

Date: 2024-03-05

Reference number: 2022/1053

RiR 2024:4

# Sweden's international development aid

– monitoring, evaluation and reporting

## Summary

The Swedish National Audit Office (NAO) has examined whether the monitoring and evaluation of the results of development aid by the Government and the Swedish International Development Cooperation Agency (Sida) are effectively designed. Sweden's international development aid amounts to SEK 56 billion annually, and the Riksdag has repeatedly stressed the importance of following up on the results of the aid. The Swedish NAO's overall assessment is that the Government's and Sida's monitoring and evaluation of the results of the aid are effectively designed in some respects.

The audit shows that Sida and the Expert Group for Aid Studies (EBA), which is a committee under the Government, contribute a large volume of information on the results of the aid to the Government. However, the Swedish NAO notes that, based on the Government's reporting to the Riksdag, it is difficult to assess the results of the aid in relation to the overall objective for the aid, and that the extent to which the results contribute to the Government's formulation of development aid policy is unclear. All in all, the Swedish NAO considers that the identified shortcomings lead to the Riksdag not having sufficient insight into the results of development aid. These shortcomings also lead to a risk of ineffective use of the resources allocated to monitoring and evaluation, because the information on the results of development aid is not sufficiently used.

## **Governance, monitoring, evaluation and reporting of aid must fit together more clearly**

The Government steers development aid through more than 60 strategies, with hundreds of different objectives, spanning numerous countries, thematic areas and different types of activities. Reporting on the results of development aid is resource-intensive and partly unclear. The Swedish NAO finds that the Riksdag needs appropriate documentation to support decision-making and that governance of development aid should be adapted to the operations. Sida needs to be given the best possible conditions for delivering on its remit, and not be impeded by an excessive reporting burden. The Swedish NAO therefore considers that the Government needs to perform a review of the monitoring, evaluation, reporting and governance of development aid.

## **The government needs to improve its reporting to the Riksdag**

The Swedish NAO notes that it is difficult to assess the results of Swedish development aid in relation to the long term target for Swedish development aid due to shortcomings in the Government's reporting. The Riksdag has repeatedly requested that the government improve reporting and, in recent years in particular, a clearer link between results and policy direction. However, the Government's reporting of results to the Riksdag is poorly adapted to such a complex area as development aid. The Swedish NAO therefore considers that the Government should improve its reporting on aid to the Riksdag.

## **Results have a limited influence on the formulation of Government aid policy, as other determining factors are more important**

The way in which the Government devises development aid through strategies and appropriations is largely based on political priorities and other considerations. While results may have a bearing in such decisions, it is not possible to follow whether this is the case. While the Swedish NAO accepts that political trade-offs are an inevitable part of the design of development aid policy, at the same time it is important that development aid be designed on the basis of an analysis of the results achieved, in line with the wishes of the Riksdag. Therefore, the Government should ensure that development aid is designed based on such an analysis and that the Ministry for Foreign Affairs has the means to contribute to that analysis.

## **Sida collects a lot of information from contributions and uses it to develop and report on aid**

Sida puts a lot of effort into monitoring development contributions. This monitoring provides Sida with a large volume of information about the initiatives, including information about their results. Sida uses this information to design and continuously adjust development contributions to enable them to achieve their goals and contribute to fulfilling strategic objectives. However, in order to achieve the goals at the strategy level, and provide sufficient supporting documentation for decision-makers, the Swedish NAO considers that Sida needs additional information about the long-term impact of its aid.

## **Sida needs to have a more strategic approach when gathering information on the long-term impact of development aid**

Sida does not systematically collect information on the long-term impact of its initiatives and strategies. The Swedish NAO finds that information on the long-term impact of Sida's aid can lead to important adjustments in how Sida designs its contributions, and ought also to be of interest to the Government, the Riksdag and the general public. For this reason, Sida needs to collect such information, but in a strategic manner, as impact evaluations are often resource-intensive.

## **The Expert Group for Aid Studies essentially has a high degree of independence and contributes useful knowledge**

The audit shows that analyses by the EBA provide useful expertise that the Government has used to some extent, including in its reporting to the Riksdag.

Since the EBA is a committee under the Government, it can never be entirely independent from the Government. However, the Swedish NAO considers that the Expert Group for Aid Studies essentially has a high degree of independence, both in relation to the Government and to other entities reviewed by the EBA, and thus fulfils the Riksdag's desire for an independent reviewer of development aid. At the same time, the Swedish NAO notes that the EBA's governing documents are unclear in some respects as to how decisions are to be made within the committee, and do not sufficiently ensure that it deals with any issues of conflicts of interest and impartiality in a proper manner.

## Recommendations

The Swedish NAO makes the following recommendations:

### To the Government

- Review the monitoring, evaluation, reporting and governance of development aid, to ensure that all components fit together into a well-considered whole. For the Government, this includes:
  - improving current reporting on the results of development aid to the Riksdag, and ensuring that the link between an analysis of achieved results and policy direction is made clearer
  - ensuring that the design of development aid is based more on an analysis of the results achieved
  - the Government concentrates its requests for information on results to strategically important areas so that total reporting does not exceed the need
  - clarifying the roles of the Expert Group for Aid Studies and Sida in collecting and reporting on the long-term impacts of development aid.

### To Sida

- As part of the work conducted by Sida currently, the Swedish NAO recommends that Sida:
  - work more strategically and selectively with evaluation as a tool for gathering information on long-term impact of contributions, portfolios, areas of support and strategies
  - ensure that conditions are in place for monitoring and evaluating long-term impacts within the initiatives, portfolios, areas of support and strategies where so deemed relevant by Sida or the Government
  - develop support for Sida's employees in assessing when it is relevant to perform evaluations of contributions and strategies, and in that case what such evaluations should focus on. This will be particularly important in terms of assessing when Sida should perform evaluations of the long-term impact of development aid.

### To the Expert Group for Aid Studies

- Review governing documents so that it is clear throughout how decisions are to be made, and in order to ensure that issues of conflict of interest and impartiality are properly addressed.