



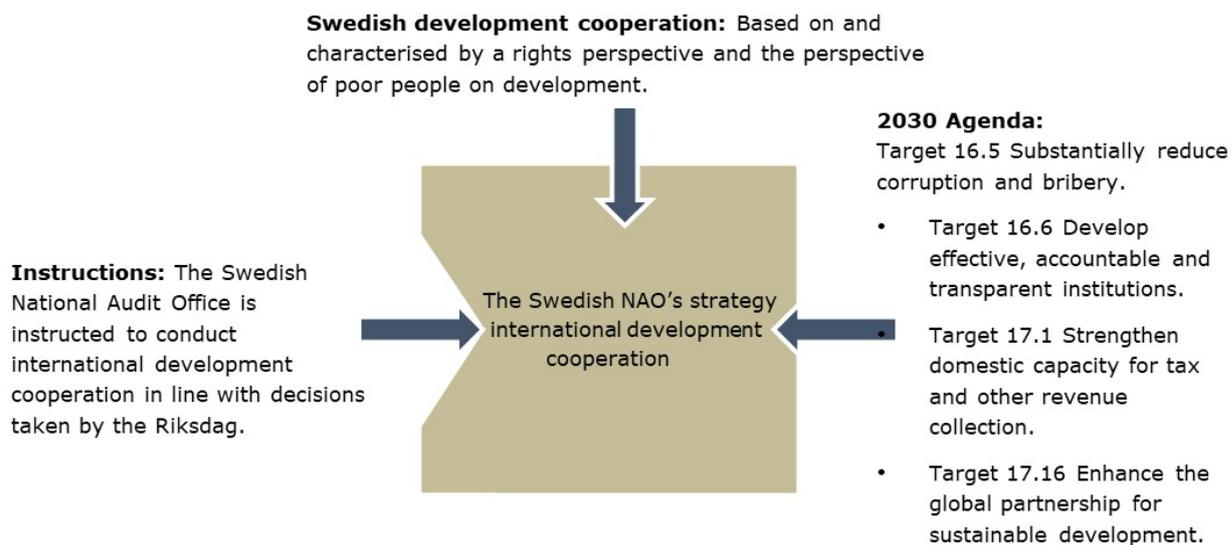
## Strategy for the Swedish National Audit Office's international development cooperation 2022-2025

### International development cooperation a part of the Swedish NAO

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 National Audit Office (Swedish NAO) has an important role to play in Swedish development cooperation and it 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)*".

We help strengthen the capacity and ability of Supreme Audit Institutions (SAIs) in developing countries to conduct audits in accordance with international principles, standards and guidelines. The strategy for Swedish NAO international development cooperation sets out the objectives and focus and identifies priorities for activities. The strategy is to apply for the period 2022–2025 and is reviewed annually, when the period is then moved forward one year. It includes the funds allocated annually by the Riksdag to appropriation 1:5 Swedish National Audit Office within 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.

Figure 1. The strategy in a national and international perspective.



## 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 2030 Agenda and the 17 Sustainable Development Goals of the United Nations are universal, indivisible and integrate the three dimensions of sustainable development – social, economic and environmental. Implementing the 2030 Agenda requires new knowledge and new working methods. The 2030 Agenda 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 the 2030 Agenda.

Effective public institutions whose activities are based on the rule of law are a prerequisite for basic public services without corruption. Public administration also needs to be transparent and effective to contribute to sustainable peace and prevent 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 sustainable development goals.

**Goal 16** of the 2030 Agenda aims to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective and inclusive institutions, accountable at all levels of society – local and central. Our activities contribute above all to Targets 16.5 and 16.6.

**Goal 17** highlights strengthened means of implementation and revitalise the global partnership for sustainable development. Our activities contribute above all to Targets 17.1 and 17.6.

Figure 2. Targets in the 2030 Agenda that link to our work.

*Target 16.5 Combat corruption and bribery.* 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.

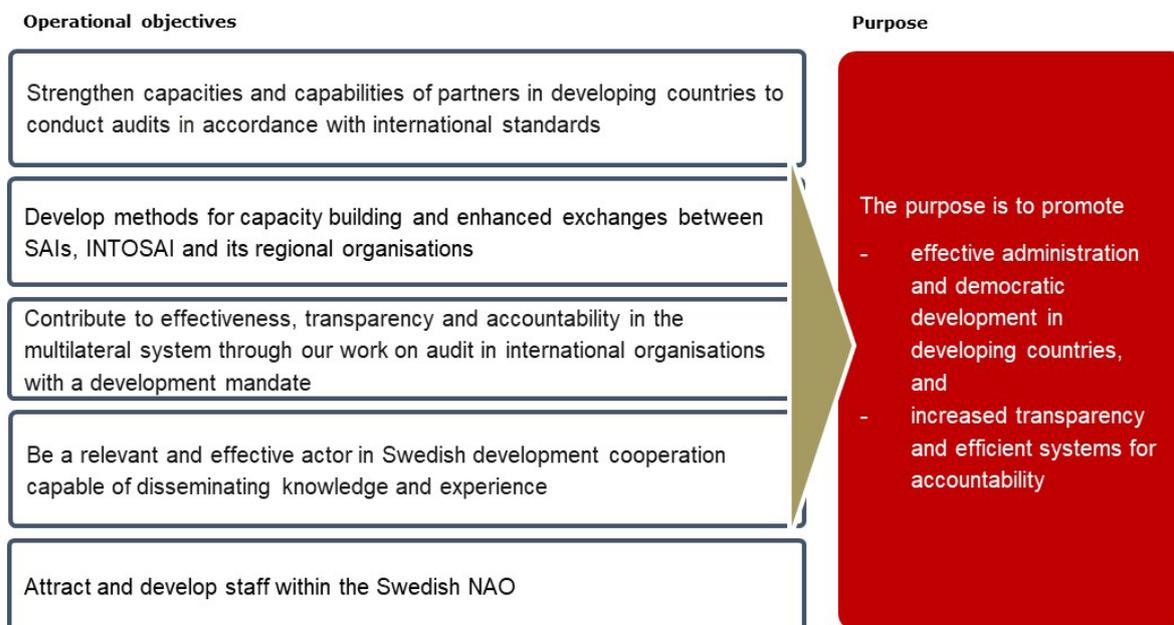
*Target 17.1 Increase domestic capacity for tax and other revenue collection.* Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.

*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.

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 should also help increase transparency and effective systems for accountability, promoting individual citizens' chances of making their voices heard while at the same time preventing corruption and fraud. The purpose and operational objectives of the Swedish NAO's international development cooperation are shown below:

Figure 3. Operational objectives and purpose



We have identified a number of priorities for 2022–2025

The Swedish NAO's first priority is to complete ongoing projects in accordance with signed Memoranda of Understanding (MoU) and the equivalent. We have also identified the following priorities to meet the targets set during the strategy period.

Table 1. Priorities for 2022–2025

Priorities for 2022–2025
<b><u>Continue to conduct collaborations of high quality. We will:</u></b>
<ul style="list-style-type: none"> <li>- Continue to conduct our international cooperation projects, with high quality and with the aim of strengthening the audit capacity in our partner countries</li> <li>- Feed lessons learned from our cooperation projects by structuring the exchange of knowledge and experience between employees into our international commitments and the agency's other activities</li> <li>- Lead efforts in INTOSAI's Workstream on Auditing in Complex and Challenging Contexts (ACCC) in which we create forums for knowledge exchange for SAIs in the most vulnerable countries, and in the Workstream on the Audit of Donor Funds in which we promote a sustainable relationship between SAIs and donor communities. This is done within the framework of our commitment as Vice Chair of the INTOSAI Capacity Building Committee, CBC</li> <li>- Strengthen the conditions for the Swedish NAO to submit tenders/take on assignments as external auditor in multilateral organisations with a development mandate, by increasing global monitoring of</li> </ul>

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the multilateral system and continuing to build competence and an internal structure to support these efforts

- Enhance the sustainability perspective in the Swedish NAO's international development cooperation based on the three aspects of economic, social and environmental sustainability
- 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 when we participate in EU-funded development aid projects

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**Strengthen performance management and evaluation in our activities. We will:**

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- Evaluate the Swedish NAO's input to international development cooperation to ensure relevance and attractiveness of partners
- Continue to enhance performance reporting by means of focusing current reporting and evaluations conducted to a greater extent on systematic analysis of the impact of operations
- Produce and enhance performance reporting in the next performance reports 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
- Implement the evaluation strategy in order to increase learning from completed evaluations

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**Develop methods in our international cooperation projects. We will:**

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- Implement agreed criteria for testing new partnerships and closing projects
  - Evaluate methods and content of capacity building and on an ongoing basis develop new educational methods to be tested and used in collaboration with our partners
  - Investigate and develop new and innovative forms of cooperation, for example digital solutions and tools in light of the current pandemic, and with the ambition of decreasing the number of physical missions in the future and meeting our partners' needs with high quality
  - Increase focus on professional development of the Swedish NAO's experts in development cooperation
  - Ensure that the Swedish NAO's international assignments are used as a key element in attracting, developing and retaining staff. It is a matter of broadening the international assignments, including through a strengthened offer of secondments, long-term advisory services and job exchanges.
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## Starting points and working methods

The following section aims to describe *how* the Swedish NAO works to achieve set operational objectives in the context of the international development cooperation, that

is, our starting points and working methods. Our starting points and working methods thus relate to all operational objectives.

Figure 4. Overall picture approach



## A consciously broad approach

**1** The Swedish NAO initiatives are to promote institutional development in public sector audit in countries where the Swedish NAO operates. The support is to strengthen the capacity of cooperation partners to plan, implement, assure quality, report, communicate and follow up public sector audit. Swedish NAO cooperation therefore often covers several areas in order to contribute to the development of the organisation as a whole. This broad approach is a conscious choice.

The Swedish NAO has an extensive menu where the choice of measures depends on where the cooperation partner is in its development, what needs it has and the skills the Swedish NAO can provide. Our activities are to increase our cooperation partners' 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 can therefore 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, if possible, we work at all levels with our cooperation partners.

The Swedish NAO endeavours to strengthen the role of audit and increase its impact. This entails supporting the work of the SAI in relation to its stakeholders, above all parliament and government, but also the media, academia and civil society. In conversations with Sida and relevant missions abroad the Swedish NAO also calls attention to the importance of raising the role of audit and independence in their political dialogue in the country.

### Our support is flexible

**2** The starting point is that our cooperation partners are responsible for their own development. The Swedish NAO's contribution must therefore 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 in our cooperation.

The comparative advantage of the Swedish NAO lies precisely in being an institutional partner working agency to agency. This means that the Swedish NAO is flexible in its approach and enters into cooperation with the intention of being a long-term partner.

### Continuous method development as a basis of support

**3** The Swedish NAO utilises lessons learned in development cooperation and continually develops its methods. Continuing professional development helps the organisation and employees to develop their skills in contributing to strengthened capacity in their areas of expertise. An ambition of the Swedish NAO is to be able to alternate between different educational methods and continuously develop tools to facilitate learning.

The COVID-19 pandemic continues to affect 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 since we cannot work on site and instead offer remote support. The digital development has led to new forms of capacity building, sometimes in the form of "blended learning" a blend of physical and remote support, self-study in the form of "e-learning", and a combination of teacher-led distance teaching and self-studies. Coaching

and seminars can also take various forms. The digital transition may mean we can reach a larger target group than before.

The conditions differ between countries and partners with whom we have cooperation. Therefore, we need to continue to act with flexibility and adapt to the context to best meet our partners' needs. Other forms of support than capacity building "peer-to-peer" may therefore be relevant during this period, for example in the form of financial contributions to strengthen the partner's organisational capacity and ability to conduct audits.

Our operation and methods are also affected by other global trends and changes in society. The Swedish NAO has taken the initiative to strengthen the sustainability perspective at the agency in order to reduce our environmental impact, utilise our resources in the best way and safeguard a good working environment for our employees. This ambition will also be reflected in our international operations, for example in the form of altered travel patterns and greater use of digital solutions.

### A structured process for analysing cooperation projects

**4**

The Swedish NAO applies a structured process to analyse its cooperation projects and portfolio. In the context of assessing conditions for new cooperation, the Swedish NAO analyses three areas with about ten associated criteria. The first area deals with the context of the cooperation, the political and economic situation, and the relation to other development cooperation. The second area deals with the SAI's internal capacity as well as its role in society. The third area deals with a potential cooperation with the SAI, its conditions and expected results. We analyse the criteria together and then make a decision to enter/not enter into a new cooperation.

A fundamental requirement for the analysis is that the Swedish NAO's international development cooperation is based on a strategic approach to work where we have the greatest relevance and the highest value added in relation to the objectives of Swedish development cooperation. For example, we have increased our focus on fragile states.

### We contribute skills

**5**

The Swedish NAO differs from traditional aid donors and aid-financed consultants in that it is an institutional partner working from authority to authority. The Swedish NAO mainly contributes through its own staff who, as part of a multi-year project, complete short-term or long-term assignments. In isolated cases financial support is also given where this is deemed appropriate to contribute to the objectives of the cooperation.

## Collaboration is with a wide range of actors

**6** The Swedish NAO cooperates and collaborates with a wide variety of actors in international development cooperation to conduct our operations and achieve our goals. The contacts with bilateral, regional, and global cooperation partners are frequent and occur at different levels, between Auditors General and 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 within INTOSAI and with several donor organisations advocating for increased and better coordinated support to the Supreme Audit Institutions, for example 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.

The Swedish NAO also has regular contacts with the Riksdag, the Ministry for Foreign Affairs, missions abroad, Sida and other Swedish agencies and stakeholders. Participation in networks and similar with other Swedish government agencies active in development cooperation will be given priority. The purpose is then to share information, skills and experience. Strengthened inter-agency cooperation can further contribute to synergies between related initiatives by the different agencies.

## Cooperation is conducted at bilateral and regional level

**7** The Swedish NAO's development cooperation focuses 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, we also support regional organisations and networks in the regions where we run bilateral projects. We also have the opportunity to get involved in EU twinning projects that can be geographically linked to a region in which we are active.

The starting point of our bilateral and regional projects is that strengthened capacity lays the foundation for lasting results that go beyond development cooperation. This also includes, for example, the interaction between the Supreme Audit Institution, the auditee, parliament, civil society and the media. 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 the bilateral and regional projects, we also cooperate with the Riksdag and engage officials and members of parliament in our cooperation projects, mainly to enhance the understanding of the role of auditing in the parliaments.

In addition to actions within the framework of our long-term bilateral and regional cooperation projects, we also receive delegations from developing countries visiting us 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. We also take part in regional initiatives, committees and working groups in order contribute to regional development with a view to support SAIs in developing countries.

## Globally the Swedish NAO contributes by sharing experiences and knowledge

**8** The Swedish NAO has several international commitments within the framework of global development cooperation. In the same way that our regional cooperation projects strengthen the viability of the bilateral operations, the global initiatives promote capacity building on a broad front, to the benefit of both regions and SAIs in developing countries. For example, the Swedish NAO is Vice Chair and member of the Secretariat 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 focus on professionalisation, operations evaluation, integrity issues, and methods and forms of development cooperation between Supreme Audit Institutions. The Committee's products, information and forums for discussion are of great use both for our partners and for the Swedish NAO.

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

Sweden is one of the major donors of core support funding to the multilateral system, that is, non-earmarked contributions to an organisation's budget. Almost 60 per cent of Sweden's aid is channelled through international and multilateral organisations. This provides predictability and flexibility but also places high demands on the organisations' capacity to use the funds effectively. Therefore, the Swedish NAO also works continuously to strengthen contacts and relations with the United Nations. The World Bank and other multilateral and international organisations with a development mandate. The fact that we undertake auditing assignments in international and multilateral organisations is thereby included in our role as a development actor.

## Evaluation as a basis for development

**9** Follow-up and evaluation of our operations is an important tool in governing, managing and developing our projects. For us, the primary purpose of both follow-up and evaluation is to create learning for a continued project period, for possible future cooperation, after a completed project and between the projects in the Swedish NAO's international development cooperation. Follow-up and evaluation of the project may also serve as a basis for decisions on the possible continuation of the cooperation. The ambition is for all cooperation projects to be evaluated within a four-year period.

## Learning is an important process for building our cooperation

**10** It is one thing to evaluate activities and another to learn from evaluations. The Swedish NAO has therefore increased focus on learning based on our follow-up and evaluation, by establishing a clear process for this. In order to ensure learning, we must place great emphasis on communicating and consolidating the results and actions generated by evaluation, externally and internally. We use the learning from our evaluations continuously in our strategy updates.