



Strategy for the Swedish National Audit Office's international development cooperation 2021 - 2024

International development cooperation is part of our core activities

The objective set by the Riksdag for international development cooperation is to create conditions for better living conditions for people living in poverty and oppression. The Swedish NAO has an important role to play in Swedish development cooperation and that is part of the agency's core tasks. The Swedish National Audit Office is instructed to *"... 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)"*.

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 (ISSAIs). The strategy for the Swedish NAO's international development cooperation sets out the objectives and focus for the work and identifies priorities for activities. The strategy is to apply for the period 2021–2024 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.

The rights perspective and Agenda 2030 set the context

The Swedish NAO's international development cooperation, like other parts of Swedish development cooperation, is based on and characterised by a rights and poverty perspective. 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, circumstances and priorities of poor adults 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 delivery of basic public services without corruption. Transparent and effective public administration is also central to 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 aims to contribute above all to achieving both these goals and the targets below.

Target 16.5 Anti-Corruption: Substantially reduce corruption and bribery in all their forms.

Target 16.6 Build effective, accountable and transparent institutions. Develop effective, accountable and transparent institutions at all levels.

Target 17.1 Increase domestic capacity for tax and other revenues. 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.

The purpose is to promote effective administration and democratic development

In light of the above context and perspective, the overall purpose 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.

The purpose and operational objectives are shown below:

Operational objectives

Strengthen capacities and capabilities of partners in developing countries to conduct audits in accordance with international standards

Develop methods for capacity building and enhanced exchanges between SAls, INTOSAI and its regional organisations

Contribute to effectiveness, transparency and accountability in the multilateral system through our work on audit in international organisations with development mandates

Be a relevant and effective actor in Swedish development cooperation that is capable of disseminating knowledge and experience

Attract and develop staff within the Swedish NAO's international assignments

Purpose

The purpose is:
to promote effective administration and democratic development in developing countries and increased transparency and efficient systems for accountability

Priorities for 2021–2024

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 targets set during the strategy period.

Table 1. Priorities for 2021–2024

Priorities for 2021–2024
<u>Continued focus in our bilateral, regional and global partnerships</u>
<ul style="list-style-type: none"> - Continue to conduct our international cooperation projects, regionally and bilaterally, with high quality and feed lessons learned from them into our other international commitments - Evaluate the Swedish NAO's continued commitment in INTOSAI's Capacity Building Committee¹, CBC, ahead of the expiry of its commitment as Vice-Chair of the CBC in 2022 - Increase focus on the issue of Supreme Audit Institutions' audit of donor funds, for example within the framework of CBC's activities and INTOSAI-Donor Cooperation - Strengthen the Swedish NAO's commitment to auditing multilateral organisations with development mandates - Strengthen the sustainability perspective in the Swedish NAO's international development cooperation. This includes both gender equality and environmental considerations - Increase collaboration with other Swedish agencies engaged in capacity building in international development cooperation, as well as with other relevant development actors, for example from civil society - Strengthen coordination and skills support referring to EU-funded development aid projects, including EU twinning in international development cooperation - Ensure that the skills and experience gained by personnel in international development cooperation are utilised in the Swedish NAO's other activities
<u>Strengthen results and evaluation in our activities</u>
<ul style="list-style-type: none"> - Evaluate the Swedish NAO's input to international development cooperation to ensure relevance and attractiveness of partners - Develop appropriate indicators for follow-up of the strategy for the Swedish NAO's international development cooperation - Enhance performance reporting 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.

¹ INTOSAI Capacity Building Committee.

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- Enhance performance reporting in the next performance report to the Riksdag (September 2022)
 - Enhance communication on the Swedish NAO's international development cooperation in order to give its staff and external stakeholders a fair presentation of the activity and its objectives and results
 - Develop and implement an evaluation strategy and thus increase learning from past evaluations

Methods development in our international cooperation projects

- Establish overall criteria for testing new partnerships and closing projects
 - Include an "exit strategy" (description of what a phase-out of project support might look like) in our project documents
 - Evaluate our methods of capacity building and develop on an ongoing basis new educational methods to be tested and used in collaboration with our partners.
 - Investigate and develop new and innovative forms of cooperation, for example using digitalisation.
 - Increase focus on professional development of the Swedish NAO's experts in development cooperation. Induction training is being developed for new staff in development cooperation
 - Ensure that the Swedish NAO's international assignments are used as a central part in attracting, developing and retaining staff, including through secondments for long-term advisory services and job exchanges through a greater breadth of international assignments
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Collaboration is with a wide range of actors

The Swedish NAO cooperates and collaborates with a wide variety of actors in international development cooperation to achieve our goals and conduct our operations. 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 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 on the spot 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 Supreme Audit Institutions through the INTOSAI-Donor Cooperation.

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, missions abroad, Sida and other Swedish agencies and stakeholders. 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.

Operations take place at global, regional and bilateral level

Our support is demand-driven

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 development cooperation.

The starting point is that our cooperation partners are responsible for their own development. The Swedish NAO's contribution must be in line with the partner's strategic development plan, national development plan, international commitments and other context relevant to the cooperation. Coordination takes place with other partners and donors. The partner's ownership and the common ability to adapt and learn are deemed to be critical success factors.

The comparative advantage of the Swedish NAO lies in being an institutional partner working agency to agency. This means that the Swedish NAO must be flexible in its approach and enter into cooperation with the intention of being long-term. It is mainly the Swedish NAO's own staff resources that are used, supplemented if necessary by procured expertise. In isolated 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.

The corona pandemic requires increased flexibility

The corona pandemic is affecting countries and organisations all over the world, including the Swedish NAO's cooperation partners. The pandemic is expected to continue to affect the Swedish NAO's international development cooperation for the foreseeable future. At the same time, the opportunity of remote support in the form of teacher-led distance teaching, called blended learning, e-learning, coaching, seminars contribute to implementation of activities, though in a different form than planned. The conditions differ between countries and partners and the Swedish NAO needs to act flexibly and context-adapted to meet the partner's needs as much as possible. Other forms of support than capacity building "peer-to-peer" may therefore be particularly relevant during this period, for example in the form of financial contributions to strengthen the partner's organisational capacity and ability to conduct audits.

Cooperation is conducted at bilateral and regional level

The focus of the Swedish NAO's development cooperation lies on bilateral and regional mutually reinforcing partnerships with national Supreme Audit Institutions in low and middle-income 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 Supreme Audit Institution, the auditee, parliament, civil society and the media.

The activities aim to increase the cooperation partner's organisational capacity and 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 education on audit matters, continuing professional training in special areas, support in building quality assurance and quality control, as well as initiatives within the framework of strengthening the organisation's capacity in areas relating to leadership, strategic planning, communication and IT development and HR issues. The target group for the initiatives varies according to the needs of each Supreme Audit Institution, but usually includes the entire chain, from individual auditors, team leaders and middle managers to agency management. To ensure sustainable results, we try to work at all levels with our cooperation partners.

The Swedish NAO seeks to enhance the impact of its cooperation partners' assignments. This may entail supporting the work of the Supreme Audit Institution 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 audit and independence 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 Supreme Audit Institution, 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 Supreme Audit Institutions in developing countries.

Globally the Swedish NAO contributes by sharing experience and knowledge

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 such things as professionalisation, operations evaluation, integrity issues and development cooperation between Supreme Audit Institutions. 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 Supreme Audit Institutions in developing countries, as well as improved coordination between donors.

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. Accepting audit engagements in international and multilateral organisations is thus 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.