



Strategy for the Swedish National Audit Office's international development cooperation 2020 - 2023

Introduction

The objective set by the Riksdag for international development cooperation is to create opportunities for better living conditions for people living in poverty and oppression. The Swedish National Audit Office is instructed to conduct international development cooperation¹: *The Swedish National Audit Office shall conduct international development cooperation in accordance with decisions taken by the Riksdag. The focus of international development cooperation shall be determined by the Swedish National Audit Office in consultation with the Swedish International Development Cooperation Agency (Sida).* Thus international development cooperation is one of the Swedish NAO's core functions.

The Swedish NAO's development cooperation helps strengthen the capacity and ability of Supreme Audit Institutions (SAIs) in developing countries to conduct audits in accordance with international standards. The strategy for the Swedish NAO's international development cooperation sets out the objectives and focus for the work and identifies priorities for activities in the next four years.

The strategy is to apply for the period 2020–2023 and will be reviewed annually and the period moved forward one year. It includes the funds allocated annually by the Riksdag to appropriation 1:5 Swedish National Audit Office in the framework of Expenditure Area 7 International Development Cooperation. The funds are to be used in accordance with the OECD Development Assistance Committee (DAC) definition of development assistance and within the framework of Swedish development cooperation policy.

Context and perspective

The Swedish NAO's international development cooperation, like other parts of Swedish development cooperation, is to be based on and characterised by a rights perspective and the perspective of poor people on development. The rights perspective means that human rights and democracy are to be regarded as fundamental to development. The perspectives of poor people on development means that the situation, needs,

¹Act containing Instructions for the Swedish National Audit Office (2002:1023), Section 22.

circumstances and priorities of poor women, men and children must be the starting point for poverty reduction and the promotion of equitable and sustainable development.

Agenda 2030 and the UN's 17 Global Goals for Sustainable Development are universal, indivisible and integrate the three dimensions of sustainable development – social, economic and environmental. Implementing Agenda 2030 requires new knowledge and new working methods. Agenda 2030 clarifies the importance of all parts of society, including public institutions, being committed and taking joint responsibility for the future. In accordance with the policy for global development, development cooperation is one of several policy areas that are to contribute to Agenda 2030.

Effective public institutions whose activities are based on the rule of law are a requirement for effective management of public funds and delivery of basic public services without corruption. Transparent and effective public administration is also central to confidence in public administration and for sustainable peace and prevention of violent conflict, not least in fragile and conflict-affected countries. Capacity at different levels is required to be able to meet current development challenges and achieve the global goals for sustainable development. Goal 16 of Agenda 2030 aims at promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective and inclusive institutions, accountable at all levels. Goal 17 highlights strengthened means of implementation and partnership for sustainable development. The Swedish NAO's international development cooperation contributes above all to achieving both these goals and in particular the following targets:

- *Target 16.5 Substantially reduce corruption and bribery*
Substantially reduce corruption and bribery in all their forms.
- *Target 16.6 Develop effective, accountable and transparent institutions*
Develop effective, accountable and transparent institutions at all levels.
- *Target 17.1 Strengthen domestic capacity for tax and other revenue collection*
Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.
- *Target 17.16 Enhance the global partnership for sustainable development*
Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

One of INTOSAI's² key principles³, INTOSAI P-12, concerns precisely the role of Supreme Audit Institutions in making a difference to the lives of citizens, based on the following aspects:

- SAI's are to work to strengthen accountability, transparency and integrity in the public sector
- SAI's are to be relevant to citizens, parliament and other stakeholders.
- SAI's must be a model for other public sector actors

Objectives

In light of the above context and perspective, the overall aim of the Swedish NAO's international development cooperation is to promote effective management and democratic development in developing countries. The activities also aim at increased transparency and effective systems for accountability, which promote individual citizens' chances of making their voices heard while at the same time preventing corruption and fraud.

Operational objectives

- Strengthened capacities and capabilities of partners in developing countries, in a changing environment, to conduct audits in accordance with international standards.
- Developed methods for capacity building and enhanced exchanges between SAI's, INTOSAI and its regional organisations.
- The Swedish NAO is a relevant and effective actor in Swedish international development cooperation, capable of disseminating knowledge and experience and attracting and developing staff within its international assignments.

² International Organization for Supreme Audit Institutions

³ INTOSAI's International Framework for Professional Pronouncements (IFPP) contains principles, standards and guidance for Supreme Audit Institutions

Priorities for 2020–2023

In addition to completing ongoing projects in accordance with signed Memoranda of Understanding (MoU) and the equivalent, the Swedish NAO identifies the following priorities to meet the objectives set during the strategy period.

New partnerships and organisational development

- In 2020 the MoU will expire for several of the Swedish NAO's cooperation projects. Preparations for continuation or termination of existing cooperation projects, and preparations for possible new partnerships or forms of cooperation are based on an analysis of where and how we have the greatest relevance and added value.
- Increased interaction with other Swedish agencies engaged in capacity building in international development cooperation.
- Improved coordination and skills support referring to EU twinning in international development cooperation
- Ahead of the expiry of the Swedish NAO's commitment as Vice-Chair of the INTOSAI Capacity-building Committee (CBC) in 2022, an evaluation will be made of the Swedish NAO's continued CBC commitments.

Results

- With a view to the next report to the Riksdag (tentatively in autumn 2022) results reporting will be enhanced by means of focusing current reporting and evaluations conducted to a greater extent on an analysis of the impact of operations rather than a description of activities within the projects.
- Communication on the Swedish NAO's international development cooperation will be enhanced in order to give its staff and external stakeholders a fair presentation of the activity and its objectives and results.

Method

- During the strategy period, overall criteria will be set for initiating new partnerships and closing projects.
- Our methods of capacity building will be evaluated and developed on an ongoing basis and new educational methods will be tested and used in cooperation with our partners.
- New and innovative forms of cooperation, for example using digitalisation, are being researched and developed.
- Procedures, methods and skills will be developed to strengthen the sustainability perspective of the Swedish NAO's international development cooperation. This includes both gender equality and environmental considerations.

- The Swedish NAO's international assignments are used as a key element in attracting, developing and retaining staff.

In addition to the above, assignments and operations will be implemented in line with the annual operational plan decided by the Auditor General with administrative responsibility, as well as the annual action plan for the International Department's activities. In 2020, this includes a review of conditions for the Swedish NAO to accept assignments as external auditor in international and multilateral organisations with a development mandate. Furthermore, the conditions for job exchanges and secondments are being examined as a way of creating greater operational benefit and the opportunity for professional development. Induction training will be developed for new staff in development cooperation

Cooperation partners and interaction

The Swedish NAO cooperates and interacts with a wide variety of actors in international development cooperation. Contacts with our cooperation partners bilaterally, regionally and globally are frequent and exist at various levels, from the Auditor General to peer level between employees.

Contacts with other Supreme Audit Institutions, for example in the Nordic countries, are an integral part of the activities, as well as coordination with other donors such as the EU, development cooperation agencies in other countries and international and multilateral organisations. These contacts take place both in the countries where the Swedish NAO operates and through its participation in global cooperation. This includes contacts between INTOSAI and several donor organisations advocating for increased and better coordinated support to the SAIs.

The Swedish NAO consults annually, in accordance with its instructions, with the Swedish International Development Cooperation Agency (Sida) concerning the focus of the Swedish NAO's international development cooperation.

In addition, there are regular contacts with the Riksdag, the Ministry for Foreign Affairs, embassies and other Swedish agencies and stakeholders within the framework of international development cooperation. Participation in networks and the equivalent with other Swedish agencies active in the field of development cooperation is included and will be given greater priority in order to share information, skills and experience. Strengthened inter-agency cooperation can further contribute to synergies between related initiatives by the different agencies.

Activities

Overall approach

The starting point is that the cooperation partner is responsible for its own development. The Swedish NAO's contribution must be demand-driven and in line with the partner's strategic development plan or equivalent. As far as is practicable we coordinate with what other partners and donors are doing. The partner's ownership and the common ability to adapt and learn are deemed to be critical success factors.

It is a fundamental requirement that the Swedish NAO's international development cooperation is based on a strategic approach concerning where we have the greatest relevance and the highest value added in relation to the objectives of Swedish international development cooperation.

The comparative advantage of the Swedish NAO lies in being an institutional partner working agency to agency. This distinguishes the Swedish NAO from other donors and aid-financed consultants. This means that the Swedish NAO must be flexible in its approach and enter into cooperation with the intention of being sustainable and long-term. It is mainly the Swedish NAO's own staff resources that are used, supplemented if necessary by procured skills. In some cases financial support is given where this is deemed to contribute to the objectives of the cooperation.

Internal methodological development, evaluation, performance reporting and professional development targeted specifically for employees in international development cooperation, as well as communication on the Swedish NAO's international development cooperation, are important parts of the work. Other actions could include promoting the importance of capacity building and institution building in order to support democratic development and strengthened parliamentary control.

Bilateral and regional

The focus of the Swedish NAO's development cooperation lies on bilateral and regional mutually reinforcing development cooperation projects with national SAIs in developing countries. To contribute to greater sustainability and viability the Swedish NAO is to support regional organisations and networks in the regions where we run bilateral projects. Strengthened capacity forms the foundation for lasting results which go beyond development cooperation. Interaction between different public institutions, organisations and actors in society is important to meet challenges in a constantly evolving context. This includes, for example, the interaction between the SAI, the auditee, parliament, civil society and the media.

The activities aim to increase the cooperation partner's professional audit skills, the individual's capacity to use these skills and the ability to link the employees' capacities into an effective organisation. The Swedish NAO has a range of potential areas where the choice of measure depends on where the cooperation partner is in its own development, what it seeks and the skills the Swedish NAO can provide. The Swedish NAO can provide basic training on audit issues, further training in specialised areas, support for building quality assurance and quality control operations and measures to strengthen the organisation's capacity in areas relating to leadership, strategic planning, communication, etc. The target group for the measures varies according to the respective needs of the SAI, but usually includes the entire chain, from individual auditors, team leaders and middle managers to agency management.

The Swedish NAO seeks to enhance the impact of its cooperation partners' assignments. This may entail supporting the work of the SAI in relation to its stakeholders, above all parliament and government, but also the media, academia and civil society. It may also mean engaging in dialogue with Swedish actors such as Sida, the Ministry for Foreign Affairs and the missions abroad to highlight the role of independent audit in the political dialogue in the partner country.

In addition to actions within the framework of the Swedish NAO's bilateral and regional cooperation projects, it may involve receiving delegations from developing countries visiting the Swedish NAO with a view to learn more about the role and mandate of an independent SAI, anti-corruption, strengthened parliamentary control, institution building, capacity building or other issues relating to democratic development. In addition, the Swedish NAO takes part in regional initiatives, committees and working groups, etc., with a view to contributing to regional development to support SAIs in developing countries.

Global

The Swedish NAO has several international commitments within the framework of global development cooperation. These include, for instance, the Vice-Chairship and Secretariat function of the INTOSAI Capacity Building Committee (CBC). The CBC develops and facilitates access to arenas, methods and information about capacity building for INTOSAI's members and regions. Activities are carried out through different working groups and initiatives focusing on professionalisation, operations evaluation, integrity issues and development cooperation between SAIs. The Swedish NAO participates in a number of CBC's working groups, and leads the workstream in support of Auditing in Complex and Challenging Contexts (ACCC). In 2018 a decision in principle was taken that the Swedish NAO intends to continue to be available to serve as Vice Chair of the CBC until 2022.

The Swedish NAO is also involved in INTOSAI's cooperation with the donor community and the INTOSAI Development Initiative (IDI), which in various ways promote improved or extended support to SAIs in developing countries.

Contacts and relations with the UN, the World Bank and other multilateral and international organisations with development mandates will be strengthened during the strategy period. Almost 60 per cent of Sweden's aid is channelled through international and multilateral organisations. Sweden is one of the major donors of core support funding to the multilateral system, i.e. non-earmarked contributions to an organisation's budget. This provides predictability and flexibility but also places high demands on the organisations' capacity to use the funds effectively. Consequently, examining the conditions for the Swedish NAO to accept external audit engagements in international and multilateral organisations can be regarded as part of our role as a development actor, given that the Swedish NAO's appropriation for international development cooperation is to be used within the framework of the objectives of Swedish development cooperation policy.