figures from UNICEF's annual reports for education for 2014 and 2017

Indicator	Year	Target figure to be attained in 2017 (%)
P5.e.2 Countries with an Education Management Information System (EMIS) providing disaggregated data that allows the identification of barriers and bottlenecks that inhibit the realisation of the rights of disadvantaged children	2014	90
	2017	75
P5.e.3 Countries with policies on inclusive education covering children with disabilities	2014	91
	2017	46
P5.e.4 Countries with an education sector policy or plan that specifies prevention and response mechanisms to address gender-based violence in and around schools	2014	77
	2017	32

Source: UNICEF's annual reports for education for 2014 and 2017

The Ministry of Foreign Affairs is of the opinion that, regardless of the calculation method, there is no doubt that UNICEF's goal achievement in the area of education is high.⁴⁶

Norad refers to the fact that the figure describing goal achievement – cf. 94 percent as referred to in Prop. 1 S (2017–2018) – is taken from the UNICEF report *Data Companion and Scorecard*, an appendix to UNICEF's general annual report. Norad notes that this appendix must be used with caution. In their understanding, these figures are primarily an internal tool for UNICEF and are of limited value to donors.

45) The figures in Table 4 have been taken from the annual reports of 2014 (p. 71) and 2017 (p. 93–94).

46) Interview with the Ministry of Foreign Affairs, 15 February 2018.

Norad states that they comment on the text in Prop. 1 S regarding the fund managed by Norad itself, but have not contributed to the text on the funds received by UNICEF, as the Ministry of Foreign Affairs manages these.⁴⁷

5.3 GPE – the Global Partnership for Education

Besides UNICEF, the Global Partnership for Education (GPE) is the largest multilateral recipient of Norwegian global unspecified funding for education. The GPE, which received NOK 612 million in Norwegian funding in 2017, is made up of 65 developing countries, more than 20 donor countries, international organisations such as the World Bank and UNICEF, voluntary organisations and the private sector. The GPE is organised as a multi-donor trust fund, and its main purpose is to ensure that everyone has the opportunity to get a quality education and the possibility of lifelong learning.⁴⁸ This is largely achieved by supporting the education plans of recipient countries.

5.3.1 Justification for and documentation of funding decisions

The Ministry of Foreign Affairs states that Norwegian funding for the GPE is allocated for several years at a time and is adopted by the Government through a Government memorandum. The Ministry prepared a decision document for funding for the GPE in 2011, when an agreement for NOK 550 million was entered into for 2011–2014. Norad states that the Ministry of Foreign Affairs subsequently entered into five supplementary agreements amounting to between NOK 50 million and NOK 440 million. For these agreements, the Ministry prepared memoranda for the political staff rather than individual decision documents. Norad has managed funding for the GPE since 2017 and has prepared two decision documents, one in 2017 and one in 2018. The final decision document relates to funding for 2018–2020 and includes a systematic assessment of the results framework, relevance, risk, budget and sustainability. This decision document also states which sources are used as a basis for the assessment, and as it is based on experiences over a longer period of time, it provides an extensive assessment of the challenges and deficiencies of the partnership.

When asked how the size of the funding for the GPE and UNICEF is determined, the Ministry of Foreign Affairs states that the Ministry has not had to choose between supporting GPE or UNICEF as the total amount of Norwegian aid for education has increased over the last few years. Instead, both organisations have received increased education funding from Norway since 2013. When determining the distribution of the funding, the Ministry takes into account the different objectives of the two organisations. Funding for UNICEF is linked to Norway's policy on supporting the UN. Unlike the GPE, UNICEF has a special mandate to secure the rights of children. Norad states in an interview that it is reasonable to divide most of the Norwegian funding for education between UNICEF, which has a strong initiative focusing on education for girls, and the GPE, which has a strong poverty profile and consistently emphasises issues that are in line with Norway's priorities.⁴⁹

DFID also provides funding for the GPE. In 2014, DFID assessed whether renewed support should be given to the GPE for 2015–2018. In connection with this, DFID prepared an extensive decision document.⁵⁰ The assessment was performed by an internal team that considered the advantages and disadvantages on the basis of nine

47) Interview with Norad, 1 and 5 February 2018.

48) Prop. 1 S (2017–2018), p. 281.

49) This section is based on interviews with Norad held on 1 and 5 February 2018 and an interview with the Ministry of Foreign Affairs held on 15 February 2018.

50) DFID (2014) *Business case – Support to the Global Partnership for Education*. <http://iati.dfid.gov.uk/iati_documents/5163175.odt> [Downloaded 16 October 2018].

set criteria. The process and the results of the assessment are described in the decision document and are therefore verifiable.

As part of its assessment, DFID systematically reviewed the methods that the GPE proposed to use to measure results during the period. One risk that was highlighted was that at the time, the GPE did not yet have an overarching results framework. The decision document also included extensive assessment of risk and cost effectiveness. As a result of the assessments, the GPE was awarded around NOK 2.2 billion (GBP 210 million) for the period. Around half of the funds were made dependent on the GPE demonstrating implementation of adopted reforms.

5.3.2 Performance information from the GPE

A good results framework is an important prerequisite for good performance information. The GPE has a robust results framework that was devised in 2016, according to a Norad representative during an interview.⁵¹ In June 2018, Norad received the second performance report prepared by the GPE since the adoption of the new results framework. This report (which covers 2017) is robust and a further improvement on the previous year's report, according to Norad. The development of the results framework came about after the GPE received criticism in an evaluation in 2015⁵² for its lack of a results framework. As of 2018, the GPE has a results framework with 37 indicators for measuring progress between 2016 and 2020. The GPE's objectives include increasing the number of countries that can demonstrate success in learning outcomes, from 54 to 65 percent. In Prop. 1 S (2017–2018) it is highlighted that there are major methodological challenges connected to this work.

In an interview, Norad refers to the fact that the GPE largely supports the development of results measurement and education data in the countries in which it is involved. The authorities' own sector plan, which must form a basis for grants from the GPE, is based on an analysis of all data on education that is collected by the countries. According to Norad, in this way the GPE provides countries with incentives to prioritise the collection of education data, as it is difficult to compile the documents required in order to obtain funding from the GPE if sufficient data is not available.

5.4 The REACH multi-donor trust fund – Results in Education for All Children

The multi-donor trust fund REACH aims to promote results-based financing in education aid. The reason for using results-based financing is outlined in White Paper No. 25 (2013–2014) *Education for Development*. This white paper specifies that “[t]raditional aid has not on the whole produced satisfactory learning outcomes, and RBF [results-based financing] is considered a potentially important tool for improving learning outcomes, at least in certain areas”. Hence Norway took the initiative to create a new fund at the World Bank for results-based financing of education aid. The agreement between the Ministry of Foreign Affairs and the World Bank concerning the multi-donor trust fund *Results in Education for All Children* (REACH) was signed on 22 January 2015.

51) This section is based on an interview with the Ministry of Foreign Affairs held on 15 October 2018, which was also attended by a Norad representative, and interviews with Norad held on 1 and 5 February 2018.

52) Norad (2015) *Evaluation of Norwegian multilateral support to education. A synthesis report*, implemented by the Development Portfolio Management Group on behalf of Norad.

5.4.1 Justification for and documentation of funding decisions

REACH mainly supports two kinds of measures: country programmes (Country Programme Grants) and smaller, innovative projects (Knowledge, Learning and Innovation Grants).⁵³ Besides Norway, Germany and the US also provided support for the fund in 2015. Norway has donated NOK 110 million to the fund between 2015 and 2017. The Ministry of Foreign Affairs was responsible for REACH during the preparation phase and entered into the agreement with the World Bank, but responsibility for the fund was transferred to Norad in April 2015.⁵⁴

Before the agreement was finalised in 2015, the World Bank prepared a project proposal, or what is known as a “concept note”, at the invitation of the Ministry of Foreign Affairs. Norad states that the fund was created on the basis of this project proposal rather than a specific application. Norad states in an interview that a project proposal of this kind is not considered binding in the same way as an application, but that it partly determines how the fund is structured. Norad commented on the World Bank’s project proposal on a number of occasions at the instigation of the Ministry of Foreign Affairs.⁵⁵ In all its comments, Norad emphasised that a robust results framework was necessary, even before the agreement was concluded. Norad wrote the following to the Ministry of Foreign Affairs on 8 August 2014:

As stated previously, we have seen that there may be a fairly large variation in the quality of the World Bank’s performance work [...] There are a number of examples where the performance of the Bank’s fund is not of the same quality as the Bank’s main systems [...]. We feel that this proposal has still not been prepared sufficiently with regard to arrangements for measuring results, and we would strongly recommend that efforts are made to ensure that a robust results framework is in place before Norway provides support to the fund, see the requirements of the Financial Regulations stating that grant managers must be able to obtain reports that make it possible to assess the degree of target achievement. In our opinion, this draft does not include sufficient information on anticipated results and how these could be measured, so it will not be possible to assess the degree of target achievement. Additional information on the control structure of the fund is also lacking.

The requirement to which Norad refers is specified in section 6.3.6 of the Financial Provisions, which state that the grant manager must obtain reports from the grant recipients which make it possible to assess the extent to which the objectives for the grant have been met. To make this possible, the goal achievement criteria must be formulated so specifically and precisely that they can be followed up in progress reports and annual reports.

In the decision document that formed the basis for the agreement, the Ministry of Foreign Affairs concluded that a results framework with indicators at output level was sufficient for a one-year pilot phase.⁵⁶ One year should be enough to prepare a complete results framework with performance indicators at outcome level. In line with this, the final project proposal from the World Bank merely includes an overview of planned activities, including that two country programmes and three smaller, innovative projects will be established in 2015, and that 50 people should have attended

53) Ministry of Foreign Affairs (2015) *Beslutningsdokument for støtten til REACH-fondet*. Dated 19 January 2015.

54) *Amendment to the administration agreement between the Norwegian Ministry of Foreign Affairs and the International Bank for Reconstruction and Development and the International Development Association concerning the Results in education for all children multi-donor trust fund (TF No. 072368)*. Dated 22 January 2015.

55) Norad has commented on the World Bank’s proposal in emails to the Ministry of Foreign Affairs dated 8 August 2014, 26 August 2014 and 8 September 2014.

56) The decision document is dated 19 January 2015.

seminars.⁵⁷ There are no indicators that describe what this should lead to. There is no results framework in the agreement with the World Bank, nor is there any reference to the results framework in the project proposal. Hence there was no results framework for REACH as described in the Ministry of Foreign Affairs' own guide for results and risk management⁵⁸. The guide defines a results framework as a comprehensive framework for measuring results. According to the guide, a good results framework should describe anticipated results at several levels in the performance chain, indicators, baseline data on the present situation, target figures, and methods and data sources.

According to the decision document, there was a great deal of political interest at the Ministry of Foreign Affairs in using results-based incentives more actively in the education sector. This is emphasised as an important reason to launch the pilot phase quickly and to hold off on developing a detailed results framework.⁵⁹ In a decision memorandum prepared for the decision document dated 19 January 2015, the Ministry of Foreign Affairs indicates that results-based financing presents a number of challenges, including risk linked with poor design and weak performance indicators, low capacity in the recipient country and no guarantee of long-term changes. The Ministry nevertheless concludes that the risk is worth taking.

The Ministry of Foreign Affairs was asked why it entered into an agreement without a results framework, given Norad's repeated advice to ensure that such a framework was in place before any agreement was concluded. The Ministry responded that REACH was not an ordinary project, but an exploratory fund with the primary aim of testing results-based financing mechanisms of various types and finding out what does and does not work. The activities were therefore not specified in advance. Instead, they were to be decided during established meetings with the World Bank along the way. Norad attended these meetings. The Ministry of Foreign Affairs states in an interview that it is neither desirable nor possible to set up a satisfactory results framework for a fund of this type.

Norway has been supporting a similar multi-donor trust fund in the health sector since 2007 (the Health Results Innovation Trust Fund – HRITF), and this is also managed by the World Bank. Norad's advice to the Ministry of Foreign Affairs on the REACH project proposal dated 8 August 2014 also refers to experiences from this health fund. Norad indicates that an independent evaluation of the health fund carried out in 2012 emphasises the fact that it is important to have a robust results framework for such (exploratory) funds. At the time of the evaluation, the health fund had not developed a results framework that could be used to measure the progress of established indicators. Instead, it reported almost exclusively on activities. The evaluation recommended that the health fund should develop a results framework linked to the main objectives of the fund as quickly as possible, with clear indicators that could be used to measure whether the objectives were being reached.⁶⁰

5.4.2 External assessment of the Norwegian funding for REACH

The decision document dated 19 January 2015 states that even though the amount of funding (NOK 60 million) indicates that the project proposal should be assessed externally before entering into an agreement, this has not been done. According to the document, an external assessment would be conducted as soon as the one-year pilot

57) World Bank (2014) *REACH: Results in education for all children. A result-based financing program for education through the World Bank Group. A proposal*, October 2014, p. 9.

58) *V04 guide to assessment of results and risk management, including cross-cutting issues*, dated 6 June 2017, as part of the Ministry of Foreign Affairs' 2013 Grant Management Manual, see *Grant Management Manual*.

59) Ministry of Foreign Affairs (2015) *Beslutningsdokument for støtten til REACH-fondet*, p. 10. Dated 19 January 2015.

60) Norad (2012) *Evaluation of the Health results innovation trust fund*. Report 4/2012.

phase was completed and a proposal for a strategic results framework was available.⁶¹ The Ministry of Foreign Affairs states in an interview that conducting an external assessment is not mandatory. Expert advice was obtained from Norad. There is no comment in the decision document on why expert advice from Norad concerning the preparation of a results framework before entering into the agreement was not followed up, despite the fact that the grant scheme rules state that the grant manager must document its reasoning if expert advice is not followed.

A new decision document for Norwegian funding for REACH was prepared in 2016 in connection with a supplementary agreement where Norway was to provide a further NOK 40 million to the fund. There was no external assessment made in advance this time either. Although this amount – according to the decision document – indicates that an external assessment must be obtained before new funds are provided, it was again proposed that the decision should be made on the basis of the decision document only. It also states that the project will be assessed by an external party for the extended phase as soon as the extended pilot phase is complete and a strategic results framework is available.⁶² The pilot phase was originally set at one year, but it was extended to two, from 2015 to 2016. The 2016 decision document indicates that the pilot phase was extended in order to ensure a broader, clearer experience base to support further development and use of results-based financing in the education sector.

After the annual meeting in 2017, Norad and Germany (GIZ⁶³) decided to work together in order to implement an external review of the REACH trust fund, as measures implemented in 2015 had not produced results, according to Norad in an interview. The external review of September 2017 indicates that the donors (Norad and GIZ) are of the opinion that the REACH trust fund is not delivering as anticipated. In their opinion, the fund places too much emphasis on building capacity internally for World Bank employees, and the Bank fails to pass on this knowledge to other aid partners. One of the recommendations in this report is to amend the results framework so that it is more in line with the expectations of the donors. The review also refers to the fact that financial reporting from REACH is not sufficiently transparent, and that the donors' concerns about effective use of the fund's resources could be laid to rest with more transparent communication on the part of the World Bank.⁶⁴

5.4.3 Performance information from REACH

On a number of occasions, REACH donors have expressed a wish for clearer reporting of results on the part of the fund. Most recently in the minutes from the 2018 annual meeting, the donors state that the annual report for 2017 places more emphasis on reporting activities than the achieved results (outcomes) of the measures.

Norad states in an interview that as of February 2018, they have no view on the results of funding for REACH. The first results from the fund should be presented in a compendium indicating provisional findings and information on what works and does not work, given various results-based financing models. As it is not possible to say anything about the fund's performance for the time being, Norad states in an interview that it is difficult to assess whether Norad's follow-up has helped to secure the primary objective of the fund. The Ministry of Foreign Affairs also states in an interview that the measures implemented in REACH have been delayed for a variety of reasons, and so

61) Ministry of Foreign Affairs (2015) *Beslutningsdokument for støtten til REACH-fondet*, p. 10. Dated 19 January 2015.

62) Norad (2016) *Beslutningsdokument II for REACH*. Dated 13 June 2016.

63) GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) is the German state aid organisation.

64) Zafson Program4Results (2017) *External assessment of Results in education for all children (REACH) trust fund (2015–2017)*, p. 51. September 2017.

the Ministry considers it too early to have a clear indication of the contribution of the fund to date.

The draft compendium from the REACH trust fund was published on 18 October 2018.⁶⁵ This compendium is largely a review of the research literature within the results-based financing team, relating to both education aid and health aid. It also refers to practical experiences with such projects, but addresses to a lesser extent performance and lessons learned from REACH projects. This compendium makes reference to experiences from eight of the 33 REACH projects. Only one of the eight REACH measures referred to makes a clear reference to its source. A lot of literature and project documentation dates back to before 2015, so the evidence base was available before REACH began. The country programmes in Nepal and Lebanon are the biggest REACH projects. They are not independent projects but form part of a limited number of projects already in progress that are being managed by the World Bank. In Nepal, REACH donates USD 4.25 million of USD 800 million (equivalent to around NOK 33.5 million of NOK 6.7 billion) to the sector programme for education, while in Lebanon REACH donates USD 4.25 million of the total programme of USD 2.1 billion (equivalent to around NOK 33.5 million of NOK 17.6 billion).⁶⁶ The compendium refers to a number of lessons learned from these World Bank projects: first and foremost, the Lebanon project has shown that results-based financing may be useful in a country in crisis and conflict. However, what has been learned on the basis of the financing from REACH is not clear. According to the compendium, it may also be difficult to establish the effect of results-based financing when this is provided in combination with traditional aid. This is the case with the projects in Lebanon and Nepal. The compendium concludes that a number of projects must be completed before it will be possible to draw specific conclusions on results-based financing in education aid.

The fund's agreement states that the fund will be concluded in 2020. Norad's internal minutes and travel report from the REACH annual meeting in the winter of 2018 note that the various measures are delayed by 18 months on average, and that the World Bank would like a one- or two-year extension of the fund in order to implement all measures without adding new funds.⁶⁷ The formal minutes from the annual meeting in 2018 show that the requested extension was granted. According to the minutes, however, it was agreed that the fund would not be continued beyond 2022.

65) Lee, Jessica D. and Octavio Medina (undated draft) *Results-based financing in education: Learning from what works*.

66) World Bank (2017) *Results in education for all children (REACH) annual report 2016*, p. 5, 11 and 56.

67) Norad (2018) *Norad reiserapport og referat fra deltagelse på årsmøte i REACH flergiverfond – 27.2–1.3 2018*.

6 Quality of performance information from selected education projects

This part of the investigation includes an analysis of 24 selected aid projects⁶⁸, focusing particularly on the 18 projects specifically working with education in Nepal, Ethiopia and South Sudan. These projects, including the three global agreements that were referred to in section 5, are summarised in table 5.⁶⁹

Table 5 The aid projects (agreements) investigated. The responsible administrator is shown in brackets

ID	Agreement	Country	Agreed funding in NOK millions*	Administrator
1	School sector programme, 2009–2016	Nepal	344	Embassy
2	School sector programme, 2016–2019	Nepal	231	Embassy
3	Aasaman Nepal in the Terai, South Nepal, 2016–2019	Nepal	7.5	Embassy
4	Save the Children project for education, 2015–2018	Nepal	30	Norad
5	Digni project for reinforcing the skills of primary school teachers, 2008–2012	Nepal	0.67	Norad
6	Atlas Alliance project for inclusive education, 2016–2019	Nepal	0.15	Norad
7	Support for the multi-donor trust fund for primary education in Ethiopia, GEQIP II, 2015–2017	Ethiopia	80**	Embassy
8	Norwegian Refugee Council education programme for refugees and children from the local community in North Ethiopia, 2015–2017	Ethiopia	25	Embassy
9	Save the Children project for education in Ethiopia, 2010–2014	Ethiopia	47.5	Norad
10	Save the Children project for education in Ethiopia, 2015–2018	Ethiopia	35.4	Norad
11	ADRA Norway project for reinforcing access to and quality in education, 2014–2018	Ethiopia	17.8	Norad
12	Digni education project in Ethiopia with emphasis on providing schooling, particularly to girls in the Arsi district, 2013–2017	Ethiopia	0.81	Norad
13	Funding for the UNICEF Back to Learning project, 2015–2017	South Sudan	48	Embassy
14	ADRA Norway project for reinforcing access to and quality in education, 2014–2018	South Sudan	38.6	Norad
15	Strømme Foundation education project in South Sudan, 2014–2018	South Sudan	21.1	Norad
16	Norwegian Refugee Council project for providing children without schooling with access to high quality education, 2012–2013	South Sudan	13	Norad
17	Norwegian Refugee Council project for providing internally displaced children and young people with access to education, 2014–2016	South Sudan	23	Norad
18	Norwegian Refugee Council project for providing children and young people with access to schooling in four regions in South Sudan, 2017–2018	South Sudan	20	Norad
19	DFID support for GEQIP II, 2013–2018	Ethiopia	1300	DFID
20	DFID support for Save the Children, 2011–2016	Ethiopia	580	DFID
21	DFID support for pilot projects, 2012–2015	Ethiopia	346	DFID
22	UNICEF's global agreement on funding for education (2012–2017)	Global	3270	Ministry of Foreign Affairs
23	GPE – the Global Partnership for Education (2012–2017)	Global	2182	Ministry of Foreign Affairs/Norad
24	REACH – agreement with the World Bank on a multi-donor trust fund for results-based financing for education (2015–2017)	Global	110	Ministry of Foreign Affairs/Norad

* The amount actually paid will deviate from the amount in the agreement for a number of projects

** Decision document for 2015–2017. NOK 48 million + NOK 32 million in a supplementary agreement for 2017–2019. Source: Norad's statistics database, Norwegian Aid Statistics

68) The term "aid project" is used here to refer to elements in the Norad database *Norwegian Aid Statistics* that have separate, independent agreement numbers. This means that projects may be both major programmes and more restricted projects under a framework agreement. See the method section for a more detailed explanation of the terms.

69) The agreement numbers for the projects are shown in Appendix 1.

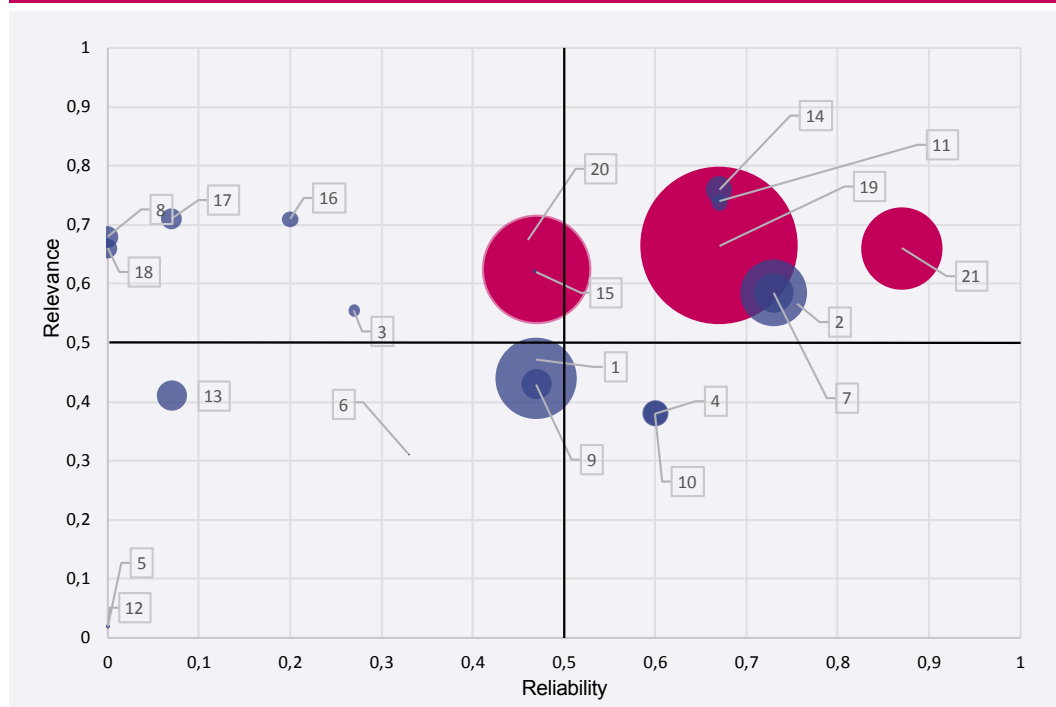
Of the 24 projects, 21 are supported by Norway. Of these, six are managed by the embassy, 13 by Norad and one by the Ministry of Foreign Affairs. The final project, the REACH trust fund, was created by the Ministry of Foreign Affairs in January 2015, while Norad took over responsibility for administration in April the same year. The financial totals in the projects vary significantly, from around NOK 150,000 to more than NOK 3.3 billion in the global agreement on support for UNICEF's education fund. Some of the projects are part of larger framework agreements with civil society organisations, such as the Save the Children projects. Furthermore, three projects managed by DFID in the UK have been investigated. These have been included in order to provide a comparative perspective and to help explain what characterises projects with good performance information.

6.1 Total quality score for performance information in 21 selected education projects

The investigation assesses whether the performance information in the 21 selected education projects is reliable and relevant. This assessment has been made on the basis of available project documentation and in accordance with a number of criteria, see Appendix 2.⁷⁰

Figure 2 shows how the performance information for the projects is distributed along two axes, one for reliability and one for relevance. A high score on both axes corresponds to a high level of both reliability and relevance. The financial size of the projects is reflected in the size of the circles in the figure. The numbering of the projects is shown in table 5.

Figure 2 Project scores for reliability and relevance



• Projects supported and managed by Norwegian aid authorities
 • Projects supported and managed by DFID in the UK

Source: Office of the Auditor General

70) The three global agreements with UNICEF, the GPE and REACH have not been included in this part of the investigation as they differ from the other agreements in important areas, including the fact that they are used to support projects in many countries instead of just one.

Figure 2 shows that six projects have been deemed to have performance information that is both reliable and relevant.⁷¹ Two of these are DFID projects, while four are supported by Norway. These are the ADRA projects in South Sudan and Ethiopia, the school sector programme in Nepal (2016–2019) and GEQIP II in Ethiopia (2015–2017). DFID’s pilot project in Ethiopia has been deemed to have the most reliable performance information, while the civil society organisation ADRA is deemed to have the most relevant performance information. The projects of the civil society organisation Digni in Nepal and Ethiopia receive the lowest scores for both reliability and relevance. These are projects of little financial materiality and significance. Moreover, one of the projects is from the 2008–2012 period; that is to say, it is the oldest project in the selection.

In total, the figure shows that eight projects have been deemed to have reliable performance information, while 13 have been deemed to have relevant performance information. In general, the figure shows that there is a greater spread in terms of the reliability of performance information, rather than of its relevance. The fact that most of the projects are deemed to have relevant performance information may be linked with the fact that a results framework has been developed for all the projects. This is a requirement that should help to bring about more relevant performance information. Fewer requirements focus on reliability in performance information, with regard both to how the data is to be collected and verified. This may lead to greater variation. Furthermore, stricter requirements in respect of baseline data were introduced relatively recently.

A detailed description of the quality of performance information in the selected projects follows later on in the presentation, and is essentially based on the project cycle.

6.2 Quality assurance by the aid administration when planning the education projects

6.2.1 Application and documentation when allocating funding

Education aid is provided via different budget items, with different regulations. Much of the education aid to specific countries is donated via civil society organisations. Grants beyond the budget item for civil society are application-based and announced annually on the Norad website. Norad concludes framework agreements with civil society organisations. Each of these framework agreements frequently includes a number of topics and comprises a range of smaller projects that are implemented in different countries. Norad largely adheres to the framework agreement when following up on the agreements, which means that Norad often does not receive reports on results for the education projects in individual countries.

In 2015, Norad began processing applications from civil society organisations in accordance with the model known as the RAM (Resource Allocation Model). The RAM is an internal tool which, according to Norad, should help to bring about better compliance between quality and grants, and more transparency and a systematic approach in the allocation of grants. The applicant organisation, project and programme plans and results achieved previously are all assessed in the RAM model in accordance with an established weighting scheme. The size of the grant to the organisation in question will essentially be calculated on the basis of the RAM assessment.⁷² As the RAM model is relatively new, just one of the 21 selected projects

71) If performance information is deemed to be reliable and/or relevant, it is given a score of 0.5 or above.

72) Norad (2018) *RAM-modellen v.4*. Approved version dated 30 May 2018.

– the project run by the Atlas Alliance – has been assessed in accordance with this model.

Contrary to what happens with the funding via the civil society item, there is no requirement for education funding donated via the education item or as a regional grant to be announced or be subject to competition between organisations. The grant manager is free here to contact the relevant organisations and stakeholders that they feel are capable of delivering in line with the objectives of the grant schemes. The embassy in Ethiopia, for example, took the initiative to forge an agreement with the Norwegian Refugee Council on education at three refugee camps in North Ethiopia in the autumn of 2015. Civil society organisations may therefore also receive funds via budget items other than the civil society item, and in that case these funds are subject to other requirements.

The grant manager must assess the application or project documentation from the party applying for the grant, and record this in a decision document. According to the template, this decision document must include an assessment of the results framework in addition to assessments of the expertise and capacity of the grant recipient, risk management and sustainability, relevance and realism, and budget. This document must state the reasons why the funding is being granted, and be signed by a person with budget authority.⁷³ The review shows that decision documents have been prepared for the vast majority of the projects. However, there is no decision document for the funding for UNICEF: see the previous reference to this in section 5.2.1.⁷⁴ For the GPE, no decision document was prepared for the funding for 2015–2017, but memoranda to political leaders were created. That said, decision documents have been prepared for 2011–2014 and 2018–2020.

Some projects are assessed externally before a decision is made on whether the project should receive funding. The scheme regulations for funding donated via the region or education item stipulate that for projects of NOK 50 million upwards, either an external assessment is to be carried out or expert advice is to be obtained from Norad before an agreement is signed. There are no corresponding requirements for projects receiving funding via the civil society item. A review shows that two of the five projects subject to the requirement were assessed externally before agreements were concluded.⁷⁵ Expert advice from Norad was obtained for the remaining three projects.⁷⁶ This expert advice is far less extensive than the external assessments.

6.2.2 Compilation of a results framework

For all schemes, the grant recipient must compile a results framework to be used to measure the project's achievement of objectives. A good results framework will include objectives at various levels, indicators that make it possible to measure progress over time, and target figures – how much is to be achieved, that is – for each indicator. According to the 2013 Grant Management Manual, good results frameworks should

73) Ministry of Foreign Affairs (2013) *Grant management manual*, p. 25, *V05 Guide to financial management*.

74) The two projects or agreements in the selection for which no decision documents have been prepared are the Ministry of Foreign Affairs' agreement with UNICEF (agreement no. QZA-14/0064) and the funding for the GPE between 2015 and 2018 (agreement no. QZA-11/1032).

75) This is applicable to the school sector programme in Nepal for 2016–2019 and the funding for GEQIP in Ethiopia. The calculation has taken place from framework agreement level. In other words, it has been considered whether an external assessment has taken place (activity A03 in the Grant Management Manual) or expert advice has been obtained (activity A02 in the Grant Management Manual) for the framework agreement prior to its conclusion. For example, the budget for the ADRA project in Ethiopia is less than NOK 50 million, while the framework agreement between Norad and ADRA amounts to NOK 115 million and is therefore subject to the requirement. The external assessment of the school sector programme in Nepal was carried out by Juho Uusihakala Consulting, see *Appraisal of School Sector Development Plan 2016/17–2022/23 of Nepal*, dated 15 May 2016. The other external assessment, relating to the funding for the GEQIP programme in Ethiopia, was carried out by Norad employees together with the Nordic Consulting Group consultancy, see *Education sector analysis Ethiopia (final draft report August 2015)*.

76) This relates to funding for the 2009–2016 school sector programme in Nepal, funding for the GPE and funding for REACH.

also describe how data is to be collected, along with baseline data for each indicator. The grant manager is responsible for assessing the quality of the results framework and asking the applicant to improve this if it is felt to be lacking.⁷⁷

In its budget proposition for 2017, the Ministry of Foreign Affairs shows that external evaluations have indicated that the Ministry's system for assessing the results of the measures funded is not good enough. The Ministry states that it has therefore begun assessing the results framework for funded measures more systematically, and that the results framework has become an integral part of the grant agreement. According to the Ministry, this will help to bring about better reporting of results.⁷⁸ Furthermore, Norad has developed a joint results framework for Norwegian education aid that is applicable to agreements concluded after 15 January 2017. The primary purpose of the framework is to help make it easier to compile results from different measures and projects receiving Norwegian funding. The results framework must be used for agreements where education is the primary component and the funding is being donated to a specific geographical area. Norway must also be the only donor, or the biggest donor. Therefore, it is not mandatory for the geographically unspecified education funding for UNICEF or the GPE, for example. Initially, all parties must use the results framework's five indicators at output level and select at least one indicator at outcome level.⁷⁹

The grant manager must assess the results framework for the project in the decision document. This involves – among other things – assessing the context and realism in the target hierarchy, whether clear, measurable and realistic objectives have been specified at all levels, and whether baseline data is described sufficiently. In many cases, the administrator also asks the results section at Norad for a specialist assessment of the results framework as a basis for filling in the decision document. The project review indicates that the results frameworks are generally assessed thoroughly before any agreement is concluded, particularly for the more recent bilateral projects. Before Norad concluded a framework agreement with the Atlas Alliance for 2016–2019, for instance, the performance section at Norad carried out extensive assessments of the results framework.⁸⁰ In the decision document, the specialist assessments, together with assessments performed in accordance with the RAM model, were used as the basis to make a decision on funding; they were also used to identify which parts of the results framework the Atlas Alliance was asked to improve before the final agreement was concluded.

A project review shows that all the projects, with the exception of the funding for the REACH multi-donor trust fund, have results frameworks. The quality of the results framework nevertheless varies significantly between the projects. There is a clear tendency in the data for more recent projects to have better results frameworks than older ones. If these results are compared with the findings from a 2014 evaluation of the Norwegian aid administration's systems, procedures and practices for safeguarding measurement of results, there appears to have been a clear improvement in the results frameworks in education aid over the last five years. According to the 2014 evaluation, many agreements had no results framework.⁸¹

77) Ministry of Foreign Affairs (2013) *Grant Management Manual*. In particular, see sections 1.1.2 and 1.1.4 in *V04 Guide to assessment of results and risk management, including cross-cutting issues*, updated 6 June 2017.

78) Prop. 1 S (2016–2017), p. 25.

79) Norad (2017) *Education results reporting system*. <<https://www.norad.no/en/front/thematic-areas/education/results-reporting-system>> [Downloaded 11 June 2018].

80) Norad (2015) *Svar på bestilling: vurdering av resultatrammeverk for Atlas-alliansen*. Memorandum dated 26 November 2015.

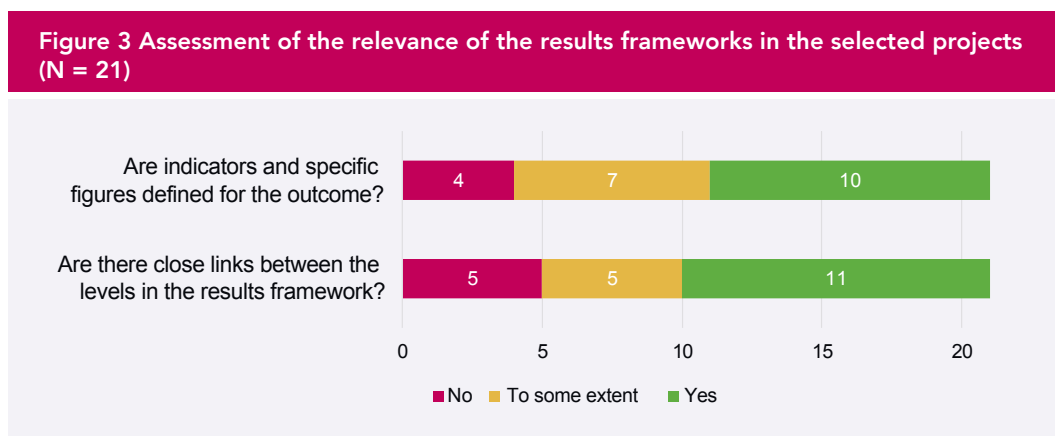
81) Norad (2014) *Can we demonstrate the difference that Norwegian aid makes? Evaluation of results measurement and how this can be improved*. Report 1/2014, p. 70.

The quality of the results frameworks – that is to say, whether the results frameworks pave the way for reliable and relevant performance information – is described below. As part of illustrating whether it is easier to obtain relevant performance information, there is an examination of whether the results frameworks are formulated so that data on priority target groups – such as children with disabilities – can be collated.

Do the results frameworks make it easier to obtain relevant information about performance information?

For the grant manager to obtain relevant information about performance information from a project, the results framework must pave the way for this. This means that the results framework has to have a clear link between targets and indicators. In the project review, the relevance of the results frameworks is assessed on the basis of the following two criteria:

- Is there a logical link between what the project is specifically aiming to do, and what the project wishes to achieve at a general level? This is assessed by seeing whether there are close links between the levels in the results frameworks, i.e. between the targets at outcome level and output level respectively.
- Are indicators and specific figures defined for the outcome and output targets?



Source: Office of the Auditor General – based on results frameworks from selected education projects

Figure 3 shows that around half of the projects have close links between the target levels and established indicators with target figures linked to the targets. One example of a project with a results framework categorised in the analysis as good in both dimensions in figure 3 is the Strømme Foundation's project in South Sudan. This project is part of a larger framework agreement between the Strømme Foundation and Norad. The framework is structured logically and clearly, and there are good links between the various levels in the framework. The results framework also has indicators designed to measure learning, which has frequently been lacking in the case of education projects. Table 6 shows an extract from the Strømme Foundation's results framework and provides examples of target formulations at the various levels.

Table 6 Extract from a results framework with close links between targets and indicators

Target/indicator	Examples of targets and indicators
General target at society level (impact)	Increased education level for local community following armed conflicts in South Sudan
Targets at user level (outcome)	Children that are not in school and former soldiers receive an education grant that will allow them to continue to study or find jobs.
Indicator 2 (of 4) at user level (outcome indicator)	80 percent of people who complete four years of education pass the final exam and achieve a certain score.
Targets at product level (output)	Establishing and running learning centres
Indicator 1 at product level (output indicator)	Establish 20 learning centres
Indicator 2 at product level (output indicator)	800 pupils enrolled at the learning centres

Source: The results framework for the Strømme Foundation's education project in South Sudan

Conversely, the analysis shows that there are also examples of results frameworks where there are weak links between the levels in the framework. This is true of – among others – the Norwegian Embassy's support for UNICEF's country programme in South Sudan, where the main objective is to help increase fair access to high-quality education for children who are not in school. None of the two other targets or the eight indicators linked with the general target relate to the quality of the education. Nor do any of the two targets or eight indicators at product level (output level) specify how the programme is to ensure fair access to education as stated in the general target.⁸²

Do the results frameworks pave the way for obtaining relevant data on performance information for specific target groups?

Many Norwegian aid projects in education aim to reach out to selected groups of children and young people, such as girls, minorities, marginalised groups or children with disabilities. Education for these four groups of children and young people is also emphasised as an important priority for Norwegian education aid in White Paper No. 25 (2013–2014) *Education for Development*. To be able to provide any information on the effects of the projects on the priority groups, the projects have to measure how many people from these groups are covered by the measure. This is known as disaggregated performance data. To be able to provide any information on whether an aid project has helped to improve the education available to children with disabilities, for example, it is necessary to have access to performance data relating to children with disabilities, not just data relating to children in general.

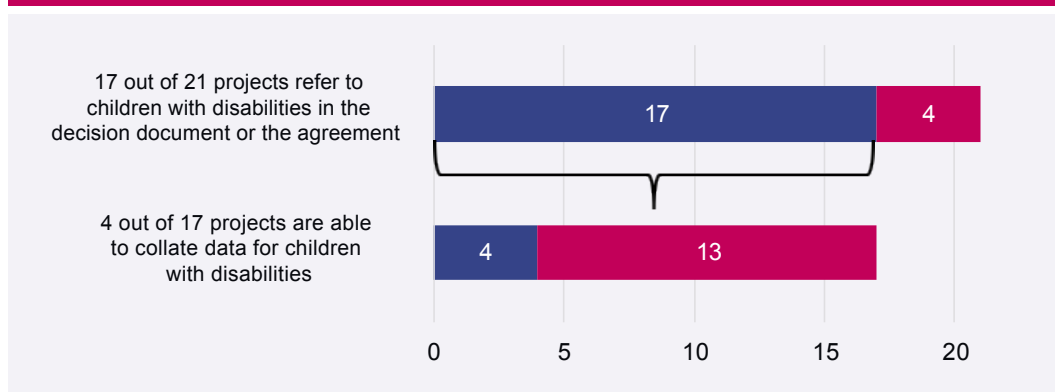
The review of the projects shows that most of them are designed so that the results can be broken down into boys and girls, allowing the gender distribution of various measures to be assessed. However, targets or indicators that are able to measure the effect for other vulnerable groups are not particularly prevalent, even though these groups are emphasised as target groups in the project's application documents or the decision document. Norad's joint results framework of 2017 for Norwegian education aid does not demand the compilation of data relating to people with disabilities. While breaking down the data by gender is mandatory, compiling data relating to children

82) Agreement between the Ministry of Foreign Affairs represented by the Norwegian Embassy in South Sudan and UNICEF, dated 1 November 2015. Appendix 1 *Agreed Programme Summary*.

with disabilities is optional.⁸³ When asked about this in writing, Norad replies that collecting data on children with disabilities is not mandatory as this requires extensive resources. According to Norad, therefore, this should only be done in projects aimed specifically at children with disabilities.

In 17 of the 21 projects selected, children with disabilities were explicitly referred to as a target group in the decision document or the agreement. Of these, just four projects – two projects run by Save the Children and two run by ADRA – are able to collate data for children with disabilities in the results framework: see figure 4.

Figure 4 Number of projects that define children with disabilities as a target group in the planning phase, and number of projects that are capable of collating data on this target group (N = 21)



Source: Office of the Auditor General

One example of children with disabilities being emphasised in the decision document, but without this being reflected in the results framework, is the agreement that the Norwegian Embassy in South Sudan has with UNICEF. The project target was to ensure access to education for 40,000 children and young people.⁸⁴ In the decision document for NOK 48 million of funding, the embassy writes that it has held discussions with UNICEF on the results framework, and that as a result of this, UNICEF has included indicators for children with disabilities. However, the project's results framework and subsequent reporting do not include activities or indicators aimed at children with disabilities. In 2018, the Embassy stated that it has no good explanation as to why this has not been done.⁸⁵

Neither UNICEF nor the GPE disaggregate performance data for children with disabilities, even though the Ministry of Foreign Affairs emphasises that funding for UNICEF and the GPE is a key mechanism for providing schooling for children with disabilities.⁸⁶ For UNICEF, children with disabilities have become a clear priority in the new strategic plan applicable from 2018. The Ministry of Foreign Affairs states in an interview that it has worked to include this priority in the plan, along with the fact that more data relating to this field needs to be collected. As of 2018, the objective is for UNICEF's reporting of selected education data to be disaggregated for children with disabilities, and other groups. Funds have not been earmarked specifically for disaggregation of data at UNICEF for children with disabilities, according to the Ministry.

83) Norad (2017) *Education results reporting system*. <<https://www.norad.no/en/front/thematic-areas/education/results-reporting-system>> [Downloaded 11 June 2018].

84) *Back to Learning (BTL) 2015–2017*, agreement no. SSD-14/0035.

85) Norwegian Embassy in South Sudan (2018) *Answers to questions on the Embassy's agreement with UNICEF Back to Learning*, cf. SSD-14/0035. Email to the Office of the Auditor General, 8 May 2018.

86) Prop. 1 S (2017–2018), p. 287.

The GPE's strategic plan for 2016–2020 contains none of the indicators measuring how many children with disabilities have greater access to schools and learning, even though one of the main targets of the strategy explicitly names children with disabilities as one of the main groups to be addressed.⁸⁷ Norad expands upon this, saying that they have asked the GPE to place more emphasis on inclusion of people with disabilities, and that they have tried to influence the GPE Secretariat. Norad adds that the greatest challenge is a lack of good data indicating who is disabled, why they are not at school, etc. The Ministry of Foreign Affairs states in a letter dated 25 January 2019 that collection of national data on children with disabilities, as used by UNICEF and the GPE, differs significantly from collection of data within a limited geographical area, as used by smaller organisations. The Ministry indicates differences in both complexity and resource requirements.

The Ministry of Foreign Affairs also states that a new marker will be introduced in the PTA in 2019 that will make it possible to flag grant agreements with inclusion of children with disabilities as the only element or a key element of the targets of the agreement.

The audit has also collated information on DFID's plans and tools for obtaining disaggregated data. Given the UN's Sustainable Development Goals and the need to strengthen the data to be used to measure attainment of these, among other things, DFID devised a plan in 2017 for obtaining more disaggregated data of better quality.⁸⁸ Initially, DFID will be working to obtain data relating to gender, age, disability and geographical location. This plan recognises the fact that more fine-meshed data will be required in the longer term, but that this will take time. Alongside this plan, DFID has devised a practical guide for collection of information on people with disabilities.⁸⁹ To ensure the quality of the data and prevent stigma, the guide recommends that the interviewer should ask respondents about their ability to perform activities, rather than directly asking whether they have any disabilities. In a letter from the Ministry of Foreign Affairs dated 25 January 2019, Norad refers to the fact that DFID is planning this. According to Norad, DFID often has good plans and guides, and the Ministry of Foreign Affairs and Norad have a lot to learn from it in this regard. However, Norad points out that there is no documentation on whether DFID has been successful with this approach. According to Norad, DFID is also facing the challenge presented by the fact that data on disabilities is sensitive and not readily available.

Do the results frameworks pave the way for reliable performance information?

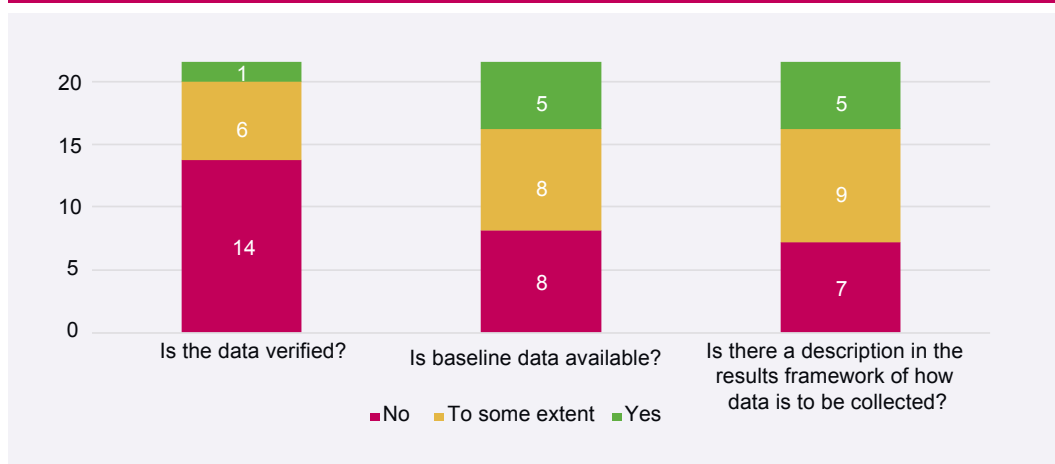
Even from the planning phase, the grant manager can help to lay the foundations for gaining reliable performance information from the projects. This may, for instance, involve assessing how reported performance data is to be verified, whether there is a robust basis for comparison of the situation before the measure begins (baseline), and whether the data sources from which performance information is to be obtained have been planned and described. Figure 5 shows how the results frameworks for the 21 selected projects have been assessed on the basis of these three dimensions in the project review.

87) GPE Strategic Plan 2016–2020, *GPE 2020 Improving learning and equity through stronger education systems*, p. 21.

88) DFID (2017) *DFID data disaggregation action plan. Better data for better lives*.

89) DFID (2017) *DFID's guide to disaggregating programme data by disability*.

Figure 5 Assessment of whether the results frameworks pave the way for reliable performance information (N = 21)



Source: Office of the Auditor General – based on results frameworks from selected education projects

Verification of performance information

Figure 5 shows that few of the projects have mechanisms for verifying the accuracy and correctness of the performance data. This may, for example, be done by re-counting parts of the reported results. Of the projects, 14 have no documented structure for verification of data in ongoing project follow-up or reviews and evaluations, while six projects have a restricted structure for some of the indicators. Only one of the projects is deemed to have a more comprehensive structure for verification. This is applicable to the school sector programme in Nepal for 2016–2023, where implementation of independent verification studies of the EMIS data reported is added as a separate indicator.⁹⁰ EMIS (Education Management Information System) is the designation for countries' own administrative systems for collection and reporting of education data.

Baseline data

Baseline data provides information on the situation that the grant recipient wishes to change, as it is at the start of a measure. The use of baseline data must make it possible to assess whether the measure has led to change over time.⁹¹ Demands are made for baseline data for civil society organisations receiving funding from Norad via the civil society item.⁹² Corresponding demands are not made in the other grant scheme rules, but results frameworks are mandatory for all grants, and according to the Ministry of Foreign Affairs' guidelines, baseline data should be a key element in a results framework.⁹³

Figure 5 shows that five of the 21 projects have established baseline data for all or a majority of the indicators in the results framework over the first year of the project. None of these are multilateral projects, and just five of the 18 bilateral projects have complete baseline data. The figure also shows that eight of the projects have baseline data to some extent, either for a selection of indicators or in the form of more general background figures for the education situation in the project area. Eight projects are

90) Ministry of Education (2016) *School Sector Development Plan, Nepal, 2016–2023*, p. 137. Reference is made here to indicator 1 under "Objective 7: Monitoring, evaluation and assessment".

91) Norad (2015) *Krav til baseline for sivilsamfunnsorganisasjoner*. <<https://www.norad.no/en/tilskudd/sok-stotte/sivilt-samfunnsfrivillige-organisasjoner/krav-til-baseline-for-sivilt-samfunnsorganisasjoner>> [Downloaded 18 April 2018].

92) Ministry of Foreign Affairs (2015) *Regelverk for støtte til sivil samfunn og demokratiutvikling*. Approved by the Ministry of Foreign Affairs, 27 October 2015.

93) Ministry of Foreign Affairs (2017) *V04 Guide to assessment of results and risk management, including cross-cutting issues*, p. 83 in the *Grant Management Manual*.

deemed not to have baseline data that can be used to assess whether the project has led to change over time.

Description of data sources

Figure 5 shows that few projects have a results framework that describes how the data is to be collected. As the recipient of the grant is the party that reports on results, clarification of which data sources are used may make reporting more trackable and make it easier for the grant manager to verify reported data. A number of the projects reviewed have a general description of which data sources are to be used to measure progress, but only five⁹⁴ of the projects include an overview of the use of sources and the frequency of measurements for the individual indicators.

6.3 The aid administration's follow-up of education projects

The grant manager's follow-up and inspection of the projects must be adapted to the risk, materiality and significance of the individual measure and be established in line with the relevant administrative regime, requirements and specifications in the grant scheme rules, the Grant Management Manual, the agreement templates and internal procedures. The follow-up and inspection measures must be explained in decision documentation and established in the agreements.

The Grant Management Manual defines requirements on how the grant manager is to follow up aid projects. This follow-up may involve review of progress reports and annual reports from the grant recipient, assessment of reported performance information and target attainment, holding meetings and implementing field trips. Few requirements are applicable to the follow-up of all types of agreement. Mandatory elements are dependent on the administrative regime used to provide the funding, and the grant scheme rules to which the funding belongs. A review of the Grant Management Manual shows that it attaches little importance to the fact that the grant manager has to assess the reliability of the performance information.⁹⁵

A general tendency in the projects reviewed is for Norad and the embassies to work more thoroughly with performance information during the planning phase than in the follow-up of the projects. Norad and the embassies generally assess the results frameworks, including target wordings and indicators, before the project commences. The assessments in the follow-up of the results from the projects are not as thorough. A review of the written feedback provided by Norad and the embassies on annual reports and progress reports and minutes from annual meetings of the selected projects shows that the feedback to the grant recipient is brief in a number of instances, comprising a summary review of some of the results of the project. Target attainment for indicators in the results framework is rarely assessed thoroughly.

The same tendency is pointed out in an evaluation of the aid administration's management by objectives and results, performed on behalf of Norad in 2018.⁹⁶ The main conclusion of the report is that management by objectives and results in Norwegian aid administration is inadequate. The evaluation shows that assessing results is more complex than assessing whether a results framework has been set up well. One reason for this is that little guidance has been prepared on how this is to be done. According to the evaluation, the fact that the Ministry of Foreign Affairs and Norad base their findings on the performance information reported by the grant

94) GPE, GEQIP, Strømme Foundation in South Sudan and ADRA in Ethiopia and South Sudan.

95) See also *V04 Guide to assessment results and risk management, including cross-cutting issues* from 2017, p. 12.

96) Norad (2018) *Evaluation of the Norwegian aid administration's practice of results-based management*. Report 4/2018.

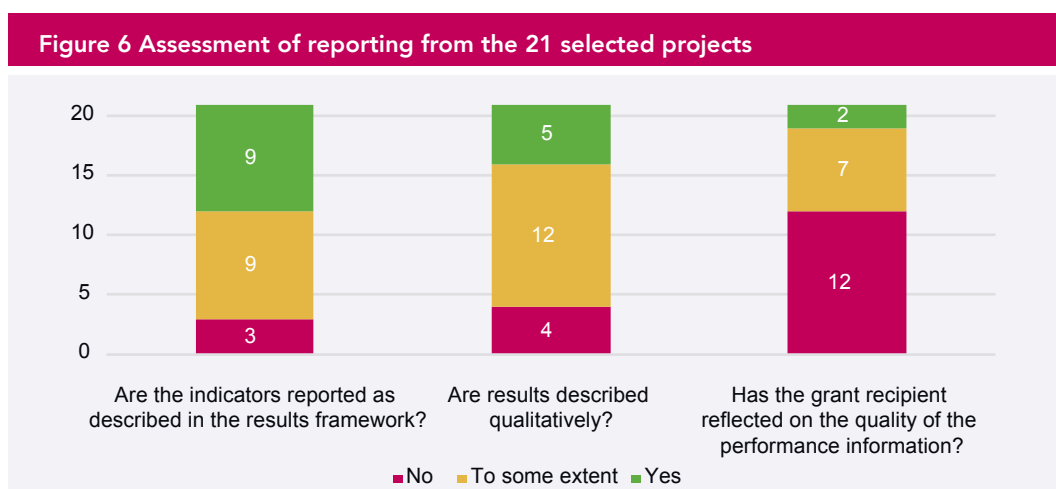
recipients themselves also presents a challenge. There is a source of error in this, according to the evaluation, as the grant recipient is able to pick out individual examples of good results without explaining why these examples have been selected and what they say about the general achievement of objectives.

Inadequate performance reporting was also pointed out in an evaluation carried out in 2014, which shows that grant recipients largely report on activities and financial status in their annual reports and progress reports, rather than on results achieved. The evaluation also shows that grant managers at Norad and the embassies are pleased with their reporting in spite of this, which is interpreted as meaning that actual results are not prioritised highly by employees in their follow-up of the grants. The evaluation also shows that the grant manager rarely communicates with the grant recipient to address issues linked with performance information.⁹⁷

In its answers to written questions, Norad shows that the observations from the audit of the selected projects greatly coincide with Norad's general assessment. The Ministry of Foreign Affairs and Norad have prioritised improvement of the planning of aid projects over the last few years, partly due to findings in evaluations. This is because projects that are planned well are viewed as a necessary prerequisite for aid performance management and risk management. According to Norad, the fact that this initiative has enhanced the quality of administration during the planning phase is a positive aspect. The strong emphasis on the start-up phase may have unintentionally led to thorough assessment of reports being given lower priority, and going forward there will be a need for clearer weighting of follow-up and learning from projects and programmes. Norad is aware that there is variation in how thoroughly the executive branch of the administration assesses reported performance information. Norad also shows that it is important to differentiate between the assessment of annual reports/progress reports by the executive branch of the administration and its assessment of final reports/performance reports. The annual reports are brief and aim first and foremost to describe deliverables and deviations from the plans. According to Norad, the executive branch of the administration makes more stringent demands for documentation and substantiation of results for the target groups and society in the final reports.

6.3.1 Performance information in annual reports and final reports

Performance information in the annual reports, progress reports and final reports of the projects is assessed in the project review.



Source: Office of the Auditor General – based on results frameworks from selected education projects

97) Norad (2014) *Can we demonstrate the difference that Norwegian aid makes? Evaluation of results measurement and how this can be improved*. Report 1/2014, pp. 57–58.

Figure 6 shows that there is no reporting with regard to application and agreement, as envisaged in the results framework, for three of the projects. This means that there is no reporting on any of the set indicators. Nine of the projects have a direct relationship between what is to be reported and what has actually been reported. For the other nine projects, there is some degree of reporting in accordance with the results framework. In these projects, there is only reporting on some of the objectives and indicators in the results framework. This incomplete reporting may be due to the fact that there is a lack of data providing any information on the status of the indicators. For some of the projects, changes have also been made to the reporting format and the results framework with no change agreements in place, or with no other indication in the project documentation as to why this has been done.

Figure 6 also shows that for most of the projects, reporting includes some qualitative description of the results, but that this description is deemed to be good and add value for just five of the projects. A thorough qualitative description of the results may provide the grant manager with a clear understanding of the reasons for the results presented more quantitatively in the results framework.

The selected projects have also been reviewed with regard to whether the grant recipient reflects on the quality of the performance information. This may, for example, involve explaining potential weaknesses in the data in order to alert the grant manager to performance information that is not entirely reliable. This is true of enrolment figures in schools, for example, which have frequently proven to be uncertain. The performance review shows that the reliability of performance information is only reflected upon in two of the projects: see figure 6. In more than half of the projects, the grant recipient fails to emphasise such uncertainty in the performance information.

6.3.2 Assessments by Norad and the embassies of performance information from the projects

There are few examples of the grant manager assessing the quality of performance information reported and following it up with the grant recipient. Assessment of the reliability or relevance of performance information does not appear to have much influence on follow-up by the executive branch of the administration. Of the projects examined, there are few examples where the grant manager personally assesses the data by checking against other data sources, for example. It is found on occasion that the data quality is low, as noted by the Embassy in Ethiopia in its interim report to the Ministry of Foreign Affairs dated February 2017. In this, the Embassy states that the quality of data and statistics in the education sector in Ethiopia is low.⁹⁸ However, low data quality has not been followed up further by the Embassy in the bilateral discussion with Ethiopian authorities, but the topic has been discussed with donors and the Ethiopian Federal Ministry of Education in connection with the multi-donor trust fund GEQIP. The Embassy notes that sufficient statistics of adequately high quality present a persistent challenge in Ethiopia's education sector, but that it is recognised that the quality of the EMIS data has gradually improved. The Embassy states in an interview that it is necessary to use the data that is available, even though the quality is not as good as would be desirable.

One of few examples in the project selection where the grant manager has defined data quality as a problem and followed it up, is the follow-up of the agreement with UNICEF by the Norwegian Embassy in South Sudan. When the Embassy dealt with the progress report from UNICEF for 2016, it mentioned that UNICEF had reported that the project was on schedule and that all targets for results had been met despite the irregular situation in South Sudan. The Embassy commented on the fact that some of

98) Norwegian Embassy in Addis Ababa (2017). *Halvårsrapport februar 2017*.

the results in the report would have to be downgraded as they were not realistic. According to the Embassy, the results appeared not to be particularly credible, given the violent conflict in the summer of 2016 that had brought about an extensive humanitarian disaster resulting in large ethnic groups having to flee.⁹⁹ Therefore, the Embassy in South Sudan asked UNICEF to change the progress report and improve the quality of its reporting. Significant changes have been made to the updated progress report.

Norad's follow-up of the framework agreement with Save the Children may illustrate how the grant manager's follow-up is more thorough during the planning phase than in the implementation phase. The framework agreement runs from 2015 to 2018 and totals NOK 817 million. Of this amount, education aid accounts for around NOK 360 million.¹⁰⁰ Before the project began, the performance section at Norad implemented an extensive evaluation of the results framework for the framework agreement. Specific points for improvement of the results framework were pointed out over nine pages. Among other things, Norad requested a clearer link between the general targets in the framework agreement and the indicators to be measured in each country, and more systematic use of baseline data. Although a lot of effort went into preparing the results framework, Save the Children did not report on the indicators in the results framework until the annual report for 2017 – three years into the four-year framework agreement.¹⁰¹ The agreement with Norad states that the indicators were to be reported on in 2016 – after two years.¹⁰² Norad approved this postponement in connection with the Save the Children annual plan for 2016. According to Norad, this postponement came about because Save the Children needed more time than initially planned to gather baseline data.

Save the Children also submitted annual reports to Norad for 2015 and 2016. These reports include qualitative descriptions of activities and results in each country. Figures are also reported, e.g. the number of children who have started school. However, the results are not viewed in relation to planned results or set target figures, so it is difficult to assess achievement of targets.¹⁰³ The project review shows that Norad's assessments of performance information in Save the Children's annual reports are brief. There is little substantial feedback, with the exception of a few limited questions and comments on the results reported.¹⁰⁴ The minutes from the annual meeting in 2016 show that major importance has not been attached to assessments of performance reporting here either. It appears that Norad has high expectations with regard to the results in respect of education, but that this is not followed up with specific, minuted questions or comments.¹⁰⁵

99) Norwegian Embassy in South Sudan (2018) *Answers to questions on the Embassy's agreement with UNICEF Back to Learning*, cf. SSD-14/0035. Letter to the Office of the Auditor General, 7 May 2018.

100) Framework agreement GLO 0605 QZA 14/0477 between Norad and Save the Children Norway for the period 1 January 2015 to 31 December 2018, p. 17.

101) Save the Children (2018) *Education in Nepal and Ethiopia – Office of the Auditor General's investigation*. Email to the Office of the Auditor General, 4 June 2018.

102) Framework agreement GLO 0605 QZA 14/0477 between Norad and Save the Children Norway for the period 1 January 2015 to 31 December 2018, p. 12–16.

103) Save the Children (2017) *Annual progress report 2016 – GLO-0605 QZA-014/0477*, p. 16–17, 21–22.

104) Norad (2017) *Redd Barna, GLO 0605 QZA 014/0477: Feedback on annual reports for 2016*. Letter from Norad to Save the Children, 22 August 2017.

105) Save the Children (2016) *Møtereferat fra årlig møte, 23. juni 2016*.



Save the Children has been working in Ethiopia for a long time. This photo was taken in the Amhara region in the north-west of the country.

Photo: Office of the Auditor General

The project review also shows that the embassies assess performance information to only a limited extent when following up aid projects. One example is the Norwegian Refugee Council project for providing an education offering to refugees in North Ethiopia between 2015 and 2017. The agreement does not state when the Norwegian Refugee Council is to report on the various indicators in the results framework. The progress report from the Norwegian Refugee Council to the Embassy dated June 2017, 18 months after the start of the project, merely reported on two of a total of seven indicators for the targets at user level (outcome level) in the results framework. The Embassy states there was reporting on a further two indicators at user level in the final progress report dated February 2018. The Embassy states in an interview that the reporting is not good enough. When the Embassy received the progress reports, it did not ask the Norwegian Refugee Council why the performance information was incomplete. Following the audit visit, the Embassy asked for this in a later discussion.

The Norwegian Refugee Council states in an interview that they considered it too early to report on some of the indicators, and that the Embassy has accepted that all the indicators will be reported on in the final report first. The Norwegian Refugee Council's application to extend the agreement beyond 2018 has downgraded some of the target figures for the indicators compared with the results framework for the first project period. For example, the target for the number of enrolled pupils who pass a final examination has been reduced from 90 percent to 80 percent.¹⁰⁶ Achievement of targets on this indicator stands at 86 percent in the progress report dated February 2018 for the 2015–2017 agreement period. The Norwegian Refugee Council states in an interview that the Embassy has not commented on the selected indicators or the target figures associated with them.

6.3.3 Follow-up by means of field trips

The Grant Management Manual states that field trips may form part of the grant manager's assessment and control of the results and progress of the project. A report on the field trip containing findings and possible recommendations must be prepared, and the Ministry of Foreign Affairs has devised a template for this.¹⁰⁷ Norad states that

¹⁰⁶) Indicator 1.1.

¹⁰⁷) Ministry of Foreign Affairs (2013) *Grant Management Manual*, p. 67.

they carry out regular field trips when following up agreements with civil society organisations. These may emphasise different aspects such as an assessment of the partner organisations, results and cost-effectiveness, or “follow-the-money studies” .

The responsible embassy or Norad has performed field trips throughout the project period for half of the 21 projects included in the selection. Most of the projects for which no field trips have taken place are major framework agreements with civil society organisations managed by Norad, which often include a number of projects in different countries.¹⁰⁸ This is also true of projects where field trips have been planned but not implemented for a variety of reasons; on account of the security situation, for example. This has been the case for the Embassy’s funding for UNICEF in South Sudan.

For the smaller projects managed by the embassies, where Norway is often the only donor, field trips are normally organised by the grant recipient in cooperation with the embassies. Set annual field trips are organised for all donors for the major programmes such as the school sector programme in Nepal and the GEQIP programme in Ethiopia. The authorities in Nepal and Ethiopia plan these field trips, but the donors provide input on topics for the visits. The Embassy has participated in the collective field trips in Nepal, while the Embassy in Ethiopia has not had the opportunity to attend the field trips as yet. Norad has attended the field trips in both Ethiopia and Nepal in 2015 and 2016. The Embassies in Nepal and Ethiopia also organise field trips to some of the other projects relating to education that they fund. The Embassy in Nepal compiles field reports from these trips. These show that the field trips may be useful for revealing different practices between regions and identifying good practice at certain schools. The Embassy in Ethiopia does not compile field reports or similar from its field trips, but normally writes about the trips in Norad’s internal educational letters and on social media.

The Grant Management Manual emphasises that field trips can be a good way to identify misuse of funds, and that unannounced field trips should therefore be assessed. The audit shows, however, that no unannounced field trips have taken place for any of the projects in the selection.

6.3.4 Assessment and documentation when extending agreements and at the end of agreements

When an aid agreement comes to an end, it has been established since 2015 that the results of the agreement must be assessed as satisfactory, partly satisfactory or unsatisfactory in the PTA, the aid administration’s electronic system. If an agreement is extended beyond the original agreement period, however, there is no assessment of the results in the PTA system until the agreement comes to an end. If the agreements were also rated following the end of the original agreement period before any extension, it would be possible to see whether there is any systematic approach with regard to continuation of projects with good achievement of targets. It would also be possible to use the rating as part of the decision data relating to whether the agreement ought to be extended. The Ministry of Foreign Affairs states in an interview that they have considered including annual performance assessment of all agreements in the PTA, but that this would be technically complex. The Ministry is, however, planning to change the electronic grant management system.

Of the 21 projects in the survey, previous projects are to be continued or projects are to be extended in 17 cases. The review shows that a number of the projects have been continued without being reviewed or evaluated comprehensively. It is not apparent to

108) Although there were no field visits to the projects in the selection, there may have been field trips to other projects under the same framework agreement.

what extent the agreements are continued because their achievement of targets in previous agreements has been good. There are also examples of postponed evaluations of the original project that should have been completed, and failure to implement these before the continued agreement has commenced.

The extension of Save the Children's framework agreement with Norad is one example of an extension of agreements without ascertaining whether the continuation is due to results achieved. Norad reflected on the achievement of targets in the previous agreement before deciding to extend the agreement in 2015. In the decision document from 2015, Norad concluded that, given the reporting for the previous agreement period (2010–2014), it "is difficult overall to conclude whether the results achieved for the period are good in relation to the original objective. It is also difficult to assess whether the results achieved are in reasonable proportion to the resources and costs involved in achieving them".¹⁰⁹ Despite this concern, Norad entered into a new four-year framework agreement and increased funding from NOK 573 million to NOK 817 million. This was justified by the fact that Norad had made it clear to Save the Children that the measuring of results and the results framework would have to be strengthened in the forthcoming agreement period.¹¹⁰ As stated in section 6.3.2, despite this clarification Save the Children's performance reporting was delayed for the 2015–2018 agreement period. Norad states in a letter dated 25 January 2019 that Save the Children's performance report for 2010–2014 provided a number of examples of results achieved within the programme and that they were of the opinion that Save the Children had potential to improve its performance reporting in a new period.

The Norwegian Embassy's funding for the Norwegian Refugee Council's education project at refugee camps in Ethiopia is one example of an agreement that has been extended without assessment of the original agreement period. The Embassy wishes to extend the original two-year agreement with the Norwegian Refugee Council by three years, from 2018 to the end of 2020. The original agreement states that an external final evaluation of the project must take place before December 2017, but this was not done.¹¹¹ The Norwegian Refugee Council states that this was discussed at a meeting with the Embassy in February 2018, and that the Embassy approved postponement of the final evaluation at that time. Instead, the project is to undergo evaluation at the halfway point in 2019, and at that time results from both the original project and the new phase of the project are to be assessed. The Norwegian Refugee Council stated in an interview in March 2018 that they would be awarded NOK 36 million by the Embassy to extend the programme up to the end of 2020.

109) Norad also implemented an external review of Save the Children when the framework agreement was due for renewal. This primarily placed emphasis on the organisation of Save the Children and issues related to cost-effectiveness. See Swedish Development Advisers (2015) *Review of Save the Children Norway. Final report*.

110) Norad (2015) *Beslutningsdokument for samarbeidsorganisasjoner med nye avtaler – QZA-14/0477 Redd Barna samarbeidsavtale 2015–2018*. Dated 23 February 2014.

111) Norwegian Refugee Council (2017) *Progress report for Shire Education Project, as of 30 November 2017*.



Outside a school in a refugee camp in Shire, North Ethiopia. Photo: Office of the Auditor General

The funding from the Norwegian Embassy in South Sudan for UNICEF's *Back to learning* project (2015–2017) was also continued without the project being evaluated, despite a series of critical comments from the Embassy. The purpose of the Embassy's funding is to guarantee access to education for 40,000 children and young people in South Sudan. Norway's contribution is part of the major *Back to Learning* project being run by UNICEF in South Sudan, which aims overall to reach out to 400,000 children and young people. According to the agreement between the Embassy and UNICEF, UNICEF must report to the Embassy on progress in terms of targets and indicators relating to the 40,000 children being funded with the Embassy's funds.

The Embassy states that UNICEF's reporting has been consistently poor, and that there have been unclear links between general reporting for the programme and reporting for Norwegian funding. The Embassy points out that it has spent a lot of time encouraging better, clearer reporting from UNICEF on Norwegian funds.¹¹² A review of the entire Norwegian education portfolio in South Sudan has also criticised the UNICEF project in South Sudan for its insufficiently detailed reporting. This review, which was carried out on behalf of Norad, indicates that UNICEF primarily reports at product level (output), looking at factors such as how much school equipment has been issued and the number of schools opened, but is not capable of stating how the project is helping to bring about permanent changes for children (user effect) with regard to either learning or access to teaching.¹¹³ Despite these problems, the Norwegian Embassy entered into a new agreement with UNICEF in December 2017. The Embassy states that this requirement has been made clear in the new agreement, and that it is expecting this to result in better reporting.¹¹⁴

The Embassy in South Sudan also points out that following up projects has presented a major challenge for all aid stakeholders in general in South Sudan over the past few years on account of the conflict in that country. The Strømme Foundation, which has a major framework agreement with Norad concerning education aid to South Sudan and other countries, also indicates that the humanitarian and social crisis is making it

112) Norwegian Embassy in South Sudan (2018) *Answers to questions on the Embassy's agreement with UNICEF Back to Learning*, cf. SSD-14/0035. Letter to the Office of the Auditor General, 7 May 2018.

113) Education Development Trust (2016) *Review of Norwegian partners in the education sector in South Sudan*, p. 20.

114) Norwegian Embassy in South Sudan (2018) *Answers to questions on the Embassy's agreement with UNICEF Back to Learning*, cf. SSD-14/0035. Letter to the Office of the Auditor General, 7 May 2018.

difficult to implement planned activities and achieve the desired results in that country.¹¹⁵ Norad's written comments on the Strømme Foundation's annual report for 2016 note that the Strømme Foundation is behind schedule in South Sudan on account of uncertainty and war.¹¹⁶

In this demanding situation, Norad has entered into four supplementary agreements to the framework agreement with the Strømme Foundation throughout the project period, all of which fund activities in South Sudan. These supplementary agreements injected a total of NOK 40.9 million extra into the Strømme Foundation for 2014–2016.

This upscaling in South Sudan is contrary to the signals from Norad, stating that the initiative should be scaled up in areas where it is possible to achieve good results and phased out in areas where it is difficult to achieve them.¹¹⁷ The Strømme Foundation itself reports that the situation is so uncertain that it is unable to deliver the desired results or spend the money under the original framework agreement. In response to written questions, Norad indicates that the general advice to focus efforts on areas where it is possible to achieve good results does not mean that risks should not be taken in prioritised vulnerable states such as South Sudan. Norad chose to allocate additional funds to the Strømme Foundation as in Norad's opinion, the organisation had every chance of achieving results in that country. The high risk was therefore accepted. Since then, it has nevertheless been agreed that some of the funds will be transferred to projects in other countries, as it has proven difficult to implement the activities. According to Norad, this illustrates the trade-off that is still required between willingness to take risks and the need to phase out activities if results are not being achieved.

Evaluation of the use of management by objectives and results in Norwegian aid administration from 2018 also indicates that weak reporting from the grant recipient has little impact. The evaluation concludes that the Ministry of Foreign Affairs and Norad emphasise the reporting of results, but that the results are not used strategically and systematically to improve the work of the executive branch of the administration. According to the evaluation, previous experience indicating what works and what does not work is not used systematically to adjust the focus of aid projects.¹¹⁸

6.4 Results achieved in education aid

The audit mainly considers the quality of the information reported from education aid, and actual results and achievement of objectives have also been viewed. This has been done on the basis of the seven projects that have prepared a good results framework and also reported in compliance with this: see figure 6. The review shows that it may be difficult in general to draw conclusions on actual results or achievement of objectives. This is illustrated below by taking a closer look at two grant recipients, the GPE and the civil society organisation ADRA, both of which had good results frameworks and reported in compliance with these.¹¹⁹

In light of the annual report for 2015/2016, the GPE is attaining most of its objectives. According to the annual report, only three of its 19 indicators have been missed. This appears at first sight to be a very high level of target achievement. However, a number

115) Strømme Foundation (2017) *2016 Annual report to Norad GLO-0640 QCA-13/0587*, p. 10.

116) Norad (2017) *GLO-0640 QZA-13/0587 Godkjenning av framdriftsrapport 2016*. Letter to the Strømme Foundation, 4 July 2017.

117) Norad (2015) *Møtereferat fra årlig møte med Strømmestiftelsen 2015*.

118) Norad (2018) *Evaluation of the Norwegian aid administration's practice of results-based management*. Report 4/2018, p. 8.

119) This section is based on the report in the *GPE Results Report 2015/2016* and ADRA's annual report entitled *Strengthening Equity, Access and Quality in Education – SEAQE 2016 annual progress report*.

of elements in reporting add nuance to the achievement of objectives or the results achieved. These can illustrate the challenges inherent in measuring aid results:

- The GPE has a total of 37 indicators, but no results have been provided for 18 of these. Most of these indicators will not be measured before 2018. This means that achievement of objectives is as yet uncertain for half of the indicators.
- It may be difficult for the general public to assess whether the target figures set are sufficiently ambitious. For example, 47.9 percent of children completed Year 5 to Year 7 of school in 2013: see indicator 4b. The target for 2016 was set at 48.6 percent, and the result was 49.5 percent. It is difficult to know whether this is a good result.
- Some of the indicators are descriptions of statistics at country level, and not a direct result of the work of the GPE. For example, the result of the indicator showing the percentage of children under the age of five who are at the correct development level in terms of physical or mental health will have less to do with the GPE's efforts.
- Many indicators measure the GPE's efforts. It may be difficult to see how this effort will impact at user level. One example is the indicator specifying how many recipient countries have plans for the education sector. This provides some indication of what the GPE will be doing, but it does not show clearly how this will help pupils with their learning.
- None of the GPE's 37 indicators shows what results are being achieved by the GPE for children with disabilities. One of the GPE's objectives – see target 2 relating to an increase in equality in education – is for children with disabilities to be included in schools to a greater extent. As stated in 6.2.2, the data for this group is not disaggregated.

ADRA shows good results based on 11 indicators in its overall annual report for 2016. Good results here means attaining their own target requirements, along with the fact that ADRA has a number of indicators measuring quality in education. ADRA reports on a number of indicators at user level (outcome), such as learning outcomes, schools that meet different quality requirements, and the percentage of people whose income was increased after they received specialist training. There is also differentiation between pupils funded in full by ADRA and the number of pupils funded indirectly by ADRA. ADRA also reports on the number of children with disabilities who are given school places. The figure is low – around 1 percent of about 11,900 children – but it does illustrate the fact that ADRA is achieving results that the GPE, UNICEF and others are unable to demonstrate as they do not disaggregate the data for this group. As ADRA provides both absolute and relative figures, it is easier to gain an understanding of the results at user level than in the GPE's reporting.

A letter from the Ministry of Foreign Affairs dated 25 January points out that there are important differences between ADRA and the GPE. ADRA is a civil society organisation with relatively restricted projects. They gather performance information themselves. The GPE is a major organisation that assists the authorities in the recipient countries with implementing their plans in respect of education. A lot of the performance information is national data collected by the authorities in the recipient countries, so obtaining and compiling this information may present more of a challenge.

6.5 Performance information from the education authorities in Nepal and Ethiopia

The Norwegian embassies in both in Ethiopia and Nepal support the education initiatives of the authorities. In Nepal, funding is given directly to Nepalese authorities via a sector programme for education, while in Ethiopia this takes place indirectly via the multi-donor trust fund GEQIP (General Education Quality Improvement Project). GEQIP in Ethiopia differs from a regular sector programme in that it is managed by the World Bank instead of the funding going directly to the authorities for implementation of their own education plan. A regular sector programme provides the donor group with the opportunity to reach agreements directly with the education authorities with regard to activities and the direction of the programme. With the structure of the GEQIP programme, the World Bank is a coordinating intermediary between donors and the authorities. Nevertheless, it is possible for Norwegian authorities to make direct contact with Ethiopian education authorities if this is something that the Embassy wishes to take up. One thing both programmes have in common is the fact that Norway is part of a donor group in which a number of countries and organisations work together to provide funding.

The Ethiopian authorities launched GEQIP in 2010. This programme continued into a new phase in 2014, and Norway entered into an agreement to fund GEQIP II to the tune of NOK 48 million between 2015 and 2017.¹²⁰ In December 2017, Norway entered into an agreement for supplementary funding of a further NOK 32 million for the programme. When the decision on funding was made in 2015, the Embassy itself did not assess the results framework for GEQIP II or the individual indicators. The Embassy states that this was because the results framework remained unchanged in the World Bank's 2013 project document. Prior to the Norwegian funding, however, Norad prepared an analysis entitled *Education sector analysis Ethiopia*, from August 2015, which recommended primarily channelling Norwegian funding for education in Ethiopia via the GEQIP programme.



Nepal has seen a significant increase in the number of children enrolling in schools. The primary challenge is a lack of quality in education, with the result that many children who attend school fail to learn basic skills such as reading, writing and counting. Photo: Office of the Auditor General

The Nepalese authorities have been running a sector programme for education known as the School Sector Reform Programme (SSRP) since 2009. This school sector programme has been continued through the School Sector Development Programme (SSDP) since 2016, and this will continue until 2023. Norway has been involved since 2009 and channelled most of the financial support to education in Nepal via these school sector

120) The Norwegian Embassy's decision document dated 11 December 2015.

programmes. The Norwegian Embassy paid a total of NOK 355 million¹²¹ to the Nepalese authorities between 2009 and 2016, and the Embassy has decided to donate NOK 231 million to the school sector programme for 2016–2019. Norad provided input on the results framework for the programme in connection with this decision. According to the Embassy's decision document, the Norwegian proposals were included in the final framework.¹²² Fact box 1 briefly describes the status in the education sector in Ethiopia and Nepal.

Fact box 1 About the education sector in Nepal and Ethiopia

Both Ethiopia and Nepal are countries that have seen a significant increase in the number of children enrolling in schools. While the enrolment figures in Nepal stood at 97 percent for Years 1 to 4 in 2016, according to official statistics, the corresponding figures for Ethiopia stood at 96 percent. Both countries have also achieved approximately equal numbers of boys and girls attending primary school. Nepal has a better implementation rate, however, where around 87 percent of pupils complete Year 4 compared with around 54 and 57 percent for girls and boys respectively in Ethiopia.¹²³ The primary challenge for both countries is a lack of quality in education, with the result that many children who attend school fail to learn basic skills such as reading, writing and counting. Both countries also have major regional differences with regard to enrolment figures, teacher density and results: these are linked with factors such as poverty, marginalised groups and geography. Moreover, both Nepal and Ethiopia were affected by natural disasters in 2015, earthquake and drought respectively, and this has impacted upon the education sectors in both countries.

Source: Decision document dated 11 December 2015 and evaluation of the sector programme in Nepal (SSRP), GFA Consulting Group GmbH (2016).

The Norwegian Embassies in Nepal and Ethiopia are responsible for following up the funds for the sector programme in Nepal and the multi-donor trust fund in Ethiopia. The Embassies in both Nepal and Ethiopia attend regular formal meetings with donors, the Nepalese and Ethiopian education authorities and other relevant education partners. Various workgroups have also been set up for both programmes.

For both agreements, a lot of the performance information is taken from the countries' own administrative systems, known as *educational management information systems* (EMIS). The systems include factors such as information on the number of schools and teachers and the number of pupils enrolled at the school. The audit shows that neither of the Embassies itself performs quality assurance of the reported data: they assume that the data is reliable and relevant. In a letter from the Ministry of Foreign Affairs dated 25 January 2019, the Embassy in Nepal refers to the fact that donors agree to avoid unilateralism with regard to reviews, assessments and evaluations, and that joint validation studies of EMIS data have been carried out.

6.5.1 Education data in Nepal

The Nepalese authorities have worked together with international partners to develop the EMIS since it was established in 2004. The data in the system is created by each of the country's 35,222 schools¹²⁴ filling in a form that is then sent to the education authorities at district level. From district level, this data is then sent on to the Nepalese Department of Education, which aggregates it to provide national figures. This is done twice a year. Therefore, a lot of data is available on the education sector in Nepal on

121) Letter from Norad to the Office of the Auditor General, dated 15 January 2019.

122) Decision document dated 12 December 2016.

123) Decision document dated 11 December 2015.

124) The number of schools in the country is specified by the Nepalese Department of Education in an interview which took place on 28 November 2017.

account of EMIS. The Nepalese Department of Education states in an interview that Nepal's two measurement points from all schools each year mean that Nepal has a lot of data compared with other countries in South Asia.

UNESCO's and UNICEF's country offices in Nepal also state in an interview that a lot of data is gathered via EMIS. Therefore, collecting the data is not the problem: the quality of the data and the lack of analysis of the data present the biggest challenges. In practice, the education authorities do not perform systematic quality assurance of the figures from the time they are reported by the individual schools until they are aggregated at national level, according to UNESCO's and UNICEF's country offices.

The strengthening of EMIS and data quality has been a separate objective in the school sector programme. According to an independent evaluation of the sector programme, this has helped to increase the quality of the data and hence performance information to donors.¹²⁵ Among other things, digitisation of EMIS has helped to bring about more reliable data, according to the Nepalese Department of Education in an interview.



All schools in Nepal report to the country's education authorities twice per year, providing information such as the number of children enrolled. Many schools submit this report via a paper form because they do not have computers or internet access.

Photo: Office of the Auditor General

Data manipulation has been – and continues to be – a problem according to UNESCO. However, UNICEF and UNESCO state in an interview that deliberate over-reporting of the number of pupils has become less extensive in Nepal. When finance stopped being linked to the number of pupils, this did away with the incentive to over-report pupil numbers, according to UNICEF. The Embassy also has the impression that the problem of over-reporting is less extensive than it used to be since the incentive to over-report numbers was eliminated. The Embassy refers to an audit from the World Bank dated 2016, which indicates improvement in this regard.¹²⁶

However, other sources show that data quality continues to present challenges. An independent verification study of EMIS data in the education sector in Nepal was performed via the sector programme in 2017.¹²⁷ This study revealed major discrepancies between the number of pupils reported in EMIS and the number of pupils observed when visiting state schools. The Embassy states that a new verification study is planned for 2019.

125) GFA Consulting Group GmbH (2016) *Joint evaluation of Nepal's school sector reform plan programme 2009–2016*. March 2016.

126) World Bank country office in Nepal (2016) *Nepal: School sector reform program [...] Audited financial statements of FY 2014/15*. Letter to the Department of Education in Nepal dated 12 July 2016.

127) Tribhuvan University (2017) *Independent verification survey of integrated educational management information system under school sector development plan*.

6.5.2 Education data in Ethiopia

Ethiopia has a separate EMIS department at the Federal Ministry of Education that is responsible for gathering EMIS data. EMIS data is collected once a year, and the Federal Ministry of Education compiles the questionnaire that the schools fill in. Unlike the form used in Nepal, the form in Ethiopia is changed from year to year as new variables are added. From each school, the data is sent to the local administration level - "Woreda" - before being sent on to the regional education offices. At regional level, the data is then entered in the electronic EMIS system before being forwarded to the Federal Ministry of Education. The regional education officers are responsible for cleansing the data, but the Federal Ministry of Education takes individual random samples itself as well. In 2017, 3000 schools were provisionally selected for data verification.¹²⁸

According to the Ethiopian Federal Ministry of Education (EMIS department), data quality in Ethiopia presents a number of challenges linked with factors relating to the accuracy of the data and delays in collecting it. The Federal Ministry states in an interview that over-reporting of the number of pupils also presents a significant challenge. This is partly due to the fact that finance is linked to the number of pupils, which gives schools the incentive to over-report. UNESCO's country office in Ethiopia also points out in an interview that data quality in EMIS presents challenges, and that enrolment figures in schools are manipulated at a number of levels. This problem becomes clear when, for example, more children are being reported as starting school than there are children living in the area.

The Embassy in Ethiopia states in an interview that over-reporting of the number of pupils enrolled in schools may present a challenge in one of the regions of Ethiopia where there is a high number of families that are not settled. According to the Embassy, it is difficult to state the extent of over-reporting. The Embassy is not aware of finance for GEQIP II providing schools with an incentive to report more pupils than are actually attending school. Over-reporting, according to the Embassy, is not a problem that is frequently discussed by the donor group or with the Ethiopian authorities, even though data quality is one topic for discussion.

A representative of the World Bank's country office in Ethiopia states in an interview that over-reporting of the number of pupils presents a challenge in a number of regions in Ethiopia. The World Bank is also of the opinion that the way in which funding for schools is organised in GEQIP II, with finance linked with the specified number of pupils, may be one of the reasons as to why this over-reporting takes place.

The Embassy in Ethiopia reports to the Ministry of Foreign Affairs on progress and achievement of objectives in GEQIP in the Embassy's annual performance plans and its annual reports and interim reports, and in text proposals for budget propositions. The Embassy in Ethiopia states in an interview that the reports from Ethiopian authorities and the World Bank form a basis for its reporting to the Ministry of Foreign Affairs. The Embassy states that it does not generally perform quality assurance of the information or figures it receives, as this has already been done by the World Bank.

However, the World Bank states in an interview that it does not perform quality assurance of the performance information from GEQIP II that it receives from the Ethiopian Federal Ministry of Education, but that it relies on the Ethiopian Federal Ministry of Education's own quality assurance of the EMIS data. This is in line with the project agreement for GEQIP II, which states that the Ethiopian Federal Ministry of Education will rely on data from EMIS in its reporting to the World Bank.¹²⁹

128) The entire section is based on an interview with the Ethiopian Federal Ministry of Education which was held on 6 March 2018.

129) The World Bank's *Project appraisal document* (PAD) for GEQIP II dated 17 October 2013, and telephone interview with the World Bank in Ethiopia, 22 March 2018.



There are significant variations in the standard of schools in Ethiopia. The photo on the left was taken at a primary school in the Amhara region, which is located in the north-west of the country. The photo on the right is from a secondary school in the capital city of Addis Ababa. Photo: Office of the Auditor General

DFID's follow-up of funding for the education sector in Ethiopia

DFID in the UK also provides funding for GEQIP II. Between 2014 and 2018, DFID provided around NOK 1.3 billion to the programme.¹³⁰ This amounted to around one third of the programme, making DFID the biggest donor.¹³¹ Moreover, DFID donated around NOK 100 million to a separate capacity-building project that supports the education authorities.¹³² In this project, DFID was able to implement a study of EMIS in 2017, with proposals for improvements.¹³³

In the decision document for its funding for GEQIP II, DFID assesses a number of conditions linked with performance information.¹³⁴ The strength of the EMIS is assessed on the basis of previous reviews and other factors. The quality of the EMIS data is considered to be satisfactory. An interview with DFID's country office in Ethiopia indicates that the office is aware that EMIS has its weaknesses. To remedy this, according to the project officer, DFID emphasises supporting EMIS, and also on comparing EMIS data with information from other sources, primarily DHS investigations¹³⁵.

The decision document also assesses how strong the evidence base is for assuming that the planned activities will actually help to ensure that the funding objectives are met. Among other things, it is noted that there is a strong evidence base showing that more relevant syllabi and teaching material help to bring about better schools. On the other hand, in the opinion of DFID, there is a weak evidence base to indicate that reinforcing the capacity of school leadership will lead to better learning in schools. A guide is available to assist DFID executive officers when assessing the strength of the evidence base, as is done here.¹³⁶

130) GBP 119 million, see DFID (2018) *To support the general education quality improvement in Ethiopia. Summary*. <<https://devtracker.dfid.gov.uk/projects/GB-1-203396>> [Downloaded 30 October 2018].

131) Project information on the World Bank website, see World Bank (2018) *Ethiopia general education quality improvement project II. Financials*. <<http://projects.worldbank.org/P129828/ethiopia-general-education-quality-improvement-project-ii?lang=en&tab=financial>> [Downloaded 30 October 2018].

132) This project is called *Quality education strategic support programme phase II* (QESSP II), see DFID (2017) *Annual review 2016–2017 – Improving the quality of general education in Ethiopia*. http://iati.dfid.gov.uk/iati_documents/11787551.odt. [Downloaded 30 October 2018].

133) DFID (2017) *Annual review 2016–2017 – Improving the quality of general education in Ethiopia*, p. 13. The study was completed in 2017 (British Council and Fhi360 (2017): *Findings and preliminary outline of education management information system action plan*).

134) DFID (2013) *Business case – Improving the quality of general education in Ethiopia*.

135) Demographic and health surveys, DHS. More than 300 such representative investigations of demographics and health have been carried out in more than 90 countries. <<https://dhsprogram.com/data>> [Downloaded 27 August 2018].

136) DFID (2013) *How to note: Assessing the strength of evidence*.

Fact box 2 General information on preparation and follow-up of projects at DFID

DFID's decision document (business case) is an extensive document describing and documenting DFID's assessment of various aspects of the planned project, including justification of the measure, comparison of the measure with alternative ways of providing support, and assessment of cost-effectiveness. The decision document describes the project's change theory and most important planned results. DFID's Smart Rules, grant management guidelines, require the decision documents to build on existing knowledge. A review of the decision documents of four selected education projects managed by DFID shows that they are rich in references to research results, evaluations of previous projects and other relevant sources.

In the follow-up phase, DFID's executive officers prepare annual reviews of the project. The main objective of the reviews is to assess the achievement of objectives in the project; the process also ensures that the recipient organisations report on relevant indicators in the project's results framework each year. A template is available that must be used for this. The executive officers must assess and document the extent to which the project has achieved each individual target at product level (the output target), based on performance information from the recipient. They also have to assess whether the project is on track to achieve the general target at user level (the outcome target). In addition, the annual report comments on whether recommendations from previous years have been followed up, and whether changes to the results framework have been proposed or implemented. This helps to ensure traceability throughout the lifetime of the project.

Many of DFID's country offices have their own performance specialists who provide support to project officers on issues related to performance information. The performance specialist at DFID's country office in Ethiopia states in an interview that the performance specialists are generally more familiar with the country's statistics systems and registers than the project officers, and can therefore provide information on the weaknesses of such systems. The performance specialist in Ethiopia participates in annual reviews of around five of DFID's 20 or so projects in the country each year. The performance specialist then assesses the quality of data collection and assures the quality of reporting on selected indicators. The specialist also helps to devise results frameworks for new projects, assisting in a manner that provides a good foundation for obtaining relevant and reliable performance information.

Sources: DFID website Development Tracker, Smart Rules and interview with DFID in Ethiopia

DFID also assesses performance information during the implementation phase of the project.¹³⁷ In its annual GEQIP II project reviews, DFID assesses achievement of targets for each indicator in the results framework. In its project review for 2016–2017, DFID notes that there is insufficient emphasis on performance reporting and evaluation in the programme. As a result, it is difficult to use the performance information from GEQIP II to establish the extent to which the activities are helping the project's general targets to be achieved. Although textbooks have been purchased, teachers have received further training and schools have received additional funding, DFID notes that they have limited information on whether this has actually helped to improve teaching and learning.

Project documentation also shows that DFID has compared the performance information from GEQIP with random observations during its own field trips. During field trips in 2017, DFID examined the extent to which pupils had received textbooks

¹³⁷ This and the following section are based on DFID data (2017) *Annual review 2016–2017 – Improving the quality of general education in Ethiopia*.

that were purchased by the programme, and what the schools had spent their GEQIP grants on. The checking of textbooks was based on – among other things – the fact that DFID had found that the project's reporting on this was not reliable, and that there was therefore a risk of books failing to reach pupils. DFID also visited schools in connection with its annual review in 2016. DFID has also participated in joint field trips for GEQIP II under the direction of the Federal Ministry of Education and the donor group.

DFID's annual review for 2016–2017 also found that there was a need for donors, the World Bank and the Ethiopian authorities to meet more regularly to discuss the progress of GEQIP II. DFID's project officer for GEQIP states that communication with the World Bank with regard to GEQIP II has had its weaknesses.¹³⁸ According to DFID's project officer, the World Bank has limited capacity in Ethiopia to follow up the project and relies on support from its head office every six months. DFID has discussed this with the World Bank in connection with planning of the next phase of GEQIP. A letter from the Ministry of Foreign Affairs dated 25 January 2019 states that the Norwegian Embassy in Ethiopia is also participating in this discussion.

The Ministry of Foreign Affairs indicates in an interview that DFID has more employees and more aid funds to distribute than the Norwegian aid administration. According to the Ministry of Foreign Affairs and Norad, DFID has also selected a different donor profile and approach to its partners than those selected by Norway. Furthermore, DFID's organisation is different and it has a different opportunity to analyse and consider the details of its aid projects than is the case for the Norwegian aid administration. According to the Ministry, Norway can benefit from entering into donor cooperation with DFID, as in Ethiopia. The Ministry also indicates in a letter dated 25 January 2019 that, given the unequal resource situation, it can be queried whether it is realistic for the Norwegian aid administration to maintain high quality on a par with the British organisation without increasing capacity. However, according to the Ministry, this does not mean that the Norwegian aid administration is unable to learn from the administration approach adopted by the British. Norad indicates in a letter dated 15 January 2019 that if the Norwegian aid administration is to move in the direction of DFID's approach during the preparation and follow-up phase, this must be viewed in the light of a broader discussion on Norway's profile as a donor and its role in the implementation of the projects, in addition to local capacity building.

6.5.3 Data on children with disabilities in Nepal and Ethiopia

EMIS is to be used in both Nepal and Ethiopia to report on the number of children with disabilities who are enrolled in schools.

According to EMIS, Ethiopia had 291,000 children with disabilities enrolled in primary schools in the 2015/2016 academic year.¹³⁹ This means that around 0.8 percent of pupils have a disability.¹⁴⁰ The Federal Ministry of Education in Ethiopia states in an interview that having to correctly categorise children with disabilities presents a challenge for headteachers at individual schools, who have to fill in the EMIS forms. The figures from Ethiopia's annual official education statistics, which are based on EMIS, show that some regions have absolutely no statistics on children with disabilities in schools, and that several regions have recorded very low enrolment figures for such

138) DFID country office in Ethiopia (2018) *OAG Norway – Friday 9 March – documentation*. Email to the Office of the Auditor General, 19 April 2018.

139) *Education statistics annual abstract 2009 E.C. (2016/17)*, published by the Ethiopian Federal Ministry of Education.

140) This is based on 35 million pupils that UNESCO's country office in Ethiopia stated were registered in schools in an interview held on 9 March 2018.

children. Moreover, significantly more boys than girls have been recorded as having disabilities.¹⁴¹

In Nepal, according to the Nepalese Department of Education, a survey was carried out in five districts which showed that around 1 percent of all children had disabilities. The Department of Education is of the opinion that this figure is reliable as it is approximately the same as at the time of the last census in 2011, where two percent of the population had disabilities.



This photo was taken during an interview between the Office of the Auditor General and the Nepalese Department of Education about the country's Education Management Information System (EMIS). Representatives from the Norwegian Embassy in Kathmandu were also present. Photo: Office of the Auditor General

The calculations by the World Health Organization show that some 15 percent of the world's population has some form of disability. The Department of Education in Nepal is of the opinion that this is not comparable as the World Health Organization uses a broader definition of the term than Nepal. The Norwegian Embassy in Nepal refers to the fact that there are clear indications that the percentage of children with disabilities is massively under-reported in Nepal. Some of the disabilities are not physically apparent – such as impaired sight and hearing – and the Embassy is of the opinion that this may be one of the reasons why such disabilities are under-reported.

The Embassy in Nepal is finding that the Nepalese authorities are showing an interest in pupils with disabilities, but that it is difficult to persuade the authorities to prioritise specific measures aimed at disabled children on account of a lack of resources. As a result, a large proportion of these children do not attend school. The Embassy also indicates that a number of positive steps have been taken in this respect: for example, ramps are now mandatory at all newly constructed schools. However, if children are to benefit from these ramps, the route to school also has to be accessible to them.

It is not possible for the EMIS data to provide any information on children with disabilities who do not attend school. In April 2017, an external evaluation was carried out in Ethiopia on behalf of Norad, and in this, reference is made to an annual meeting for GEQIP where it was estimated that up to 97 percent of children with disabilities do

¹⁴¹) *Education statistics annual abstract 2009 E.C. (2016/17)*, published by the Ethiopian Federal Ministry of Education. See p. 82–87.

not attend school.¹⁴² The report recommends that Norway should consider working in cooperation with Finland, which has done a lot for children with disabilities, in order to provide support to this group. Norad also recommended that the Embassy should consider defining a separate topic on children with disabilities for the annual GEQIP meeting in 2016.¹⁴³ Documentation received does not indicate whether the Embassy has followed up on these recommendations. The Embassy states in a letter from the Ministry of Foreign Affairs dated 25 January 2019 that children with disabilities are an important topic in the new phase of GEQIP, which the Embassy supports.

6.6 What characterises projects with reliable and relevant performance information?

The audit has performed a comparative analysis of the selected projects in order to examine whether projects with reliable and relevant performance information have special characteristics.¹⁴⁴ The purpose of this analysis was to see which features characterise projects with reliable and relevant performance information. As stated above, the analysis included three projects managed by DFID in the UK, in addition to the Norwegian agreements. There are differences between Norway and the United Kingdom in respect of the specific requirements relating to follow-up and control of aid. Nevertheless, the analysis assumes that inclusion of DFID's projects will provide a comparative perspective and, independently of follow-up requirements, can provide an insight into what characterises projects with good performance information.

The project review presented in sections 5 and 6 provided indications of a number of potential factors characterising aid projects with good performance information. A further review of the project documentation provides a basis for coding these features as present (1) or not present (0) for the projects selected. The analysis assumes that the projects receiving a score of 1 for the various features have better performance information than those receiving a score of 0. The features used in the analysis are presented in table 7.

142) Ahmed, Hassan and Workneh Yadete (2017) *Phase 2 report: Analysis of the consequences of the Ethiopian drought and its effects on the education sector*. April 2017.

143) Norad (2016) *GEQIP II JRM 2016 – innspill til forberedende fase fra Norad*. Email to the Embassy in Ethiopia, 3 February 2016.

144) Analysis of this type is known as qualitative comparative analysis (QCA). See section 2 for a more detailed description of the methodical structure of this analysis.

Table 7 Features assumed in the analysis to be present in projects with good performance information

No.	Features of the projects	Score
1	More recent projects	Projects with annual reports or progress reports from 2016 or later receive a score of 1.
2	The strengthening of data quality was part of the project	Projects with strengthening of data quality as a project component receive a score of 1.
3	Good results framework quality	Projects with a logical link between targets and indicators at user level and product level (outcome level and output level) receive a score of 1.
4	Number of administrative elements from the grant manager to the organisation implementing the project	Projects where there are two or fewer elements from the responsible grant manager to the organisation implementing the project receive a score of 1.
5	Field trips	Projects where managers have gone on field trips receive a score of 1.
6	Vulnerable states	The aim of this variable is to include the vulnerability of the country, including aspects such as conflicts or crises. Projects that are not in South Sudan receive a score of 1.
7	Follow-up from the grant manager	Projects where the manager or performance experts at Norad have assessed the performance information, e.g. the results framework during the planning phase, performance information during the reporting phase or other assessment of data quality, receive a score of 1.

Source: Office of the Auditor General

6.6.1 What characterises projects with reliable performance information?

The comparative analysis shows that one combination of features in particular stands out for the projects deemed to have reliable performance information. These projects have the following three features:

- The project is more recent (with annual reports or progress reports from 2016 or later).
- The strengthening of data quality is part of the project.
- The project's results framework is of good quality.

Of the total of eight projects deemed to have reliable performance information, five have these features.¹⁴⁵

The projects with these features include the support of the Norwegian Embassy in Ethiopia for primary education in the country via GEQIP, and the British DFID's support for the same project. The school sector programme in Nepal for 2016–2019 and two projects run by the civil society organisation ADRA in Ethiopia and South Sudan respectively, also have these features. One thing these projects have in common is the fact that improvement of data quality is built into the project by means of separate activities and indicators in the results framework. This is apparent in ADRA's projects, for instance, which have a separate target at product level (output target) to strengthen the management systems for education at local level. This involves providing training

145) This means that the model covers 63 percent of projects with reliable performance information.

on the use of the EMIS system. The progress report for 2016 also details how the measurement and use of EMIS have been improved in the project in Ethiopia.¹⁴⁶

The five projects are also characterised by the fact that they are relatively new projects that are still continuing as of June 2018, and they have results frameworks with logical structures, with targets at user and product level (outcome and output targets), and associated indicators.

Three projects are only partly covered by the model described here, despite the fact that they emerge out of the analysis on projects with reliable performance information. These are two projects run by Save the Children in Ethiopia and Nepal respectively, and a pilot project managed by DFID in the UK which aims to provide intelligence on the use of results-based financing in the education sector in Ethiopia. These three projects also have good results frameworks and are relatively new, but none of them has strengthening of data quality as part of the project itself.

Although the two projects run by Save the Children do not include specific activities for strengthening of data quality, as an organisation, Save the Children has nevertheless been aware of data quality. In Nepal, for example, Save the Children has devised a separate data collection system for collecting and reporting education data.¹⁴⁷ The organisation has also developed a framework for measuring the quality of the learning environment in schools.¹⁴⁸ Major emphasis is placed on verifying record data in DFID pilot project, although reinforcing the data systems is not a target in itself. These three projects could therefore have achieved the positive effect that is believed to come about as a result of paying attention to data quality, in that they have dealt with this aspect in other ways, without building strengthening of data quality into the results framework.

A check has also been carried out to see whether there are other key features that have not been included in the analysis, by examining what characterises projects with *little* reliable performance information. This supplementary analysis provides support for the findings presented above, and also shows that the projects with little reliable performance information are often characterised by a lack of follow-up from the grant manager. In other words, projects with little reliable performance information are often characterised by little or no follow-up from the manager, even though good follow-up does not necessarily characterise projects with reliable performance information.

6.6.2 What characterises projects with relevant performance information?

The comparative analysis shows that one combination of features in particular stands out for projects deemed to have relevant performance information. These projects have the following features:

- The project's results framework is of good quality.
- There are two or fewer elements from the responsible grant manager to the organisation implementing the project.

Of the total of 13 projects deemed to have relevant performance information, 12 have these features.¹⁴⁹

146) ADRA Norway (2017) *Strengthening Equity, Access and Quality in Education – SEAQE. 2016 annual progress report*. See output target 1.1, p. 11.

147) Save the Children (2016) *Communitybased education management information system in Nepal*, p. 1.

148) Quality Education Framework (QLE), see Save the Children's application to Norad for a framework agreement for 2015–2018, p. 11.

149) This means that the model covers over 90 percent of projects with relevant performance information.

Therefore, the analysis firmly supports the notion that a combination of a well-developed results framework and relatively few elements from the manager to the party implementing the project, helps to provide relevant performance information. The projects with relevant performance information have a good results framework, with good links between what they want to achieve and what actually has to be done in order to achieve it. This lays the foundation for the relevance of performance information that is reported later. The targets and indicators in the framework have to be formulated so that they actually measure what is relevant in order to achieve the project's targets. If, for example, quality of education is listed as one of the general targets for the project, indicators that include education quality also have to be included for the performance information to be relevant.¹⁵⁰

One possible explanation as to why the projects with few administrative elements have relevant performance information may be that more elements increase the distance from the manager, i.e. from Norad, DFID or the embassies. Greater distance and more elements also increase the chances of distortion of targets, or of the grant manager's priorities failing to be expressed clearly to the people who will be implementing the projects in practice. Broad framework agreements extending over more elements and including more countries may also provide the grant recipient with less comprehensive performance information, as results are only described at an aggregated level and information is not reported from individual projects. In its performance report for 2016, Norad shows that there are too many elements between the organisations' head offices and the poorest groups.¹⁵¹ The budget proposition for 2018 also refers to risk in the use of lots of intermediate elements for the civil society organisations.

One example of a project with lots of elements is the Digni framework agreement with Norad for 2013–2017. Digni is an umbrella organisation with a number of member organisations that implement the specific projects receiving funding from Norad. The selected project on education in Ethiopia is controlled by the organisation *Ungdom i Oppdrag*. The project itself is being implemented by *Harvest Church of God*, its partner organisation in Ethiopia. Performance reporting is passed from *Harvest Church of God* in Ethiopia, to *Ungdom i Oppdrag* and then on to Digni, before ending up with Norad. The project review shows that Norad does not have enough information on the specific projects in the agreement, as Norad follows up the framework agreement with Digni at a general level. Digni has more information about the project, while only the partner organisation *Harvest Church of God* has an overview of baseline data and other key information used within the project.¹⁵²

One example of the opposite is the Norwegian Refugee Council, which implements its projects itself, so there are few elements between the manager and the implementing party. All Norwegian Refugee Council projects included in the selection are deemed to have relevant performance information.

A check has also been carried out to see whether there are other key features that have not been included in the analysis, by examining what characterises projects with *little* relevant performance information. This supplementary analysis provides support for the findings presented above, and also shows that the projects with little relevant

150) Although the analysis supports the fact that preparing a good results framework is important, determining whether performance information reported is relevant requires more. As described in Figure 6, whether the results are described qualitatively, and whether disaggregated data is reported in accordance with the targets for the programme, will be crucial in whether reporting actually takes place in accordance with the indicators.

151) Norad (2016) *Gode resultater, men for mye penger og makt blir igjen i Norge*. <<https://www.norad.no/aktuelt/nyheter/2016/norads-resultatrapport-2016>> [Downloaded 3 October 2018].

152) Norad had very little information about this project. Therefore, an enquiry was sent to Digni to request more project documentation. Digni submitted more documentation, but it was not as extensive as the information held by *Harvest Church of God* itself. A baseline study was submitted in connection with an interview with *Harvest Church of God* in Ethiopia, and more information on the project was submitted.

performance information are often characterised by the fact that strengthening of data quality does not form part of the project. In other words, the absence of attention to data quality often characterises projects with little relevant performance information, even though attention to data quality is not necessary in order to achieve relevant performance information.

Aid projects are complex in part and are significantly influenced by external conditions beyond the control of the grant manager. The results could have been somewhat different if more projects and more relevant variables had been included in the comparative analysis. Given the fact that the projects in the investigation were strategically selected (education aid in three partner countries for Norwegian aid, the projects varying in terms of size, duration and responsible grant manager), there are nevertheless good grounds to assume that the analysis shows some of the key features influencing the reliability and relevance of performance information. It is also worth noting that two of the features that were initially thought to be of significance to the reliability and relevance of the project information – whether field trips have taken place, and whether the project is being implemented in a country undergoing major conflicts (South Sudan), see table 7 – do not appear to be as important as was thought initially.

7 The Ministry of Foreign Affairs' management of and reporting on results from education aid

7.1 The Ministry of Foreign Affairs' use of performance information in its management of the aid administration

The Ministry of Foreign Affairs mainly manages Norad via the annual letter of commitment. The letters of commitment to Norad for 2015–2018 emphasise the fact that Norad has to prioritise areas that are key to Norway with regard to education; specifically education of girls, education in crisis and conflict, quality and learning outcomes. The letter of commitment for 2018 also refers to the fact that the initiative must focus on children and young people with disabilities. For a number of the years, the Ministry also emphasises the fact that Norad's work has to be results-oriented. In the letters of commitment for 2017 and 2018, the Ministry also requires the initiative to be rights-based and include the most marginalised groups.

The Ministry of Foreign Affairs has also defined requirements for reporting from Norad in the letters of commitment to Norad. According to the letters of commitment, Norad has to report on results achieved with the grants managed by Norad. Among other things, the annual report must "provide comments on good and bad results and describe conditions that have influenced these".¹⁵³ The Ministry of Foreign Affairs emphasises that reporting from Norad is used as a basis for the Ministry's reporting to the Storting. Since Norad was given extended responsibility for more executive areas in the spring of 2017, the Ministry of Foreign Affairs has placed emphasis on more active contributions from Norad, with input and text proposals for the preparation of the Ministry's budget proposition.¹⁵⁴

The Ministry of Foreign Affairs controls the embassies by means of instructions in letters of commitment, the annual performance plan process and regional meetings of station managers involving participation of the Ministry. The Ministry of Foreign Affairs states in an interview that the embassies report back to the section at the Ministry that is responsible for the country or region in which the embassy is located, and to other relevant sections via the annual performance plan, annual reports and interim reports.

A review of annual performance plans for the Embassies in Ethiopia and Nepal shows that the Embassies' risk analyses rarely address risks associated with their own grant management or achievement of objectives in projects that are funded. The risks emphasised are external and relate to factors beyond the influence of the Embassies. The Embassy in Ethiopia has identified two risk factors in its risk analysis for 2017, one relating to climate change (drought) and one relating to political/social unrest in Ethiopia. The Embassy in Nepal has identified four risk factors in its annual performance plan for 2017: political instability, replacement of key personnel in the public sector in Nepal, a high earthquake risk, and corruption. The risk of low data quality and uncertainty with regard to reporting of results in the aid projects being supported by the Embassies did not form part of the Embassy's risk analyses. The Embassy in Ethiopia states in a letter from the Ministry of Foreign Affairs dated 25 June 2019 that the annual performance plans for 2018 and 2019 identified grant management as a risk factor.

¹⁵³) Ministry of Foreign Affairs (2015) *Statsbudsjettet 2015 – tildelingsbrev til Norad nr. 1/2015* and Ministry of Foreign Affairs (2016) *Statsbudsjettet 2016 – tildelingsbrev til Norad nr. 1*.

¹⁵⁴) Ministry of Foreign Affairs (2018) *Norad – tildelingsbrev nr. 1/2018*.

The Embassy in Nepal states in an interview that data quality in grant management did not form part of the management dialogue with the Ministry of Foreign Affairs. The Embassy points out that issues relating to data quality do nevertheless crop up in connection with specific projects in some instances. For example, data quality formed part of the discussion when, in the autumn of 2016, the Embassy and the Ministry discussed whether they should unfreeze funds to Nepal's school sector programme, which were frozen in December 2015. The Embassy in Ethiopia states in an interview that the Ministry of Foreign Affairs is well aware of the challenges associated with data quality in Ethiopia, due to the Embassy's reporting. The risk of poor quality in the education sector is dealt with specifically, primarily in the specialist dialogue with Norad.

7.2 The Ministry of Foreign Affairs' reporting to the Storting on education aid

The budget proposition is the most important document from the Ministry of Foreign Affairs to the Storting. This document sets out the objectives to be achieved with aid, provides an overview of the topic and describes who is to receive the funding and which activities are to be implemented. The budget proposition also reports on what has been achieved with the funds received in the previous year.

The Ministry of Foreign Affairs states in an interview that it receives suggestions for text for the budget proposition on achieved results from Norad, the embassies and various sections at the Ministry. The Ministry processes these suggested texts when working on the budget proposition.

The budget proposition for the Ministry of Foreign Affairs is largely divided into two sections. Aid is described in programme area 03 *International aid*, while programme area 02 *Foreign management* deals with Norwegian foreign policy. Under international aid, the proposition is further divided into various programme categories with associated budget sections and items such as bilateral aid, multilateral aid and global schemes.

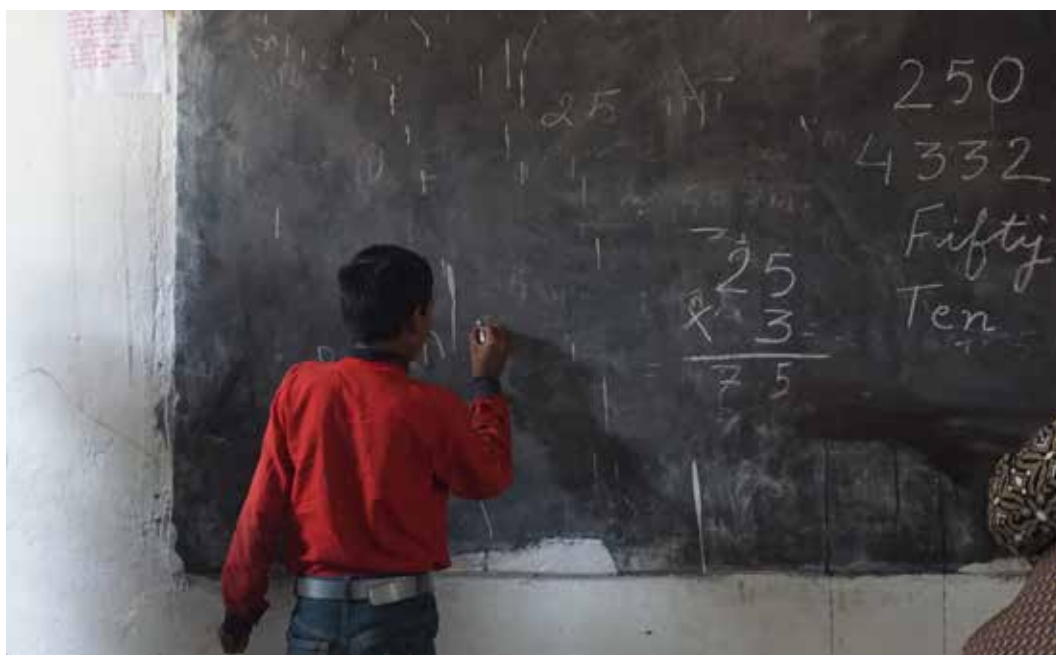
The funds for education are spread over a number of budget items: see the description in section 4.3. Therefore, it is not possible to work out the total amount spent on education aid at any one point in the budget proposition. This also means that references to education aid are distributed over various locations in the proposition. This is also true of the budget proposition for 2019. Moreover, Prop. 1 S (2017–2018) specifies that the funds for education allocated via items other than the education item follow the same general priorities and objectives as this item.¹⁵⁵

The audit has reviewed the budget propositions for 2017 and 2018 in order to examine what was reported regarding the 21 selected education projects. The review shows a number of examples where reporting is not particularly relevant, misleading or, in some cases, directly incorrect. Examples of this are shown below. The budget proposition for 2019 has also been reviewed. The budget structure has been amended here. There is considerably less reporting on education aid than was previously the case. The Ministry of Foreign Affairs states in a letter dated 25 January 2019 that the budget proposition has been abridged to form a more transparent policy document.

155) Prop. 1 S (2017–2018), p. 288.

7.2.1 Reporting to the Storting on results from Norwegian education aid in South Sudan, Nepal and Ethiopia

The review of the budget propositions for 2017 and 2018 shows that reports were submitted by 12 of the 21 education projects included in the investigation. In other words, complete reporting from all education projects is not available.¹⁵⁶ The reason for selection of the projects reported on is not clear. There is no aggregated report of results achieved across countries by Norwegian education aid in Prop. 1 S (2016–2017). However, aggregated information is presented on the Norwegian education initiative for 2013–2016 in the Norad report *Rising to the challenge. Results of Norwegian education aid 2013–2016* dated 2017. This report is summarised in brief in the budget propositions for 2018 and 2019, which refers – among other things – to the fact that Norwegian education aid has resulted in 3.1 million girls and boys receiving funding for schooling every year, and that 140,000 teachers have received training.¹⁵⁷



This photo was taken at a school funded by Norway in the Terai region of South Nepal.

Photo: Office of the Auditor General

The review of the budget propositions shows that there is a great deal of reporting on activities implemented and positive results for the 12 education projects, but less reporting on problems encountered by the projects. These findings correspond to an evaluation of the Norwegian aid administration's use of results-based management, performed on behalf of Norad in 2018.¹⁵⁸ This evaluation looked at aid areas other than education, including the programme Oil for development, the climate and forest initiative and support for the United Nations Development Programme (UNDP). In this evaluation, it emerged that employees of Norad and the Ministry of Foreign Affairs are of the opinion that only selected results are reported, and that these provide a predominantly positive view as they attempt to refer to success stories. The purpose of reporting, according to the evaluation, is primarily to show what has been achieved, rather than using performance information as a basis for new decisions.

156) Moreover, Prop. 1 S (2016–2017) and Prop. 1 S (2017–2018), p. 200 and p. 205 respectively, state that selected results are reported from both new and continued measures, and that examples of results achieved by some of the organisations receiving funds are provided.

157) Prop. 1 S (2017–2018), p. 289, and Prop. 1 S (2018–2019), p. 17.

158) Norad (2018) *Evaluation of the Norwegian aid administration's practice of results-based management*. Report 4/2018, p. 36.

Of the 12 projects reported on in the budget proposition, only one reported on challenges or the fact that the results were not as good as anticipated. Prop. 1 S (2017–18) reports for the GPE that efforts at country level have not been good enough and that the quality aspect of education has not been sufficiently safeguarded. This is despite the fact that the review of documentation from the projects shows a number of examples of failure to achieve target figures, or failure to report on all the indicators in the results framework.

Of the six education projects in South Sudan included in the investigation, a specific report from one is provided in the budget propositions for 2017–2019: UNICEF's *Back to learning* programme, which has received Norwegian funding amounting to NOK 48 million. That said, nothing is reported on what has been achieved by civil society organisations the Norwegian Refugee Council, ADRA or the Strømme Foundation in South Sudan, or what challenges the projects have faced. Together, these three organisations are in receipt of Norwegian funding amounting to around NOK 100 million for education projects in South Sudan for 2014–2019.

The budget propositions for 2017–2019 make no reference to challenges faced by the education projects in South Sudan, nor to the fact that there was an external review of the work of Norwegian partners in the education sector in South Sudan in 2016.¹⁵⁹ The review had a number of critical remarks to make. One of the objections focused on the fact that UNICEF's reporting was largely based on input factors and activities. UNICEF reported on the number of children receiving funding for education, but said very little about whether this resulted in learning or further access to schooling.

For Nepal, Prop. 1 S (2017–2018) and (2018–2019) reported on a number of results achieved in the education sector supported by Norway. There is reference to an increase in enrolment figures, a decrease in drop-outs, an increased implementation rate at primary schools, approximately equal access to elementary schooling for boys and girls, construction of schools, etc. Prop. 1 S (2016–2017) also reports that "the present sector programme will make the transition to a new five-year phase in 2016, and it is thought that funding will be continued in 2017. Weak management systems constitute a risk, however, so significant reinforcement of management is a prerequisite for the continuation of Norwegian sector funding". The same wording appears the following year in Prop. 1 S (2017–2018), except 2018 is the year in which potential continuation of the funding will be assessed.¹⁶⁰ None of the budget propositions indicate when or how Norway will decide on whether management in Nepal has been reinforced sufficiently to allow funding to be continued, and the budget proposition for 2019 merely refers to the fact that Norway has been a strong driving force in the improvement of financial management in the education sector. None of the budget propositions has reported on the three education projects in the selection that are being implemented by civil society organisations. The Ministry of Foreign Affairs states in a letter dated 25 January 2019 that it is necessary to make a selection on account of a lack of space in the budget proposition. According to the Ministry, it is impossible to report on all the projects being managed by the embassies.

For Norwegian funding for the Ethiopian school sector, precisely the same text is reported in the budget propositions for 2017 and 2018. Norwegian funding is provided via a multi-donor trust fund managed by the World Bank (GEQIP II), and it is reported that Norway has worked to promote flexibility within the fund so that a crisis prevention component can be included as well. There is nothing about results from education or the school sector.

¹⁵⁹ Education Development Trust (2016) *Review of Norwegian partners in the education sector in South Sudan*.

¹⁶⁰ Prop. 1 S (2016–2017), p. 285, Prop. 1 S (2017–2018), p. 297, and Prop. 1 S (2018–2019), p. 132.

Of the nine education projects in the selection that are funded via the budget item for civil society – see 160.70 – only the work of Save the Children in Ethiopia is referred to in the budget proposition for 2018. Positive results are reported, and reference is made to an extensive study that clearly shows differences in results at the schools where Save the Children has operated over time, compared with schools that have not received funding from Save the Children previously: “In Ethiopia, Save the Children has worked for a long time in Amhara, while South Omo is a new district under this agreement. The baseline investigation shows that 45 percent of schools in Amhara meet Save the Children’s criteria defining good schools and good learning environments, while none of the schools in South Omo met the criteria.”¹⁶¹ There is no mention of the fact that the baseline investigation only included the schools funded by Save the Children, and not all schools in the two regions. In reality, the figure of 45 percent is based on a selection of 47¹⁶² schools. In other words, 21 of 47 schools funded by Save the Children meet the criteria, not 45 percent of the 8642 state primary schools in the Amhara region

7.2.2 Performance reporting on the inclusive education initiative for children with disabilities

The budget propositions emphasise the fact that children with disabilities must be taken into account consistently in the education initiative.¹⁶³ The project review shows that in the budget propositions, results achieved for children with disabilities are reported from only one of the 21 education projects in the selection: the project run by the Aasaman organisation in Nepal. By way of comparison, 17 of the 21 projects explicitly refer to children with disabilities in the decision document and/or the agreement: see the description in 6.2.2.

Moreover, the one instance in which results for children with disabilities were reported turned out to be erroneous, as in reality the project was not focused on children with disabilities. Reporting in the budget proposition for 2018 describes how the project has helped to ensure that more children with *both* low caste backgrounds and disabilities are enrolled in state schools: “In the pilot project with the Aasaman organisation, 87 percent of children from low caste backgrounds with disabilities in one part of a province were registered at a state school, compared with 70 percent at the start of the project in the autumn of 2015.”¹⁶⁴

A review of reporting from Aasaman to the Embassy in Nepal shows that no activities or results achieved for children with disabilities were reported on in 2016 or 2017. The results framework does not include targets, indicators or activities relating to children with disabilities. Nor does the annual report for 2016 detail any activities focusing on children with disabilities. Aasaman states in an interview that the project is not particularly targeted at children with disabilities, and that no activities focusing on disabled children were implemented until after September 2017. At that time, the Embassy in Nepal had mentioned in the annual meeting that it wanted such activities to be included in the project.

What the budget propositions have to say about the input to UNICEF and the GPE also fails to provide information on results for children with disabilities. In the budget proposition for 2017, the Ministry of Foreign Affairs refers to the fact that one of the general objectives on which UNICEF is meant to report is the right to an equal education for all.¹⁶⁵ There is nothing about children with disabilities in the report on

161) Prop. 1 S (2017–2018), p. 206.

162) Save the Children (2018) *Education in Nepal and Ethiopia – the Office of the Auditor General’s investigation*. Email to the Office of the Auditor General, 4 June 2018.

163) Prop. 1 S (2017–2018), p. 278 and 288, and Prop. 1 S (2016–2017), p. 54.

164) Prop. 1 S (2017–2018), p. 182.

165) Prop. 1 S (2016–2017), p. 278 and 279.

what UNICEF has achieved. There is reporting on disadvantaged, vulnerable and marginalised children, but whether children with disabilities are included among them is not clear.

Prop. 1 S (2017–2018) states that in 2016, the GPE strengthened its efforts in respect of equality and inclusion of particularly vulnerable groups, such as children with disabilities. There are no further details on how much of the funding for the GPE is targeted at children with disabilities, or how these funds contribute to schooling for this group of children.¹⁶⁶

The fact that there is no specific reporting on how Norwegian funds have helped to provide education to children with disabilities – via either UNICEF or the GPE – is linked with the fact that none of these global education initiatives disaggregates the performance information to make it possible to establish how many children with disabilities were covered by the UNICEF or GPE initiative: see the reference in section 6.2.2. Hence it is not possible to report specifically on Norwegian results for children with disabilities via UNICEF and the GPE. According to Prop. 1 S (2017–2018), Norwegian funding for schooling for children with disabilities must be provided via UNICEF and the GPE in the first instance.¹⁶⁷ UNICEF recognises in its annual report for 2017 that incomplete data makes it difficult to provide any information on progress for children with disabilities; the report states in addition that in 2017 UNICEF began to include new questions in its questionnaires that also include children with disabilities.¹⁶⁸ In its annual report, the GPE has referred to the fact that 18 out of a total of 54 active grants included targeted measures relating to children with disabilities.¹⁶⁹

7.2.3 The budget proposition does not include information on delays in the REACH trust fund

The REACH trust fund is referred to in a number of budget propositions from the Ministry of Foreign Affairs.¹⁷⁰ As described in section 5.4, the fund faces delays and other challenges. None of these challenges are described in the report to the Storting. The budget propositions refer to the objectives of the fund, but there is no reporting on what contributions have been made by the fund. According to the budget propositions, the fund must help to build intelligence on which results-based financing schemes and measures work in the education sector. It is stated that the fund supports measures that aim to ensure additional and improved education offerings, particularly for the most marginalised children.¹⁷¹

Prop. 1 S (2016–2017) refers to the fact that REACH received NOK 40 million of funding in 2016, with a corresponding amount initially in 2017, depending on the outcome of the pilot phase, which will continue throughout 2016. Prop. 1 S (2017–2018) states that the fund is to receive NOK 10 million of funding in 2017, and not NOK 40 million as proposed in the previous year. There is no indication of why the fund is receiving NOK 30 million less in funding than was originally proposed. There is no reference in the budget propositions to the lack of results from the pilot phase. Nor does the budget proposition for 2019 mention the fact that an external review of the REACH trust fund was carried out in 2017, and significant criticism was aimed at the fund: see the reference in section 5.4.1.

166) Prop. 1 S (2017–2018), p. 292.

167) Prop. 1 S (2017–2018), p. 287.

168) UNICEF's annual performance report for education for 2017, p. 48.

169) The GPE's performance report for 2015/2016, p. 13. There is no corresponding reference in the performance report for 2018.

170) Prop. 1 S (2015–2016), Prop. 1 S (2016–2017) and Prop. 1 S (2017–2018).

171) Prop. 1 S (2016–2017), p. 282, and Prop. 1 S (2017–2018), p. 293.

7.2.4 Use of official statistics and figures

The budget propositions often refer to statistics and figures to describe the situation in countries receiving education funding. The review shows that the sources of these figures are rarely stated, so it is difficult to verify the figures.

One example is taken from the budget proposition for 2018, which states with regard to Norwegian funding for Nepal that “[a]fter six years of implementation of the sector programme supported by Norway, the number of children starting Year 1 has increased from 81 percent in 2009 to 96.6 percent in 2015”.¹⁷² The sources of these figures is not stated, but figures from the external evaluation of the sector programme indicate that the progress reported in Prop. 1 S is excessively large. The evaluation states that 91.9 percent of children were enrolled in schools in 2009, not 81 percent.¹⁷³ This provides an increase of around 5 percentage points; not 15, as stated in the budget proposition.

Another example is the description of the education sector in Nepal in Prop. 1 S (2016–2017), which states that “[o]ne and a half million children do not attend school”.¹⁷⁴ According to the Norwegian Embassy in Nepal, this figure is taken from a 2016 report published by UNESCO and UNICEF, which states that 770,000 children in Nepal do not attend school.¹⁷⁵ Why a considerably lower figure than the one appearing in this report is stated in the budget proposition is unclear.

7.3 Norad’s report on the Norwegian education initiative for 2013–2016

In 2017, Norad published its report *Rising to the challenge. Results of Norwegian education aid 2013–2016*. This report is based on issues such as the ambitions set forth in White Paper 25 (2013–2014) *Education for Development* and shows how the money was spent and what was achieved with Norwegian education aid from 2013 to 2016. This report looks in particular at Norway’s focus countries for education aid: Ethiopia, Malawi, Nepal and South Sudan. It also looks at Norway’s role as a driving force for increased international education aid.

The baseline figures were taken from the aid statistics, UNESCO, UNICEF, the World Bank and the GPE. Norwegian civil society organisations also reported retrospectively on their results. Norad refers to the fact that the report is aggregated and quality-assured across all bilateral education projects.

7.4 Transparency on the results of Norwegian aid

Transparency on the results and challenges of aid provides the general public with the opportunity to hold the donors and recipients of aid responsible for how the funds are used. Transparency on the results could also help to make performance information more reliable, as it will be easier for the general public to verify the results reported.¹⁷⁶

172) Prop. 1 S (2017–2018), p. 298.

173) GFA Consulting Group GmbH (2016) *Joint evaluation of Nepal’s school sector reform plan programme 2009–2016*, p. 80. March 2016.

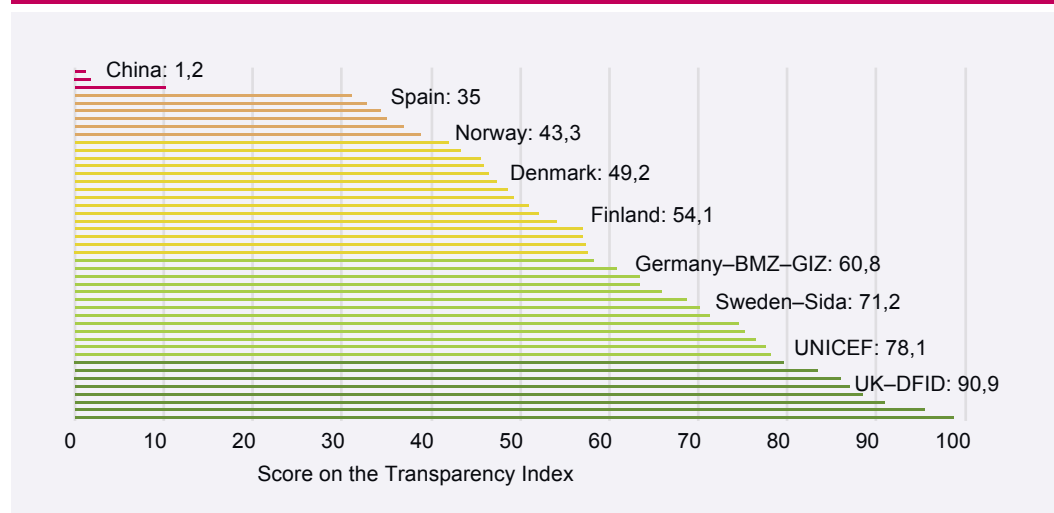
174) Prop. 1 S (2016–2017), p. 169.

175) Ministry of Education, UNICEF and UNESCO (2016) *Global Initiative on Out-of-School Children. Nepal country study*. July 2016.

176) Ingram, George (2018) *How better aid transparency will help tackle global development challenges*. The Brookings Institution, 21 June 2018. <<https://www.brookings.edu/blog/up-front/2018/06/21/how-better-aid-transparency-will-help-tackle-global-development-challenges/>> [Downloaded 25 June 2018].

The international *Aid Transparency Index* measures how transparent countries and organisations are with regard to the management of their aid. Norway comes in 35th place out of a total of 45 stakeholders in the index for 2018, with a score of *fair*. Figure 7 shows how the 45 countries and organisations are ranked in the index for 2018.

Figure 7 Transparency index for 2018



Source: The aid transparency index 2018

Figure 7 shows that Norway's total score in the index is 43.3 out of a possible 100 points. By way of comparison, DFID in the UK comes in third place (90.9 out of 100), UNICEF comes in ninth place (78.1 out of 100) and the Swedish International Development Cooperation Agency comes in 14th place (71.2 out of 100). Norway's placing has remained fairly stable since 2016 (34th place, 41.9 points), but this score is slightly improved compared with 2014 and 2013, when Norway was given a score of *poor* in both years.

The organisation *Publish What You Fund*, which compiles the index, recommends that the Ministry of Foreign Affairs should publish more results-related information from the aid projects receiving Norwegian funding. This is applicable to the entire project cycle, from planning documents to reporting of results from completed projects. The organisation also recommends that the Ministry should publish more consistent financial information on the aid projects funded.¹⁷⁷

The transparency index is made up of 35 indicators. The countries and organisations are given a score of 0 to 100 for each of the indicators. Some of the indicators assess the way in which information is published, and how often it is updated. These criteria are partly based on principles established by the International Aid Transparency Initiative (IATI).¹⁷⁸ At the high-level meeting on a deficiency held in Busan in November 2011, donors – including Norway – pledged to publish information on aid in a common format based on the IATI standard and the OECD DAC reporting standard.¹⁷⁹

Four of the indicators in the index are of particular relevance when it comes to measuring transparency in the results of aid. These indicators constitute the *performance* component and measure whether data and documentation are available

177) Publish What You Fund (2018) *Donor profile Norway – Ministry of Foreign Affairs (MFA)*.

178) Publish What You Fund (2018) *2018 Aid Transparency Index – Technical paper*.

179) Norad (2018) *Norway fulfilling our commitments on aid transparency*. <<https://norad.no/en/front/toolspublications/aid-transparency>> [Downloaded 16 October 2018].

that assess whether the projects are achieving what they are meant to be achieving.¹⁸⁰ This includes key documents in the project cycle such as preliminary assessments, results frameworks, interim reviews and final evaluations. Table 8 compares Norway's score with DFID's score on these four indicators.

Table 8 Comparison between the scores of Norway and DFID on selected indicators from the transparency index, 2018

Indicator no.	Indicator name	Norway	DFID
32	Goals <i>The indicator measures whether the objectives of the aid projects funded are available to the general public. The objective descriptions must include detailed information on which activities are to be implemented in order to achieve the objectives, the specific target group for the project, and anticipated outcomes</i>	0 out of 100	95 out of 100
33	Preliminary assessments¹⁸¹ <i>The indicator measures whether there have been preliminary assessments of the projects' anticipated positive, negative, primary and secondary effects, and whether these are available to the general public.</i>	0 out of 100	92 out of 100
34	Evaluations <i>The indicator measures whether evaluations from the projects funded are available to the general public, e.g. on the organisation's website.</i>	0 out of 100	97 out of 100
35	Results <i>The indicator measures whether the project's results are available to the general public, e.g. in the form of results frameworks with results achieved after conclusion of the project, or an interim evaluation.</i>	0 out of 100	70 out of 100

Source: Publish What You Fund (2018) Technical paper

Norway receives 0 out of a possible 100 points for the indicators measuring the extent to which the following information on the aid projects is made available to the general public:

- Project objectives
- Preliminary assessments of the anticipated outcomes of the projects
- Evaluations of the projects
- Project results

Although there is some information on the Ministry of Foreign Affairs' grant portal, which is still being developed, and on the Norad website, Norway receives no points for the indicator assessing where the available project objectives are. This is because the information published is too general. The project results frameworks, which describe general targets and targets at user level (outcomes), for example, are not published. Nor are preliminary assessments published on the Norad website. Norway gets no points for this indicator either, as the evaluations published on the Norad website are not necessarily linked with the individual aid projects funded, but are more general evaluations of a country or topic. Project-specific evaluations or reviews are rarely available to the general public, and the Ministry of Foreign Affairs and Norad do

¹⁸⁰) The other components in the index are: *organisational planning and commitments, finance and budgets, project attributes and joining-up of development data.*

¹⁸¹) This indicator is called "Pre-project impact appraisals".

not publish interim evaluations from aid projects funded by Norway.¹⁸² Norad states in a letter from the Ministry of Foreign Affairs dated 25 January 2019 that Norad is working on making decentralised evaluations more available to the public, and that more can be found on the Norad website. The Ministry of Foreign Affairs also adds that the documentation is available to the public, but not published. This means that people can apply to access the documentation. This is done, and according to the Ministry this results in verification of the documentation.

When it comes to publishing information on project results, *Publish What You Fund* refers to the fact that Norway only publishes results for some projects; not in full, and not for all projects. This is why Norway receives no points for this indicator.¹⁸³ Every year, Norad publishes a performance report that specifies the results of aid within a selected area. The last time education aid was the topic of this report was in 2013. These reports cite examples of results achieved, but their purpose is not to provide a complete view.¹⁸⁴ The fact that information on results is not published in a common format based on the IATI standard, as was agreed at the high-level meeting in Busan in 2011, also reduces the score. Failing to use the IATI format weakens the opportunities to compare information on aid from different countries.¹⁸⁵

By way of comparison, table 8 shows that DFID achieves a significantly higher score in the four selected indicators from the transparency index. DFID publishes documentation on its aid projects on the *Development Tracker* website.¹⁸⁶ The results framework with reporting on the indicators, DFID's decision document, DFID's annual progress reports and internal evaluations are published for each agreement. The portal includes documentation dating back to 2012. A review of a selection of education projects shows that the documentation available on the portal is relatively complete. External evaluations of DFID's measures are available on the portal or on the website of the United Kingdom's Independent Commission on Aid Impact, ICAI.¹⁸⁷

Transparency relating to aid is a key target for DFID, as is stated in a number of strategy documents. One of the targets of the aid strategy for the United Kingdom, and one of the performance targets in DFID's general plan for 2017, was to maintain DFID's good placing in the international transparency index. DFID also published a transparency strategy in 2018.¹⁸⁸ This relates to DFID's efforts to help bring about greater transparency in its partner countries, and also its efforts to ensure transparency relating to DFID's own activities. The strategy states that DFID also wishes to help partner organisations and multilateral organisations receiving funding from DFID to become more transparent in respect of their own activities. DFID's strategy for education aid from 2018 also emphasises the fact that DFID wishes to enhance the availability, use and transparency of data on pupils' learning.

According to the Ministry of Foreign Affairs, Norway's placing in the index is due to the fact that Norway does not publish a complete organisation file containing budget information for three years ahead, as the budgets are determined by the Storting every year. IATI data is not published sufficiently frequently either. The Ministry of Foreign Affairs indicates that when defining the score given for the index, the greatest emphasis is placed on how extensively and how well reports are submitted to the IATI

182) Publish What You Fund (2018) *The Aid Transparency Index – more detailed data about Norway. Follow-up question*. Email to the Office of the Auditor General, 11 July 2018.

183) Publish What You Fund (2018) *The Aid Transparency Index – more detailed data about Norway*. Email to the Office of the Auditor General, 26 January 2018.

184) Norad (2013) *Resultatrapport 2013. Helse og utdanning*, p. 5; Norad (2016) *Resultatrapport 2016. Sivilt samfunn*, p. 1. There are also two examples of education aid in Norad (2017) *Resultatrapport 2017. Kunnskap mot fattigdom*.

185) Norad (2018) *Norads årsrapport 2017*.

186) The URL is <<https://devtracker.dfid.gov.uk>>.

187) Independent Commission on Aid Impact.

188) DFID (2018) *Open aid, open societies: A vision for a transparent world*.

in IATI format. In an interview, the Ministry states that they are therefore of the opinion that the score in the index, viewed in isolation, is not representative of the level of transparency with regard to Norwegian aid.

The Ministry of Foreign Affairs nevertheless uses the index in its own reporting to the Storting. In Prop. 1 S (2017–2018), the Ministry of Foreign Affairs refers to the fact that “UNICEF was ranked third out of 46 major aid organisations in the *Aid Transparency Index* for 2016, and has made a great deal of progress in its transparency efforts between 2013 and 2016”. A good placing in the index is also highlighted as part of the grounds for Norwegian funding for the African Development Bank (AfDB) and the Inter-American Development Bank (IDB) in the same budget proposition.¹⁸⁹

In a letter from the Ministry of Foreign Affairs dated 25 January 2019, Norad calls attention to the fact that Norwegian aid statistics, *Norwegian Aid Statistics*, are readily available to the general public on the Norad website. Norad refers to the fact that among OECD DAC members, Norway came in fifth place in the OECD DAC’s ranking of donors’ reporting of statistics on aid funds in 2016.¹⁹⁰ The OECD DAC’s general assessment was that Norway supplies complete, accurate statistics on Norwegian aid. The OECD DAC considers the description of the projects in the statistics to be informative, although this is brief and rarely includes more than ten words. The Ministry of Foreign Affairs states in a supplement that it has begun working on a new performance portal that aims to provide the general public with information on aid outcomes and secure management information.

189) Prop. 1 S (2017–2018) for the Ministry of Foreign Affairs, p. 312, 343 and 346.

190) “Ranking of DAC members’ DAC and CRS reporting in 2017 on flows in 2016”.

8 Administrative costs in education aid

The investigation also includes a review of administrative costs in the selected projects. The purpose here has been to assess whether it is possible to establish how much of the grant to selected education projects is spent on administrative costs. Implementation of aid requires administration of the projects and running of the organisations implementing the projects. The amount required for administration depends on factors such as conditions in the countries in which the projects are implemented, for example, the security situation. Some of the grant recipient's administrative costs – or indirect costs, as they are known – can be covered by the grant from the Ministry of Foreign Affairs, Norad or the embassies. These are known as administrative contributions.¹⁹¹

The investigation's review looked primarily at indirect costs. The aid administration's definition of indirect costs is used as a basis in the investigation. This states that indirect costs are "costs that cannot be linked directly to the implementation of the project in question, including costs for the grant recipient's administration and support functions"¹⁹². This includes the wages of administrative staff, normal maintenance costs, purchasing of equipment and security measures, for example. All costs associated with the administration of specific projects and programmes are deemed to be direct project costs and are not examined in this audit. This may, for example, include travelling expenses and wage costs linked with following up the project.

Neither the Provisions on Financial Management nor any other general regulations relating to grant management regulate the size of the administrative contribution to the grant recipient.¹⁹³ Guidelines were adopted for the Ministry of Foreign Affairs and Norad in January 2012 relating to how administrative contributions are to be established in grants for projects and programmes, including funding for civil society organisations and sector programmes. The guidelines stated that no more than seven percent of the grant could be allocated as an administrative contribution for covering indirect costs, while the standard rate was set at five percent. In March 2016, the guidelines were adjusted so that an amount equivalent to no more than five percent of the direct project costs could be provided as an administrative contribution in order to help cover indirect costs. An option is available for increasing this amount to seven percent in exceptional cases relating to measures involving particularly high head office costs. Special justification is required for rates beyond this.¹⁹⁴ According to Norad, more comprehensive guides have also been produced for executive officers at the Ministry of Foreign Affairs and Norad.¹⁹⁵

The Ministry of Foreign Affairs and Norad provide little information in their budget propositions and annual reports on how much in the way of aid resources is spent on covering the administrative costs of the recipient organisations.

191) The administrative contribution is given so that indirect costs can be covered: see the definition below.

192) Ministry of Foreign Affairs (2016) *Veiledning vedrørende eventuelle administrasjonsbidrag i tilskuddsforvaltningen*, p. 1.

193) This section is based on the Central Control Unit (2017) *Gjennomgang av Utenriktjenestens forvaltning av samarbeidet med ILPI 2009–2016*, p. 10.

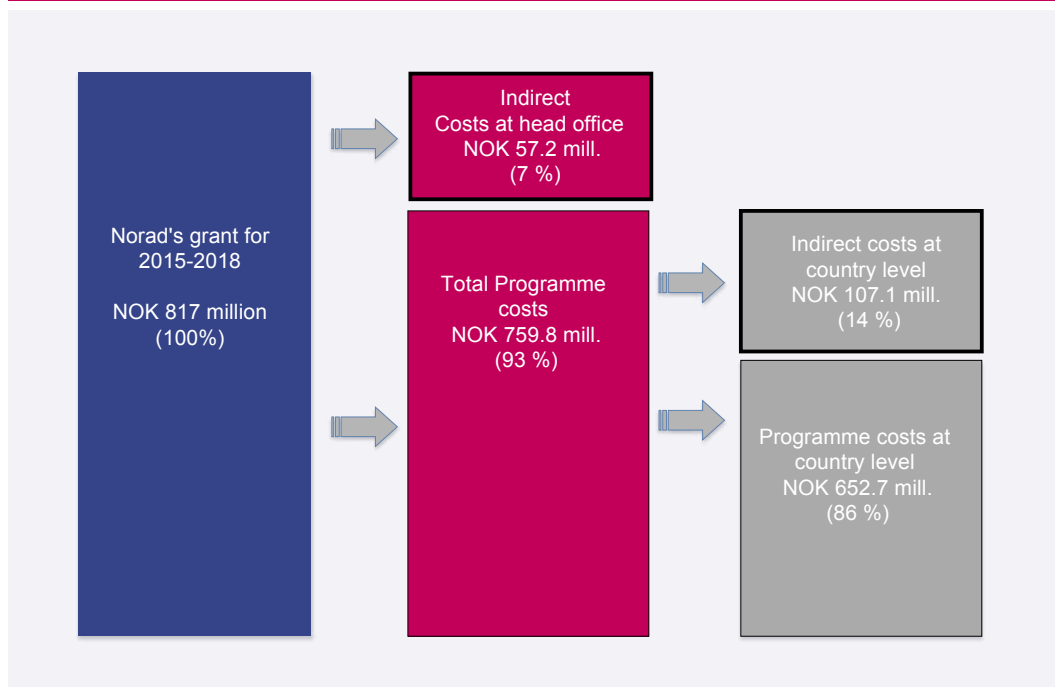
194) Ministry of Foreign Affairs (2016) *Veiledning vedrørende eventuelle administrasjonsbidrag i tilskuddsforvaltningen*.

195) Ministry of Foreign Affairs (undated) *R10 Fastsettelse av administrasjonsbidrag i tilskuddsforvaltningen* and the administrative guide for Norad's departments for civil society: see Norad (2018) *Riksrevisjonens undersøkelse av resultatinformasjonen i bistand til utdanning – skriftlige spørsmål*. Email to the Office of the Auditor General, 16 and 17 October 2018.

8.4.1 Administrative costs in bilateral projects

The project review shows a number of examples where actual indirect costs exceed 7 percent of the grant.¹⁹⁶ This is because the administrative contribution of 5–7 percent is only spent on covering indirect costs at the recipient organisation’s head office in Norway, while indirect costs in the recipient countries are additional to this.¹⁹⁷ One example of this is Norad’s framework agreement with a Norwegian civil society organisation for 2015–2018. Figure 8 shows a simplified overview of this organisation’s budget for the period.

Figure 8 A simplified overview of a Norwegian civil society organisation’s budget for the framework agreement with Norad, 2015–2018



Source: Norad’s decision document for the partnership agreement with the civil society organisation

Figure 8 shows that Norad’s grant to the civil society organisation’s programme for 2015–2018 amounts to NOK 817 million.¹⁹⁸ The agreement between Norad and the organisation states that up to 7 percent of the grant can be used to cover indirect costs.¹⁹⁹ The agreement does not differentiate between indirect costs at head office and indirect costs at the offices in the recipient countries. However, closer examination of the organisation’s budget shows that the administrative contribution of 7 percent is used to cover indirect costs at the organisation’s head office in Norway, while costs for support functions, rental of buildings, etc. at country level are extra. These costs at country level are referred to as “non-thematic costs” and are regarded as direct project costs and not indirect costs in budgets and accounts. An external preliminary assessment of the organisation found that “non-thematic costs” are a percentage of the office costs – such as rent, insurance and pay to administrative staff – at the organisation’s country office. In the budget for the period, “non-thematic costs” account for 14 percent of the programme costs. If this figure is added to the indirect costs at head office, therefore, the planned total indirect costs account for around 20 percent of the grant from Norad.

196) The guidelines that were applicable up to 2016 are applicable to all the projects highlighted here.

197) A further explanation of the terminology is provided below.

198) The partnership between Norad and the civil society organisation dated 27 March 2015.

199) The partnership between Norad and the civil society organisation dated 27 March 2015, section 2.5.

Table 9 shows the actual indirect costs pursuant to Norad's framework agreement with the organisation over the first three years of the agreement.

Table 9 Indirect costs in Norad's framework agreement with a civil society organisation for 2015–2018 (first three years of the agreement).

	2015		2016		2017		Sum 2015–2017	
	NOK	Percent of Norad's grant	NOK	Percent of Norad's grant	NOK	Percent of Norad's grant	NOK	Percent of Norad's grant
Administrative contribution (max 7 %)	13 554 215	7,0 %	13 641 977	7,0 %	14 803 808	7,0 %	42 000 000	7,0 %
Non-thematic costs	23 762 501	12,3 %	27 236 213	14,0 %	30 501 896	14,4 %	81 500 610	13,6 %
Total indirect costs	37 316 716	19,3 %	40 878 190	21,0 %	45 305 704	21,4 %	123 500 610	20,6 %
Norad's grant to the framework agreement	193 631 645		194 882 575		211 485 780		600 000 000	

Source: Accounts for 2015–2017 in the organisation's annual report for 2017 to Norad. Supplementary agreements to the framework agreement are not included

Table 9 shows that 7 percent of Norad's grant was spent on administrative contributions in each of the years. This covers indirect costs at the civil society organisation's office in Norway. The table also shows that the percentage of the annual grant spent on "non-thematic costs" – indirect costs at country level, that is – varied between 12.3 percent and 14.4 percent over the period. In total, 20.6 percent of Norad's grant for the framework agreement for 2015–2017 was spent on covering indirect costs.

Norad assessed the organisation's indirect costs before entering into the agreement for 2015–2018, partly on the basis of the external preliminary assessment. In the decision document for the agreement, Norad concludes by stating that the organisation has an acceptable distribution of costs at the various levels down to the final recipient, but that efforts have to be made to reduce the administrative costs at the country offices.²⁰⁰

Project documentation shows that Norad's grant is spent on indirect costs at country level for a number of the selected agreements with civil society organisations. This is true, for example, of another civil society organisation's framework agreement with Norad for 2014–2018, totalling NOK 115 million. The organisation's accounts for 2015 show that NOK 2.5 million of Norad's grant was spent on administrative contributions. In line with the agreement, this accounted for 7 percent of the grant of NOK 35.8 million. In addition, according to the accounts there was a further NOK 2.9 million in administrative costs in other categories. These costs are described in the accounts as "office expenses"²⁰¹ and "administrative costs (local partner)"²⁰² respectively. Such costs also accrued in 2016. In total, indirect costs at this organisation's head office and among the local partner organisations in 2015 and 2016 accounted for 15.2 and 16.4 percent respectively of the Norad grant.

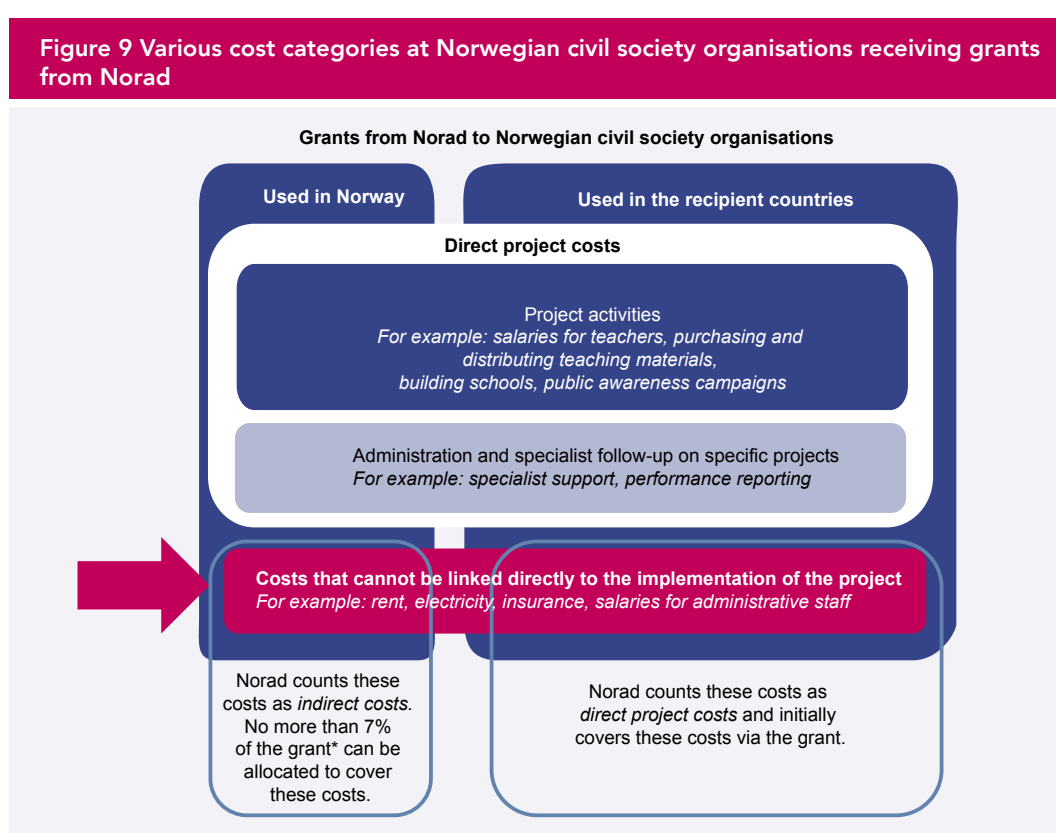
200) Norad. Beslutningsdokument for samarbeidsavtale med en sivilsamfunnsorganisasjon 2015–2018, p. 10–12. Dated 23 February 2015.

201) Budget category B.4 in the accounts. In Norwegian: "kontorkostnader".

202) Budget category C in the accounts. In Norwegian: "administrasjonskostnader (lokale partnerorganisasjoner)".

Norad confirms in a response to a written question that administrative costs accrue at country level in addition to the indirect costs at the civil society organisations' head offices in Norway. This is in line with Norad's practice for establishing the administrative contribution, which means that the administrative contribution is only spent on covering indirect costs at the civil society organisation's head office in Norway. Norad counts indirect costs in the recipient countries as direct project costs as they relate to all costs in the recipient countries that are closely linked with the civil society organisations' project activities. Reinforcing local partners in recipient countries is an important target for civil society aid.²⁰³ According to Norad, it is not particularly realistic to think that the civil society organisations' programmes could be implemented with an administrative contribution of 7 percent if costs such as local rental of buildings and support functions were also to be covered by this percentage.

Figure 9 shows a schematic overview of the various cost categories at Norwegian civil society organisations receiving grants from Norad, including indirect costs.



Source: Office of the Auditor General

* As of 2016, an amount equivalent to a maximum of 7 percent of direct project costs may be spent on covering such costs

Norad's interpretation is not described in the Ministry's guidelines for establishment of administrative contributions.²⁰⁴ There is no indication here of how indirect costs at country level are to be classified. Norad states that they have prepared an administrative guide in which this interpretation of the guidelines is documented so as to ensure consistent practice in respect of the civil society organisations. However, Norad's interpretation is not available to the general public.

203) Ministry of Foreign Affairs (2019) *Utkast hovedanalyserapport fra Riksrevisjonen om resultater i utdanningsbistanden*. Letter to the Office of the Auditor General, 25 January 2019, with comments on the draft report from both the Ministry of Foreign Affairs and Norad.

204) Ministry of Foreign Affairs (undated) *R10 Fastsettelse av administrasjonsbidrag i tilskuddsforvaltningen*.

The Ministry of Foreign Affairs states in an interview that it does not have a summarised overview of how much education aid is spent on administration by the recipient organisations. Norad states that the Agency rarely receives detailed country-level accounts pursuant to major framework agreements with civil society organisations. However, Norad states that they assess the various cost categories when processing applications for funding. Norad expands upon this by saying that they then assess the reasonableness of how much is spent on rental of buildings and support functions on a local level, for example, compared with how much is spent on programme activities and local partners. Reviews such as “follow-the-money trips” are implemented in order to assess this. Norad states that they are therefore aware of administrative costs in the projects beyond the contribution designed to cover indirect costs.²⁰⁵ However, they indicate that the overview of administrative costs of this type would be improved with the assistance of the grant portal that has recently been commissioned. From now on, the recipient organisations have to enter their budgeted operating expenses at country level and partner level in this portal.

8.4.2 Administrative costs in agreements with multilateral organisations

The Norwegian aid administration has not established a general rate with regard to how much of Norway’s funding for multilateral organisations can be used to cover indirect costs, as has been the case for funding for civil society organisations. The rule whereby a maximum of 7 percent can be given as an administrative contribution is not applicable to core funding for multilateral organisations, grants for thematic funds or other funding that is not earmarked.²⁰⁶ According to the guidelines, the Norwegian contribution to coverage of indirect costs at these organisations must be given in accordance with rates established by the organisations’ boards of directors, on which representatives of the Ministry of Foreign Affairs or Norad sit. Norad states in response to a written question that this is also true of Norwegian funding for the UNICEF Thematic Education Fund, the GPE and the REACH trust fund.

The multi-donor trust fund REACH, which is managed by the World Bank, illustrates that assessing what proportion of aid is spent on project-related activities and how much is spent on administration (indirect costs) may be a complex task. The World Bank has general rules establishing the size of the administrative charge that has to be paid by donors for administration of multi-donor trust funds such as REACH.²⁰⁷ The rules were changed in 2016 and are applicable to funds added after the change. Norad states that the purpose of the changes was to reflect more accurately the World Bank’s actual administrative costs in connection with administration of multi-donor trust funds. Hence there are two different rules applicable to administrative charges in respect of REACH – one rule for funds added before 2016, and one rule for funds added after 2016. Figure 10 shows how the administrative charge is calculated in REACH. Besides having two different rules for calculating the administrative charge, the fund comprises two main activity categories. These main categories also have different rules for calculating administrative costs. The funds in one of the main categories go to the World Bank and are used to follow up projects and implement certain project activities.²⁰⁸ The funds in the other main category are transferred to the parties implementing the projects, such as the education authorities in Nepal.²⁰⁹ In practice, the different projects and activities are managed as one fund.

205) Ministry of Foreign Affairs (2019) *Utkast hovedanalyserapport fra Riksrevisjonen om resultater i utdanningsbistanden*. Letter to the Office of the Auditor General, 25 January 2019. This letter includes comments on the draft report from both Norad and the Ministry of Foreign Affairs.

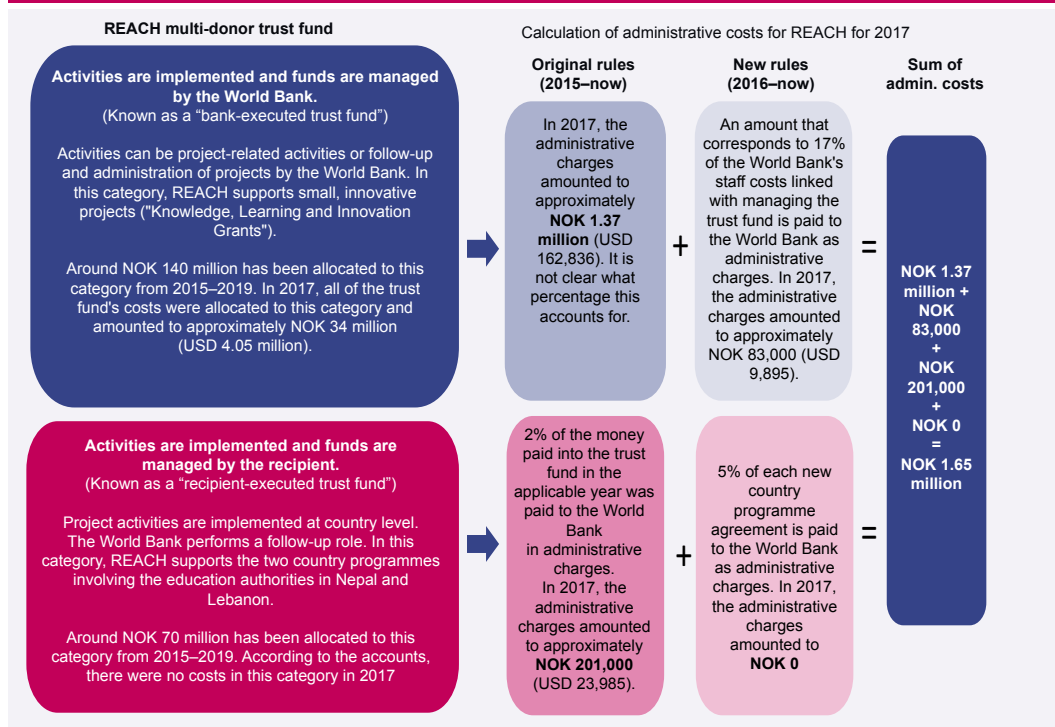
206) Ministry of Foreign Affairs (undated) *R10 Fastsettelse av administrasjonsbidrag i tilskuddsforvaltningen*, p. 1–2.

207) World Bank (2016) *Directive: Bank directive cost recovery framework for trust funds*. 24 February 2016. Norway is represented on the board of directors of the World Bank, which adopted the rules according to Norad.

208) Known as a “bank-executed trust fund”.

209) Known as a “recipient-executed trust fund”.

Figure 10 Calculation of administrative costs for REACH for 2017



Sources: 2017 annual report for REACH, agreement between Norad and the World Bank dated 14 June 2016, the World Bank (2016), email from the World Bank (2018), emails from Norad dated 16 and 17 October 2018.

In input to the Ministry of Foreign Affairs prior to entering into the agreement in 2015, Norad pointed out that the budget for the REACH trust fund was at an aggregated level that made it impossible to assess the realism or cost-effectiveness of the budget.²¹⁰ This has been a recurring topic in the Ministry of Foreign Affairs' and Norad's follow-up of the REACH trust fund. The accounts for REACH in the annual report for 2017 reveal that 11.3 percent of costs went on "project follow-up and administration"²¹¹. However, there is no description of how much of this was accounted for by administrative charges, and the World Bank has explained in communication with Norad that the project follow-up and administration category also includes project activities.²¹² Administrative costs are also referred to in the external review of REACH dated September 2017. One of the recommendations from the review is that the World Bank should clarify to donors what administrative costs for REACH actually are.²¹³

Norad's travel report from the REACH annual meeting held in February/March 2018 shows that by way of a response to the recommendation from the external review, the World Bank gave donors a quick review of the system with the administrative costs, that the World Bank wanted to submit more detailed accounts, and that there was consensus that the accounts should be set up differently as of the annual report for 2018. Norad states in October 2018, in response to a written question, that it is still not satisfied with the information provided by the World Bank on administrative costs. Subsequent to a follow-up question from the audit, Norad has received further information from the World Bank that the Agency considers to be satisfactory. This information reveals that around NOK 1.6 million was paid to the World Bank in

210) Email from Norad to the Ministry of Foreign Affairs, 8 August 2014.

211) "Project management and administration".

212) World Bank (2018) *Question from auditors*. Email to Norad, 22 February 2018.

213) Zafson Program4Results (2017) *External assessment of Results in education for all children (REACH) trust fund (2015–2017)*. September 2017, p. 59.

administrative charges for REACH in 2017.²¹⁴ This amounted to 4.9 percent of payments from the fund in 2017.²¹⁵

Norway is the largest donor to UNICEF's Thematic Education Fund, donating NOK 590 million to the fund in 2016. The annual report for the fund for 2016 states that indirect costs²¹⁶ amounted to around 6 percent of the total costs, but that other categories also include administrative elements.²¹⁷ Norad indicates in a response to a written question that UNICEF's applicable rules state that 7 percent of the funding for the thematic education fund is spent on covering indirect costs, but that administrative costs may also be accrued at country level. Definitions in the accounts are therefore important if it is to be possible to obtain comparable figures. There are no such definitions in the annual report. The audit report for UNICEF's overall accounts for 2016 points out that the definition of how indirect costs are to be reported at UNICEF has been insufficiently clear, and that this risks reducing transparency for donors and the board of directors.²¹⁸

The Ministry of Foreign Affairs has not documented any assessments of administrative costs in the memoranda that form the basis for the decisions on funding for the UNICEF Thematic Education Fund for 2015–2017.²¹⁹ In an interview, the Ministry of Foreign Affairs states that board meetings at UNICEF have requested more detailed budgets as this could provide more of an opportunity to monitor the funds.

Norad states in responses to written questions that Norway's agreement with the GPE defines no maximum rate for indirect costs. The GPE's board of directors has provided a guideline stating that operating expenses for the GPE Secretariat must stand at between 5 and 7 percent of the GPE's total costs. The GPE's performance report for 2015–2016 states that the GPE Secretariat's operating expenses amounted to less than 4 percent of total costs in 2016. According to Norad, administrative costs account for 94 percent of this. In the decision document for 2018–2020, Norad considers it positive that the GPE Secretariat's operating expenses fall within the maximum rate, but states that gaining an overview of the GPE's total indirect costs is no easy task.²²⁰

According to Norad, administrative costs at country level are additional to administrative costs at the Secretariat. In the decision document for 2018–2020, Norad indicates that the organisations managing funds at country level impose a charge for this, and that the size of this charge varies from organisation to organisation. Norad states that the World Bank, which manages most GPE funds at country level, charges 1.75 percent. The decision document also states that the World Bank may demand coverage of further costs at country level, and that a review showed that the GPE's administrative costs at country level amounted to 8.1 percent of the grant, on average. The GPE's administrative costs are not assessed separately in the decision document for Norwegian funding to the GPE for 2011–2014, amounting to NOK 550 million.²²¹

214) It is still unclear to the audit whether administrative costs for 2017 are compliant with the agreement between the World Bank and the Ministry of Foreign Affairs dated 22 January 2015. The 2015 agreement states that the Bank can cover actual administrative costs of up to 4.53 percent of the total amount paid to the fund: see Appendix 2, section 3.2 of the agreement. The actual administrative costs are specified in an email from Norad dated 17 October 2018 – cf. USD 162,836 – but there is no description of how the administrative costs are calculated. Therefore, it has been impossible for the audit to see the percentages used.

215) USD 196,716 was spent on administrative charges. The payments from the fund amounted to USD 4,045,557: see the annual report for REACH for 2017, p. 29.

216) "Incremental indirect cost".

217) First and foremost the category "General operating + other direct costs", which accounts for around 4 percent of total expenses.

218) The United Nations (2017) *United Nations Children's Fund financial report and audited financial statements for the year ended 31 December 2016 and Report of the Board of Auditors*. General Assembly Official Records, Seventy-second Session, Supplement No. 5C, A/72/5/Add.3.

219) Ministry of Foreign Affairs. Decision memoranda for programme cooperation with UNICEF for 2015–2016 and 2017, dated 27 March 2015 and 3 May 2017 respectively.

220) Norad. Decision document for funding for the GPE for 2018–2020, p. 21. Dated 23 August 2018.

221) Ministry of Foreign Affairs. Decision document for funding to the GPE for 2011–2014. Dated 6 December 2018.

9 Assessments

Education has been a high priority area in Norwegian development policy since 2013. The annual appropriation has doubled from NOK 1.7 billion in 2013 to around NOK 3.5 billion in 2017. In White Paper 25 (2013–2014) *Education for Development*, the Ministry of Foreign Affairs lays down a framework for the Norwegian initiative. The White Paper states that the field of education must be a main priority for Norwegian foreign and development policy, and that Norway must help to create results through knowledge-based, innovative initiatives based on experiences and skills.

Reliable and relevant information on the results of education aid are crucial in order to assess whether targets and performance requirements are being met. As a result of weak performance information, the grant manager has a poor foundation to work from when managing aid projects. The Ministry of Foreign Affairs, Norad and the embassies then risk creating plans and follow-up activities that fail to address the actual problems. Good data and correct performance information are therefore important to ensure that targets are being met and that education aid is being structured in the most appropriate way possible.

9.1 The aid administration is not doing enough to ensure reliable and relevant performance information on education aid

When discussing White Paper 25 (2013–2014) *Education for Development*, see Recommendation 125 S (2014–2015), the Foreign and Defence Committee emphasised the importance of operational targets and specific measurement of results in the education initiative. As grant managers, the Ministry of Foreign Affairs, Norad and the embassies must monitor that the recipients meet the conditions of the grants. Specific requirements for the administration's follow-up are provided in guidelines developed by the Ministry of Foreign Affairs.

9.1.1 The basis for funding decisions is better documented in bilateral projects than for multilateral organisations

Development of a good results framework with good baseline data is an important element in planning an aid project, as this is absolutely key to whether it is possible to measure progress and assess the results achieved by the project.

The investigation shows that the aid administration is moving in the right direction with regard to the planning of education projects for specific countries. All the bilateral projects investigated have results frameworks, and Norad and the embassies consider these relatively thoroughly. There are still some weaknesses: for example, less than one third of the projects have prepared adequate baseline data, but there appears to be a positive development. For instance, more systematic and verifiable assessment of applications for funding from civil society organisations has been introduced.

The investigation also shows that the preparations for providing global education funding to UNICEF and, to an extent, the Global Partnership for Education (GPE), has been less well-documented than for the bilateral projects. There are no decision documents that systematically consider the results framework, risks, sustainability and budget in connection with the decision to provide funding for the UNICEF Global Thematic Education Fund. The Ministry of Foreign Affairs has only prepared memoranda for the Ministry's political staff, providing brief reasons as to why UNICEF

should receive the funding. In addition to this, the Ministry of Foreign Affairs is following up the funding for UNICEF by means of board meetings and negotiations, and performs regular assessments of UNICEF's plans, results and finances. However, experiences from this work have not been compiled into a comprehensive, systematic assessment that makes it possible to verify the basis for the decisions to provide funding. No decision document was prepared for the funding for GPE for 2015–2017. However, an extensive decision document in which all relevant issues were systematically reviewed was prepared for the funding for GPE for 2018–2020. The global unspecified allocation to these two organisations stands at more than NOK 1 billion annually. Furthermore, NOK 110 million was provided to the multi-donor trust fund REACH without the existence of a complete results framework describing what the fund was to achieve and how this was to be achieved. Given the financial scope of the agreements with UNICEF and REACH, the limited documentation of the preliminary assessment of these projects does not appear to be very balanced compared with the preliminary assessment of education projects for civil society organisations that are of less financial value. In the opinion of the audit, it is unfortunate that key elements are not systematically compiled and documented before decisions to provide funding are made. While, in the opinion of the audit, the latest decision document for the GPE represents good administrative practice, it is difficult to verify the considerations underlying the decision on funding for UNICEF.

9.1.2 The aid administration places little emphasis on data quality when following up projects and when continuing funding

The 2013 Grant Management Manual specifies requirements for how the grant manager should follow up aid projects during the implementation phase, for example by reviewing progress reports and annual reports from the grant recipient, assessing reported performance information and achievement of objectives, holding annual meetings and conducting field trips.

The review of 21 selected Norwegian aid projects for education shows that the aid administration's follow-up is more thorough during the planning phase than during the implementation and final phases of the projects. The investigation shows that there are clear weaknesses in how the administration follows up performance reporting from agreements in progress. The grant manager rarely undertakes thorough assessments of the achievement of objectives based on the indicators in the results framework. The investigation also shows that for a number of the selected projects, the administration has only to a limited extent met the requirements in the Provisions on Financial Management in Central Government (section 6.3.6) stating that the grant manager should obtain reports that make it possible to assess to what extent the grant has achieved its objectives. For a number of the projects in the selection, the grant recipient has not reported in accordance with the results framework.

In the investigation, 18 of the 21 selected aid projects were assessed to see whether the performance information was reliable and relevant. Four of the projects were assessed to have performance information that was both reliable and relevant. Most of the projects were assessed to have relevant performance information overall, although weaknesses were identified here as well; for instance with regard to establishing whether the aid reaches priority groups such as children with disabilities. Fewer projects were assessed to have reliable performance information. The fact that a number of projects have relevant performance information may be linked with the fact that all the projects have results frameworks in compliance with applicable requirements, and this helps to ensure that performance information is more relevant.

Assessments of whether the reported performance information is reliable seems only to a limited extent to be part of the follow-up performed by the administration. Of the projects reviewed, there are few instances in which the grant manager has asked questions about the reliability of the performance information or has verified the information by gathering data from alternative sources or undertaking a random check. If the Ministry of Foreign Affairs, Norad and the embassies do not verify the performance information from grant recipients, they have to assume that the information is correct. Norway's funding for UNICEF's country programme in South Sudan is one of few instances where the administration has questioned whether the performance information is reliable. In this case, the results had to be downgraded as they were unrealistic. This shows that the grant manager ought to make independent assessments of reported results and not rely exclusively on grant recipient's own reported performance information.

The audit has reviewed whether projects with reliable and relevant performance information have special features. The analysis shows that projects with reliable performance information are characterised by the fact that improving data quality is an integral part of the project. Moreover, these are more recent projects and have solid results frameworks. Projects with relevant performance information are characterised by the fact that there are few administrative intermediaries between the grant manager and the organisations implementing the project, and they also have solid results frameworks.

Most of the investigated projects were either continued from previous agreements, or a decision has been made to continue them. The investigation shows that a number of these projects have been continued without their results having being reviewed or evaluated comprehensively. The project review also shows that in some cases, Norad or the embassies have continued agreements even if they had critical remarks on the performance reporting by the grant recipient. This was applicable, for example, to an agreement between Norad and a civil society organisation amounting to more than NOK 500 million that was continued and increased to more than NOK 800 million despite the fact that Norad found it difficult to conclude whether the results from the first agreement period were good. Thus, weak performance reporting from the grant recipient seems to be of little consequence to the allocation of grants, in that even grant recipients that are limited in their ability to document results continue to receive funding. Thus the administration has not used the performance information as a basis for new decisions to a sufficient extent.

9.2 Norway's funding for the REACH trust fund has uncertain and delayed results

In White Paper 25 (2013–2014) *Education for Development*, it is underlined that traditional aid has not resulted in satisfactory learning outcomes, and that results-based financing is considered to be a potentially important tool for improving results in certain areas. Therefore, an exploratory trust fund for results-based financing of education aid, "Results in Education for All Children – REACH", was set up in 2015. The trust fund was managed by the World Bank and Norway initially provided NOK 60 million to the fund. As of 2018, Norway has contributed NOK 110 million to the fund.

Before the trust fund was set up, Norad commented on the World Bank's project proposals on a number of occasions. Norad strongly recommended that the World Bank should establish a robust results framework before Norway allocated resources to the trust fund. In that context, Norad referred to the requirement in the Financial

Regulations stating that the grant manager should be able to obtain reports that make it possible to assess to what degree objectives were achieved. In the opinion of Norad, the World Bank's project proposal did not contain sufficient information on anticipated results and how these could be measured. Nevertheless, the Ministry of Foreign Affairs entered into an agreement with the World Bank without the existence of a results framework. There are no comments in the decision document written by the Ministry of Foreign Affairs before the fund was set up to indicate why the expert advice from Norad was not followed. Nor was the project assessed externally before the agreement was entered into, although the decision document indicated that this should be done.

In 2017, a decision was made to perform an external assessment of the trust fund. This assessment indicated that the REACH trust fund was failing to deliver results as anticipated. It also emphasised that the World Bank is too concerned with building its own capacity and has not passed on its knowledge to other development partners. As of 2018, the various projects funded through REACH are delayed by about 18 months. The donors – Germany and the US, in addition to Norway – agree that new funding should not be provided to the trust fund. Both Norad and the Ministry of Foreign Affairs stated in the autumn of 2018 that they had no clear indicator of what REACH had achieved to date.

Section 6.3.6 of the Provisions on Financial Management in Central Government state that the grant manager must obtain reports from the grant recipients that make it possible to assess to what extent the objectives of the grant have been met. To enable this, the objective achievement criteria must be so specific and precise that they can be followed up in progress reports and annual reports. The status is that Norway has spent NOK 110 million on aid for education through the REACH trust fund without knowing what the results are. The aid administration also demonstrates little ability to learn in this case, as a 2012 evaluation of a similar health trust fund supported by Norway had emphasised the importance of having a robust results framework for such trust funds. The audit considers it unfortunate that the Ministry of Foreign Affairs failed to follow the advice to develop a robust results framework before entering into the agreement.

9.3 Reporting to the Storting on results from Norwegian education aid lacks nuance and includes a number of examples of misleading information

The investigation shows that there are weaknesses in the reporting to the Storting on education aid in the budget propositions for 2017–2019, in terms of both reliability and relevance. The reporting is characterised by the highlighting of certain examples and individual indicators from selected aid projects, resulting in the Storting failing to gain a comprehensive view of what results have been achieved. Random checks have also revealed a number of examples of erroneous reporting. Errors have been found with regard to both the number of children enrolled in schools and the number of children who do not attend school in Nepal. It is also difficult to verify the information when reference is made to statistics, as there is no indication of the sources from which the statistics are taken. Another example is from a civil society organisation where the budget proposition reports that children with disabilities had been given access to schooling, while the investigation has shown that this was incorrect – children with disabilities were not a target group for the project.

In many cases, only the positive results from the projects are highlighted in the budget proposition, while poor results or weak achievement of objectives are rarely referred to. This is also true for major multilateral initiatives of high financial significance. The

reporting from the education funding for UNICEF is one example of this. Prop. 1 S (2017–2018) states that UNICEF's achievement of objectives related to its milestones for education for 2016 stands at 94 percent. It is not evident from the report that UNICEF has downgraded its targets for individual indicators significantly in relation to the previous year during the funding period, so that the percentage achievement of targets has increased. It is understandable that a lack of space in the budget proposition means that it is not possible to explain all indicators in full. Nevertheless, the Ministry is responsible for ensuring that the information provided to the Storting is not misleading. The audit considers that the budget proposition may give the Storting the impression that UNICEF is achieving better results than is actually the case.

The project review also shows that there is little reporting on the challenges in aid for education. The references to the multi-donor trust fund REACH, for example, do not mention the delays in the implementation of the trust fund's projects, or that the trust fund has failed to deliver results as anticipated. The same is true of the challenges in the Norwegian-funded education programme in South Sudan run by UNICEF. In 2016, an external review of the Norwegian portfolio of education projects in South Sudan was carried out. It made a number of critical remarks on UNICEF, which mainly reported on activities and not on the learning outcomes for children. Neither the review nor any of its findings are referred to in the budget proposition.

The instances of misleading reporting and little reference to challenges in the budget propositions make it difficult to obtain a general overview of the results of Norwegian education aid. This may entail that the Storting is provided with a weaker basis for making decisions about the size and distribution of the aid budget.

9.4 Insufficient information is provided on results and the use of Norwegian development funds

In its 2017 report *Rising to the Challenge*, Norad collected data on the results of Norwegian education aid for the 2013 to 2016 period. This is positive, as it gives the general public a better insight into Norway's education aid overall. At the same time, the investigation shows that there is insufficient transparency with regard to both administrative costs and results of individual projects and programmes.

9.4.1 Administrative costs are not clearly shown

The Provisions on Financial Management require efficient use of resources and sufficient management information. The audit acknowledges that the implementation of aid projects requires administration of the projects and running of the recipient organisations. This is why a part of the grant provided for aid projects covers administrative costs. The amount required for administration depends on factors such as conditions in the countries in which the projects are implemented, for example, the security situation. Administrative costs are understood in the investigation to be costs that cannot be linked directly to the implementation of the project in question, such as rent and salaries to administrative employees, both at the organisation's head office and in the recipient countries. Costs related to the administration of specific projects come in addition, and are not examined here.

For funding for civil society organisations and individual projects, the Ministry of Foreign Affairs and Norad have determined that normally 5 percent and a maximum of 7 percent of the funding can be used as a contribution to cover the grant recipient's administrative costs.

The investigation shows that the administrative costs of civil society organisations in fact amount to more than 7 percent of the funding from Norad in a number of cases. This is in line with practice established by Norad which entails that administrative costs at civil society organisations' offices in recipient countries are interpreted as project costs and so are not included in the maximum rate of 7 percent. Only administrative costs at the head office in Norway are included in the rate. In one of the selected framework agreements, which is of considerable size, administrative costs actually amount to around 20 percent of the expenses covered by the grant, when administrative costs in the recipient countries are also included. The audit takes no position on whether this is a reasonable percentage to be spent on administration, but takes note of the fact that the actual administrative costs are not made clear in the agreement between Norad and the recipient organisation. Furthermore, Norad does not generally receive country level accounts from the civil society organisations.

The Ministry of Foreign Affairs or Norad has not unilaterally set a maximum rate for how much of Norway's funding for UNICEF, the GPE or multi-donor trust funds such as REACH can be spent on administrative costs. Norway is to comply with the rates established within the organisations. The investigation shows that establishing what proportion of education funding for these organisations that is spent on administration may be a complex task. The Ministry of Foreign Affairs and Norad have been dissatisfied with the level of detail in the financial reporting from UNICEF and REACH, and could only provide a more detailed calculation of the REACH trust fund's administrative costs after a request from the audit.

All in all, this means that the Ministry of Foreign Affairs and Norad do not have a complete overview of how much education aid is spent on administration. The Ministry of Foreign Affairs provides little information in its budget proposition and to the general public on how much of the development funds are spent on covering the administrative costs of the recipients. As a result, there is less insight into how the funds are used, making it more difficult for the general public and the Storting to follow the funds provided for aid purposes.

9.4.2 Norway ranks low on the Aid Transparency Index

Norway has endorsed several declarations on aid effectiveness, most recently in Busan (2011). Transparency is one of a number of donor principles for aid: see White Paper No. 24 (2016–2017) *Common Responsibility for a Common Future – The Sustainable Development Goals and Norway's Development Policy*. The international Aid Transparency Index measures how transparent countries and organisations are about their aid. Norway ranks 35th out of a total of 45 donors in the index for 2018. In comparison, DFID in the UK ranks third and UNICEF ranks ninth. Among other things, Norway is given a score of 0 on the indicator relating to publication of information on results from projects. Although some information on results is available on the websites of the Ministry of Foreign Affairs and Norad, little information on results from individual projects is available to the general public. Results frameworks, preliminary assessments and progress reports are not published on the websites. Furthermore, the Ministry of Foreign Affairs and Norad merely publish results from selected projects, as in the case of Norad's annual performance report. A review of DFID's education projects shows that DFID makes all relevant project documents available on its own website. The fact that Norway does not consistently publish all relevant project documentation increases the risk of performance information becoming less relevant and reliable as it is difficult for the general public to verify it.

9.5 The Norwegian prioritisation of education for children with disabilities is hardly followed up in practice

Inclusion of children with disabilities is a key element in the Norwegian education initiative. In Recommendation 125 S (2014–2015) of White Paper 25 (2013–2014) *Education for Development*, the Foreign and Defence Committee has made a specific statement on children with disabilities. The Committee is of the opinion that the amount of aid going to the disabled must be increased, and that more precise reports must be submitted to the Storting concerning the efforts for the disabled. The committee also notes that the initiative for children with disabilities is highly relevant in Norway's cooperation with UNICEF and the GPE.

In 17 of the 21 the projects reviewed, the emphasis on children with disabilities is used to a greater or lesser extent as an argument for the provision of Norwegian funding. However, only four projects report on how many children with disabilities actually gain access to schooling, complete their schooling, etc. The results frameworks for the remaining projects that highlight children with disabilities as a key target group in their applications and decision documents have no indicators that make it possible to tell whether the project is actually helping to provide a better education for these children.

UNICEF and the GPE – the two biggest recipients of Norwegian education funding, and according to the Ministry of Foreign Affairs the most important channels for initiatives involving children with disabilities – do not report on the number of children with disabilities in key indicators. Both organisations support what they call inclusive education projects, which is also at the heart of Sustainability Development Goal no. 4, but using the term “inclusive education” is less binding than reporting specifically on results aimed at children with disabilities. None of the indicators in the GPE's strategic plan for 2016–2020 measure the number of children with disabilities who have gained access to schooling and learning, despite the fact that one of the main objectives in the strategic plan explicitly includes children with disabilities as one of the main groups to be reached.

Two exceptions are the civil society organisations Save the Children and ADRA, which report on children with disabilities in their four education projects. This indicates that it is possible to facilitate data collection.

Overall, the prioritisation of children with disabilities, as stated in Norwegian development policy, is not reflected in the implementation and reporting of the projects. This also means that there is little relevant information on the results for children with disabilities, from education aid projects funded by Norway.

9.6 DFID's work on performance information shows that the Norwegian aid administration has potential to learn and improve

As part of the investigation, a comparison has been made with the United Kingdom's *Department for International Development* (DFID). The purpose has been to learn how DFID works with performance information from its education aid projects.

The review of a selection of DFID's education projects shows that DFID carries out thorough assessments of the proposed project during the planning phase. The decision documents prepared by DFID refer more extensively to previous research and knowledge within the relevant area than the decision documents prepared by the Norwegian aid administration.

When following up the projects, DFID ensures that the recipient organisations report on relevant indicators in the results framework each year. DFID's annual reviews of the projects assess the achievement of objectives for each individual indicator. Changes to the results framework are also documented here.

The investigation also shows that DFID verifies the performance information from the selected aid projects more often than the Norwegian aid administration. This is, for example, done by result advisers employed at DFID's country offices. In the education programme in Ethiopia, which is funded by both Norway and DFID, DFID has carried out its own examination of performance information from the programme. DFID has also developed a number of guides and practical manuals to assist with efforts to improve performance information from aid. For example, a practical guide on how DFID can improve its collection of data on children with disabilities has been developed.

The audit is aware that there are differences between DFID and the Norwegian aid administration in respect of regulations, financial scope and how the aid is administered. DFID has both larger and fewer projects than Norway; and less of its education aid is provided via multilateral organisations. Nevertheless, the investigation indicates that DFID's assessment of performance information from education aid projects provides a basis for more knowledge-based management than is the case with the Norwegian aid administration. In the opinion of the audit, the Norwegian aid administration has opportunities to learn and improve its efforts to ensure that it receives high-quality performance information. In turn, this will help to lay a foundation which will better allow Norwegian education aid to achieve its objective of increasing learning outcomes for all children.

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11 Appendices

Appendix 1: Table showing project agreement numbers

ID	Description of the project/programme	Agreement no.
1	School sector programme, 2009–2016	NPL-07/010
2	School sector programme, 2016–2019	NPL-15/0016
3	Aasaman Nepal project in the Terai, South Nepal 2016–2019	NPL-16/0007
4	Save the Children project for education, 2015–2018	QZA-14/0477-23
5	Digni project for reinforcing the skills of primary school teachers, 2008–2012	GLO-07/107-265
6	Atlas Alliance project for inclusive education, 2016–2019	QZA-15/0470-30
7	Support for the multi-donor trust fund for primary education in Ethiopia, GEQIP II, 2015–2017	ETH-15/0011
8	Norwegian Refugee Council education programme for refugees and children from the local community in North Ethiopia, 2015–2017	ETH-15/0017
9	Save the Children project for education in Ethiopia, 2010–2014	QZA-09/143-5
10	Save the Children project for education in Ethiopia, 2015–2018	QZA-14/0477-5
11	ADRA Norway project for reinforcing access to and quality in education, 2014–2018 (Ethiopia)	QZA-13/0585-2
12	Digni education project in Ethiopia with emphasis on providing schooling, particularly to girls in the Arsi district, 2013–2017	QZA-12/0763-186
13	Funding for the UNICEF Back to Learning project, 2015–2017	SSD-14/0035
14	ADRA Norway project for reinforcing access to and quality in education, 2014–2018 (South Sudan)	QZA-13/0585-18
15	Strømme Foundation education project in South Sudan, 2014–2018	QZA-13/0587-10
16	Norwegian Refugee Council project for providing children without schooling with access to high quality education, 2012–2013	SDN-12/0006
17	Norwegian Refugee Council project for providing internally displaced children and young people with access to education, 2014–2016	SSD-13/0035
18	Norwegian Refugee Council project for providing children and young people with access to schooling in four regions in South Sudan, 2017–2018	QZA-17/0195-1
19	DFID support for GEQIP II, 2013–2018	GB-1-203396
20	DFID support for Save the Children, 2011–2016	GB-1-202662
21	DFID pilot project in Ethiopia, 2012–2015	GB-1-202989
22	UNICEF's global agreement on funding for education (2012–2017)	QZA-14/0195, 12/0014, 12/0385, 14/0064, 17/0197-1
23	GPE – the Global Partnership for Education (2012–2017)	QZA-11/1032
24	REACH – agreement with the World Bank on a multi-donor trust fund for results-based financing for education (2015–2017)	QZA-15/0006

Appendix 2: Criteria for assessment of reliability and relevance

Table 10 shows which criteria are used as a basis for the assessment of whether performance information is reliable and relevant, and how the various criteria are weighted. These criteria are based to an extent on the requirements in the Grant Management Manual, such as the requirements for projects' results frameworks. The Grant Management Manual has fewer requirements focusing on reliability in performance information, with regard to how the data is to be collected and verified. The weighting of the criteria forms the basis for the comparative analysis in 6.6 and Figure 2. The weighting is discretionary, and just because less weight is attached to individual criteria, this does not mean that they are not important. Under relevance, the criterion relating to results is described qualitatively and assigned a 10 percent weighting. One of the reasons why this has not been weighted more highly is the fact that a number of the projects investigated are subprojects of larger framework agreements, and so there is little separate reporting on these.

Table 10 Criteria used as a basis for classification of the reliability and relevance of performance information

Criteria determining the degree of reliability	Criteria determining the degree of relevance
Verification of performance information An assessment is performed of whether verification of the project's performance information has been planned or implemented. This can be done in the form of checks of reported data, e.g. random checks of the data source used to measure progress in the project. One third weighting.	The project's results framework The following four elements are assessed: <ul style="list-style-type: none"> • Is there a close link between the target descriptions at a general level (impact level) and at user level (outcome level)? • Have indicators and specific target figures been defined at user level (outcome level)? • Is there a close link between the target descriptions at user level and product level (outcome level and output level)? • Have indicators and specific target figures been defined at product level (output level)? 30 percent weighting.
Is baseline data available? An assessment is performed of whether baseline data has been gathered during the first year of the agreement. Whether there is baseline data in the project's results framework, and how baseline data is used when reporting results, are both considered. One third weighting.	Are the indicators reported on in the results framework? An assessment is performed of whether information is reported in annual reports, progress reports, etc. as described in the results framework that is used as a basis for the agreement. 40 percent weighting.
Is there a description in the results framework of how data is to be collected? An assessment is performed of whether the data collection method is described in the application or the results framework. These are descriptions of which data sources are to be used to measure progress based on objectives and indicators, and how often this measurement is to take place. One third weighting.	Are results described qualitatively? An assessment is performed of the extent to which progress and results are described qualitatively beyond reporting on the basis of the quantitative indicators in the results framework. Whether the projects have made use of qualitative indicators is also assessed. 10 percent weighting.
	Is disaggregated data reported in accordance with the programme's objectives? An assessment is performed of whether disaggregated performance information is facilitated and reported. For example, this may involve the data being specified by gender on the basis of marginalised groups such as minorities or disabled people, depending on the targets/target groups for the project. 20 percent weighting.

Besides the criteria used to assess the degree of reliability and relevance, the project review revealed a number of other relevant factors that may influence the reliability and relevance of the performance information. This is applicable – for example – to whether there is deliberate incorrect reporting of results in the project. Initially, this will characterise projects offering little reliable performance information. The project review has not provided full information on all the projects with regard to whether over-reporting or incorrect reporting took place, so it has not been possible to include this criterion in the analysis. This methodical weakness may affect the outcome for some of the projects, particularly the degree of reliability: in other words, reliability may appear better in the analysis than is actually the case. This is most clearly apparent in the case of Norwegian funding for primary education in Ethiopia via the GEQIP programme. GEQIP emerges from the analysis as a project offering reliable performance information, despite the fact that instances of over-reporting and incorrect reporting (and hence less reliable performance information) have been demonstrated from a number of regions in the country.²²² However, the fact that the incorrect reporting is revealed may help to improve the reliability of performance information in the future.

222) See section 6.3.1 for more detailed descriptions of the reliability of performance information from GEQIP.

This document is available at
www.riksrevisjonen.no

ISBN 978-82-8229-459-1

Foto: Riksrevisjonen



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