



Organisational Review of Strømme Foundation

Final report

Norad
Norwegian Agency for Development Cooperation

P.O. Box 8034 Dep, NO-0030 OSLO
Ruseløkkveien 26, Oslo, Norway
Phone: +47 22 24 20 30 Fax: +47 22 24 20 31

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Final report

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Titus Tenga, LINS
Roy Mersland, Nordic Consulting Group

Executive summary

This report is a regular Norad organisational review of the development partner Strømme Foundation (SF). SF is a Norwegian foundation based on Christian values, with a mission to eradicate poverty. SF has a framework agreement with Norad, which was signed in 2003. The organisation will be assessed for a renewed framework agreement after the fiscal year 2008. The total annual income in 2007 was around 126 million NOK, out of which around 36 million was funded by Norad.

The reason for carrying out a review now is to establish a platform for further dialogue before assessing a renewed framework agreement from 2009 onward. Another objective is to present constructive recommendations for SF's developmental efforts. Recently a new general secretary is heading SF, replacing the former who served the organisation for more than 14 years. This shift naturally puts the organisation in a transition position. This review process thus comes timely.

Microfinance and education are the main areas in SF. The organisation supports 177 projects (90 microfinance, 81 education and 6 others) with 144 partners in 17 countries in four regions. Kenya, Mali, Rwanda, Tanzania, Sudan, Uganda, Bangladesh, Sri Lanka, East Timor and Bolivia have been the countries included in the framework agreement. The work is implemented through four regional offices: Asia (Sri Lanka), West Africa (Mali), East Africa (Uganda) and South America (Peru). Currently, SF has 106 staff, 36 of whom are located in the head office in Kristiansand.

In responding to the Terms of references, our overall conclusion from this organisation review is that SF, as an organization, has the ability to provide effective aid, but still faces some important challenges. These are particularly related to more effective programming of development efforts, a more value adding relationship between head office and regional offices, a more precise understanding of education, and a more sustainable and value adding business model for the microfinance activities. However, the results of SF's activities and interventions are both in accordance to the Norwegian policy priorities and also relevant to partners' and target groups' needs. Moreover, the assessment of SF's support activities confirms the organisation's professional, financial and administrative capacity to carry out programmes under the framework agreement with Norad. More specific conclusions from the review are summarised as follows:

Organisation

- SF is a transparent organisation willing to share information and eager to innovate and improve its quality of work.
- SF is well-anchored in Norwegian society with diversified sources of funding.
- The support activities of infrastructures, accounting, administration and use of technology are well-structured. In particular, the financial control is impressive.
- The positive side of SF's flat organisational structure is that it has facilitated a high level of autonomy and independence to the regional offices. It also assures close relationships with the partners.
- The challenging side of the organisational structure is that it does not allow easy cross-fertilisation across regions or a stimulating relationship between regional offices and the programme office at HO.

- The educational partners acknowledged and appreciate important added values from their relationship with SF over and above funding. Fewer added values were observable with the microfinance partners visited in Uganda.
- A structured programming of the development interventions stands out as one of SF's major challenges. The result is that few overall concepts, themes or 'product lines' can be observed. The quality of interventions can end up being incidental.
- SF's resources are thinly spread across four regions, 17 countries, 144 partners and 177 projects. Increased overall impact is expected if resources are more concentrated.
- SF's projects and programmes seem well-aligned with most of the relevant stakeholders. However, alignment with international research and other donors' efforts could be strengthened.
- With only few exceptions, little synergy between microfinance and education can be observed.

Microfinance

- SF has been able to reach out to an impressive number of MFIs. However, most of the microfinance portfolio is concentrated in a few larger MFIs.
- With its local presence SF is well positioned to serve smaller MFIs not only with funding but also with technical assistance of different kinds.
- In its lending operations SF is nearly fully dependent upon the grants received through the framework agreement.
- The overall microfinance activities in SF as well as the individual apexes are not sustainable and show few signs of becoming sustainable unless the current business model is changed.

Education

- SF has a long standing experience in supporting education in the South.
- With clearer guidance from the head office several innovative educational initiatives like Shonglap in Bangladesh and Speed Schools in West Africa seem to have great cross-regional potential.
- SF's broad and vague definition of education is a major area of concern. This makes it difficult to observe the organisation's core competence in the field of education.
- The lack of clear education policies to guide and coordinate education initiatives has resulted in fragmented portfolio of education projects.

In section 13 specific recommendations are provided to address the specific challenges. The review team's overall recommendation is that Norad should enter into a new framework agreement with SF based on the recommendations and assessments provided in this report. In the new framework agreement SF should visualise its main "product lines" and clarify its educational concept. Besides, a more value adding relationship between the Head Office and regional offices should be outlined. Continued funding for microfinance is recommended, but not as grants for on-lending, but as support for the promotion of Self Help Microfinance Groups and the strengthening of smaller MFIs through the provision of technical assistance, (quasi-)equity and corporate governance.

As a final note, it should be pointed out that SF is familiar with most of the challenges raised, and indeed, it is planning to address most of them in its forthcoming 5-year's Master Plan (2009-2013).

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Acronyms

CBEI	Community-Based Education Intervention
CBO	Community Based Organisation
CGAP	Consultative Group to Assist the Poor
EFQM	European Foundation of Quality Management
EU	European Union
GS	General Secretary
HO	Head Office
HRM	Human Resource Management
KRIK	Kristen Idrettskontakt
MFI	MicroFinance Institution
NGO	Non-Governmental Organisation
NOK	Norwegian Kroner
OECD	Organisation for Economic Cooperation and Development
PPS	Participatory Preliminary Studies
PRSP	Poverty Reduction Strategy Paper
ROSCA	Rotating Savings and Credit Association
SF	Strømme Foundation
SHG	Self Help Group
SHMG	Self-Help Microfinance Group
TOR	Terms of References

1. Introduction/background

This report is a regular Norad organisational review of the development partner Strømme Foundation (SF). SF is a Norwegian foundation based on Christian values, with a mission to eradicate poverty. “Help for self-help” has been used as SF’s slogan for several years. “Getting People Started” (Norwegian: “Vi hjelper folk I gang”) is the present slogan. The organisation’s efforts are concentrated in microfinance and education.

SF has a framework agreement with Norad, which was signed in 2003. The organisation will be assessed for a renewed framework agreement after the fiscal year 2008. The total annual income in 2007 was around 126 million NOK, out of which around 36 million was funded by Norad.

The reason for carrying out a review now is to establish a platform for further dialogue before assessing a renewed framework agreement from 2009 onward. Another objective is to present constructive recommendations for SF’s developmental efforts.

The terms of reference (TOR; attachment 1) for the review indicate:

An organisational review concentrates on the services the Norwegian organisation delivers. This means services delivered to partners abroad as well as the extent to which the organisation is capable of meeting the terms and conditions set out in the agreement with Norad. [...] It is the *performance of the system for delivery services* that is to be analysed, not the services themselves.

The review process took place between January and March 2008. The following report sums up the major findings, assessments, analysis and recommendations from the review process.

2. Methodology

The scope of the TOR is extensive and the time available for the assignment limited. Thus, prioritisation had to take place based on what would best serve Norad’s need to know about the quality assurance of SF’s interventions, and SF’s need to identify areas for improvement and related recommendations. Accordingly, the following six areas were selected and communicated in the inception note:

1. SF’s decentralised organisational structure.
2. The synergy between education and microfinance in SF’s interventions.
3. SF’s combined involvement in microfinance – both apex-lending and self-help microfinance groups (SHMGs).
4. SF’s broad involvement in education.
5. SF’s partnership models and their added value.
6. SF’s systems for quality assurance.

To facilitate the analysis, reputable models used to assess organisations were applied: Porter’s value chain, CGAP’s effectiveness star, and EFQM’s framework.¹ We also applied a model that we developed ourselves in order to assess the level of alignment with main stakeholders.

Several sources of information were used to gain insight into the organisation:

¹ The models will be properly introduced later in the report.

1. Key written documents like policy documents, strategies, plans, etc., including the framework agreement with Norad GLO-0640, GLO-01/410, dated 6th of February 2003.
2. Several visits to SF's main office in Kristiansand
3. A field trip to Uganda, visiting several education and microfinance partners, as well as regional staff, board members and other local informants.²
4. Interviews with key informants at the head office (HO), the East African regional office, the Ugandan partners, and the target groups. Besides, industry informants in Uganda, auditors in Norway and others were also interviewed. A complete list of persons interviewed in Uganda is provided in attachment 2.
5. A specially designed review survey distributed among the programme staff, leaders and board members. The 67 respondents represent around a 90% response rate.
6. The review took place at the same time as SF's own self-assessment questionnaire based on the EFQM framework. Seventy-nine out of a total of 85 persons answered. SF willingly shared the complete information from the survey with the review team.

SF's willingness to share information and eagerness to learn in order to improve its quality of work have been exceptionally strong during the whole review process. Complete transparency has been experienced throughout the organisation.

The main objective for the review team was to make the review process into a learning event for both SF and the reviewers. The process was therefore carried out in an extensive, participatory manner, without losing sight of the need to maintain a certain distance between the research objective (SF) and the researchers (the review team).

3. Overview of SF

3.1. Organisation

SF is one of the larger mid-sized Norwegian NGOs. Most of the funding comes from private individuals and Norwegian public sources MFA and Norad. However, funding from new sources such as corporate businesses and international institutional donors is growing rapidly. Support to partners accounts for around 60% of total costs, a percentage that has remained stable over the last five years. The level of dependency upon the framework agreement with Norad has been decreasing, and is now down to 29%, as indicated in table 1.

² As outlined in this report SF's interventions are diversified. Having visited only one out of four regions is thus a limitation which the reader should bear in mind.

Table 1: Overview of SF's financial resources 2003–2007 in million NOK

Category	2003	2004	2005	2006	2007	Total in period	% Change 2003–7
INCOME							
Individual donations	51.9	57.0	61.1	52.3	50.2	272.5	-3%
Corporate donations	0.9	2.5	4.2	4.2	7.2	19.0	700%
Norad donations	38.3	38.0	37.6	37.6	36.3	187.8	-5%
Other Norw.public donors	6.0	10.8	14.7	15.7	20.0	67.2	233%
Int. institutional donors	0.1	0.0	5.4	0.6	8.8	14.9	8700%
Other income	2.6	1.3	4.0	4.3	3.8	16.0	46%
Total income	99.8	109.6	127.0	114.7	126.3	577.4	27%
Percentage Norad of total	38%	35%	30%	33%	29%	33%	
COSTS							
Fundraising cost	15.3	15.6	15.4	13.0	10.3	69.6	-33%
Info & awareness building	5.7	6.6	17.1	11.8	10.3	51.5	81%
Head office administration	7.9	8.1	5.9	7.9	9.5	39.3	20%
Head office program support	3.9	4.2	5.3	6.2	5.9	25.5	51%
Regional office cost	7.2	8.5	8.6	9.6	9.1	43.0	26%
Support to partners	57.0	64.5	81.2	71.3	70.4	344.4	24%
Total cost	97.0	107.5	133.5	119.8	115.5	573.3	19%
Percentage support to partners of total	59%	60%	61%	60%	61%	60%	

Over the last five-year period, the support to partners has been distributed between the different regions as illustrated in figure 1.

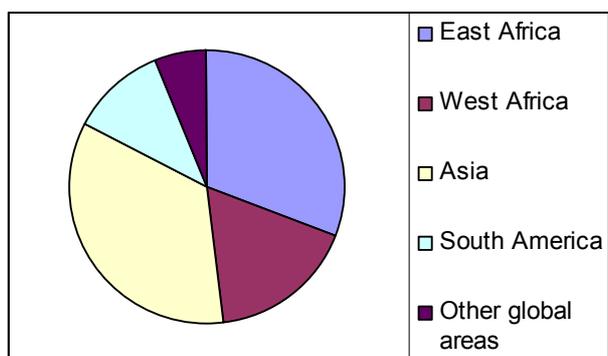


Figure 1: Support to different regions (2003 – 2007)

Asia and East Africa stand out as the most important regions to SF. However, also the smallest region, South America, is important and accounts for as much as 12% during the five-year period.

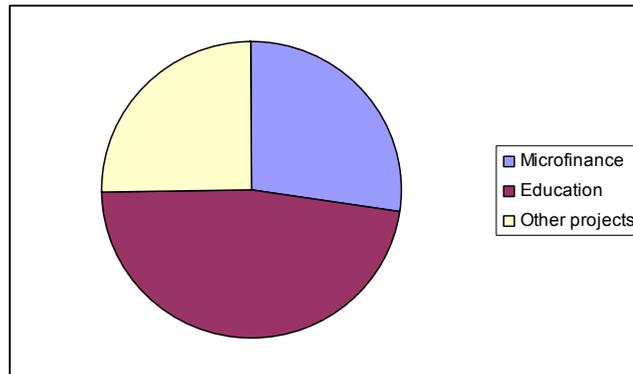


Figure 2: Different types of activities (2003 – 2007)

In terms of the different types of activities supported (figure 2), education accounts for nearly double that of microfinance. Since funding for microfinance is mostly recycled through lending operations, the difference between education and microfinance is understandable. A quarter of the funding is for other types of projects not related to microfinance or education. This is mainly related to tsunami relief activities in Asia, and KRIK³ funding in East Africa.

SF supports 177 projects (90 microfinance, 81 education and 6 others) with 144 partners in 17 countries in four regions. Kenya, Mali, Rwanda, Tanzania, Sudan, Uganda, Bangladesh, Sri Lanka, East Timor and Bolivia have been the countries included in the framework agreement. The work is implemented through four regional offices: Asia (Sri Lanka), West Africa (Mali), East Africa (Uganda) and South America (Peru). Currently, SF has 106 staff, 36 of whom are located in the head office in Kristiansand, 29 in Asia, 21 in East Africa, 12 in West Africa, and eight in South America.

Recently a new general secretary is heading SF, replacing the former who served the organisation for more than 14 years. This shift naturally puts the organisation in a transition position. This review process thus comes timely.

3.2. Microfinance in SF

Microfinance in SF can basically be divided into two groups: 1) wholesale lending, mostly taking place in Apex structures, and 2) promotion of self-help microfinance groups (SHMGs). The first group accounts for the vast majority of interventions, while the latter is more new to SF. The first group is therefore the main focus of this review.

A microfinance apex is an organisation whose role is to wholesale money and in some cases also to provide and/or fund technical assistance to microfinance institutions (MFIs). Some refer to them as second-tier organisations supporting the first tiers, the MFIs, who reach out to the end users.⁴ In SF's apexes the objective is to provide both money and technical assistance to the MFIs, however compared to lending activities the technical assistance efforts are small.⁵ An apex will normally intermediate others' money. This means that the core business of wholesale lending is first to raise money from donors and investors, and then to lend out the same money to MFIs. Figure 3 illustrates this role of an apex. The solid line illustrates the

³ SF's collaboration with the Christian Sports Organisation KRIK is part of the framework agreement with Norad.

⁴ In East Africa, "tiers" in microfinance are often used to distinguish between different types of MFIs, not to distinguish between apexes and MFIs.

⁵ According to SF the technical assistance part of the apexes is larger in Asia than in East Africa.

possibility of a direct relationship between the provider of funds and the MFI, while the broken line illustrates the alternative, where the money is channelled through an apex.

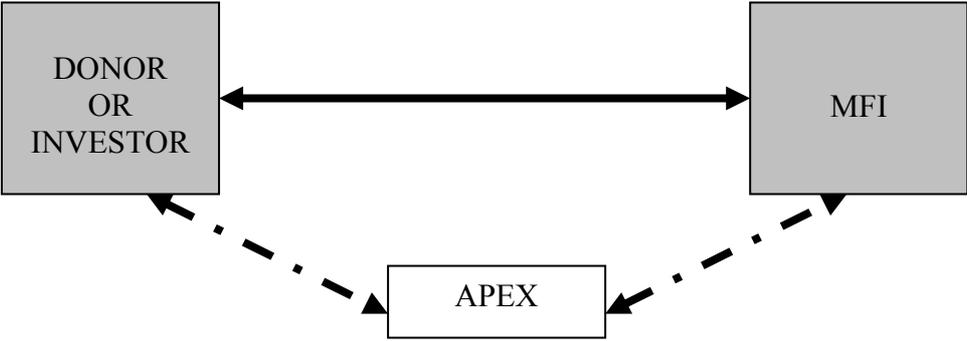


Figure 3: The role of an apex

It is already 10 years since Claudio Gonzalez-Vega, in a CGAP⁶-Ohio State University research report on microfinance apex mechanisms, concluded that apexes should, in general, *not* be recommended. The track record in terms of sustainability and market enabling for apexes is generally poor⁷. The main criticism of apexes is that they add costs and that the funds would be better provided direct to MFIs. The solid line thus normally constitutes a better strategy compared to the broken line in figure 3.

Such a clear policy recommendation is in many ways typical of the microfinance industry. Being clear has helped the industry to phase out pitfalls, but our own personal experience is that they can also hinder proper contextualisation and innovation. Therefore, we do not necessarily support a general warning against apexes. In our view, an apex may be necessary when the level of asymmetric information between donors and/or investors on one side and MFIs on the other is very high. Asymmetric information is a situation where the organisation with money available (donors/investors) knows little about the inside of an MFI. Is the MFI creditworthy? How can monitoring take place? How can repayment be enforced? These are questions that investors and/or donors located in the North cannot answer simply. Especially related to smaller MFIs in Africa, the level of asymmetric information is considered to be huge. Relatively few MFIs in this continent have been able to effectively tap into investors' money. Thus, SF's initiative of establishing an apex in East Africa makes good sense. Many investors signal their objective of reaching Africa, but few have found enabling strategies. SF's local presence is therefore a major asset which could be further elaborated to serve as a channel between investors and smaller MFIs.

Currently, SF has a total outstanding loan portfolio of 98.7 million NOK across 90 microfinance partners. Nearly all loans are on short-term contracts of less than 2–3 years, which in the industry is considered the less risky alternative for the provider of funds. Even though several of the partners in Sri Lanka are related to the post-tsunami situation, it is still an impressively long list. Most of the partners are small MFIs still unable to tap into international investors' funds. This underlines the relevance of SF's apexes. However, it does

⁶ Consultative Group to Assist the Poor (CGAP) is a donor consortium aiming to develop the microfinance industry worldwide. Norad is a member of CGAP. www.cgap.org

⁷ GONZALES-VEGA, C. (1998) Microfinance apex mechanisms: Review of the evidence and policy recommendations. Columbus, Ohio, USA, Ohio State University

look like the lending is very fragmented in terms of microfinance models and type of partners. Moreover, around 60% of the portfolio is concentrated in 13 larger MFIs with loans above 2 million NOK.⁸

Placing the majority of funds in larger MFIs forms up SF's current strategy of cross-subsidization and risk reduction. The idea is that relatively larger and secure investments can make it possible for SF to reach out to smaller and often riskier MFIs. Such a strategy can make sense when the larger MFIs have few funding options. However as larger MFIs increasingly can fund lending operations with the mobilization of local savings, and an ever longer list of international investors become available, the current strategy of cross-subsidization will increasingly be difficult to uphold. In addition SF can with its current strategy in the future, risk crowding out private capital with donated capital.

Three apex structures, one in Sri Lanka, one in Bangladesh and one in Uganda, are organised separately and are responsible for the regional operations. The one in Uganda is a shareholder company, 90% owned by SF and 10% by SIDI, a good reputed French not-for-profit organisation. The apex in Sri Lanka is organised in a separate NGO structure, and the one in Bangladesh is organised as a department within SF's local office. The differences in legal structures are basically due to differences in local legal frameworks. Beside the apexes, the regional offices in West Africa and South America also keep small loan portfolios, as does the HO.

The wide diversity in the type and size of partners, microfinance models and organisational structures is partly a response to the fact that MFI apexes are different from most other types of development efforts, operating in markets with competitors and often strict legal frameworks. Nevertheless, we observe a need to develop a more streamlined approach in SF's lending operations. According to SF, the diverse situation is partly because of the difficulties of reaching a long-term agreement with Norad on how to structure the lending in parallel, fully specialised shareholder companies.⁹

The level of financial sustainability in SF's lending operation has been improving considerably, but is still low, fluctuating between 50% and 80% in the different apexes. With an increasing number of international investors offering funding to the best performing MFIs, it doesn't seem likely that the current strategy of cross-subsidization will bring along full financial sustainability in the future. However, operational sustainability where the cost of capital is not included may be within reach in East Africa where it currently stands at 96%. The overall operational sustainability in all SF's microfinance operations is 89%, which is relatively low.

⁸ Even though the engagement with partner Jami Bora in Kenya is less than 800,000 NOK in monetary terms, the new general secretary has decided to carry out a special assessment of this partner due to its high public standing in Norway, Sweden and Kenya, and its somewhat unclear governance structure.

⁹ Over several years SF and Norad have kept a dialogue on how to make use of public funding in activities which generate income. Norad needs to make sure that public funds can't be appropriated by private investors in the future. Microfinance portfolios generate income and ownership can be transferred and/or shared. In microfinance this has proven to be a risk. SF shares Norad's concern, but at the same time the organisation needs to make use of the best possible microfinance models available and this may include partnerships with for-profit driven investors or structuring the operations in shareholder companies. Finding a feasible long term model of cooperation which takes all interests into account has been challenging. As a result funding for microfinance has been based on temporary agreements.

Similar to most other apexes the cost of operation in SF's apexes is too high to attract commercial or quasi-commercial funding for on-lending (ref figure 3). Almost all on-lent funds therefore stem directly or indirectly from the framework agreement with Norad. The unclear organisational structure and the unsettled conditions for a long term agreement with Norad make the presentation of streamlined information difficult. There is therefore a considerable need to lay out the conditions and decide what SF's business model should be when it comes to wholesale lending. Moreover, new strategies on how to create a sustainable structure are needed, along with strategies on how to provide MFIs with other types of funding alternatives beside short-term loans. Equity, quasi-equity, guarantees, subordinated debt, etc., are financial structures often in demand, where competition is still more limited. Moreover, technical assistance of different kinds and improved governance are in high demand. Since SF's funds mainly come from Norad grants, more of a risk-taking attitude towards these more flexible and demanded structures was expected and should be aimed for in the future. However, even if SF has put most of its portfolio in larger MFIs it has successfully taken smaller positions in a large number of small MFIs. With a new business approach SF would be well positioned to accompany many small MFIs in up-scaling efforts.

With an increasing number of international sources of funds available (97 are currently listed at www.mixmarket.org), several of whom are indicating a wish to reach smaller MFIs, SF's local presence in the regions gives the organisation a competitive advantage that has still not been explored. Moreover, since MFIs indicate that their needs are as much related to technical assistance, equity and corporate governance as to loans, with its local presence SF could be well-positioned to serve the MFIs better, and more in line with their real needs and in areas with less competition. When designing new strategies, the competitive advantage of being local should be elaborated upon. We will return to this in section 11.

Self-help microfinance groups (SHMGs)

The World's most common financial service provider for poor people is different types of groups where the members regularly, often weekly or monthly, pool savings or contributions and distribute these as grants or loans to members. These systems, which have been practiced for centuries, have different names in different countries, like Merry Go Round in Kenya, and Tontines in West Africa. Many refer to the groups as rotating savings and credit associations (ROSCAs), while others simply call them self-help groups (SHGs). These traditional schemes represent an efficient banking method at the community level, where members can easily save and periodically receive a lump sum of money. Another benefit of these informal systems is that they mobilise and keep local savings in the community. Increasingly, donors are becoming involved in organising savings and credit groups similar to ROSCAs, but with the aim of being more transparent, better managed, and more efficient than the traditional groups. (for more about SHMGs, see Mersland and Eggen)¹⁰.

We found SF's recent engagement in SHMGs to be very interesting. However, since the possible synergy between wholesale lending and SHMGs is limited, we also consider it challenging. There can be considerable synergy between SHMGs and education since the groups can be used as a platform for other types of developmental inputs or trainings. It is also a model that can generally reach poorer segments of the population compared to MFIs. Thus, the SHMG model probably fits better with SF's overall strategies and policies. However, SHMGs still only represent a small fraction of SF's microfinance involvement, and therefore will not constitute an important part of this report. We consider SF's recent

¹⁰ MERSLAND, R. & EGGEN, Ø. (2008) You cannot save alone - Financial and social mobilization in savings and credit groups. Oslo, Norway, NORAD

involvement in SHMGs to be interesting, but question whether the organisation has fully analysed the “costs” related to being involved in a wide variety of strategies and models.

3.3. Education in SF

Since its foundation, SF has supported education based on the specific needs of the respective regions in the South¹¹. Indeed, in its overall development policy it is clearly mentioned; “SF has deliberately chosen Education and Microfinance as the two principle areas of intervention to free people from poverty.” Support to education constitutes the biggest part of SF’s financial resources, nearly double that of microfinance (see figure 2 earlier).

Over the years, SF has undergone a paradigm shift in its support modality. In the beginning, most of the SF interventions in education, like in other areas, were provided through sponsorships. During this period, SF’s support, whether in the form of material, cash or paid school fees, was channelled directly to the various children who were classified as “at risk”. The intervention modalities during this period included “child sponsorship” and “children’s homes”, among others. However, these intervention modalities came to an end in 2002. As a result of a number of assessments commissioned by SF between 2001 and 2002 reviewing the various “children at risk” intervention modalities, there has been a paradigmatic shift away from child sponsorship interventions to different types of educational schemes. The shift away from sponsorships has, of course, been necessary. However, the current challenge is related to the fact that the focus of education interventions in SF has been blurred, including everything from community-based education intervention (CBEI), to literacy training and empowerment processes.

Currently SF has 81 education projects with a wide variety of partners. A study of the list of projects reveals interventions spanning everything from community schools, sport clubs and literacy training to different types of life skills and empowerment processes. The interventional methodologies vary considerably, to such a degree that across and within regions it is often difficult to observe “a red thread” in the educational efforts.¹² Moreover, most projects are small. Altogether we get the impression that SF’s educational efforts are fragmented. This observation is further supported by conversations with different staff, which more or less all gave different definitions and explanations about what education is in the context of SF. We return to these issues later, particularly in section 5 and 11.

4. Overview of the self-assessment of SF

The self-assessment survey carried out by SF is based on the recognised principles of the European Foundation of Quality Management (EFQM, www.efqm.org), which SF has recently started to use in order to enhance the quality of its work. It is interesting to find a development organisation willing to adopt a reputed quality system, well-known from private and public firms and organisations. We will be using the results from the EFQM survey throughout the report. In this section we briefly present an overview of the main scores. Figure 4 illustrates EFQM’s systematic model.

¹¹ SF’s interventions in education need to be understood in light of different cultural context in the South. As SF is a needs based organization, its strategies are therefore adopted based on the needs per region and in line with the government priorities.

¹² Within some regions a clearer focus can be observed. In East Africa the strengthening of public community primary schools is a focus, while in West Africa the concept of “Speed Schools” is taking up an important share of the educational efforts.

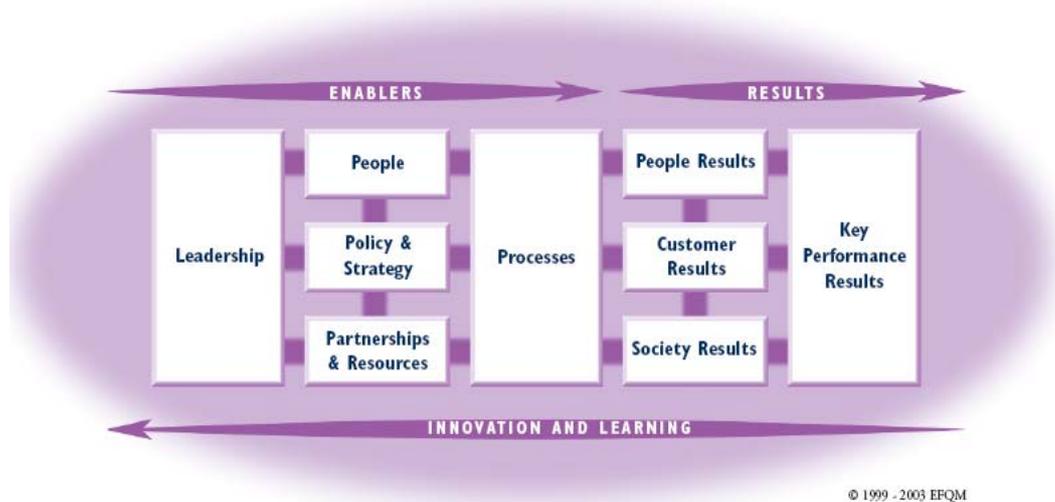


Figure 4: EFQM's systematic organisational model

We will not explain the nine quality areas (the nine boxes in the figure) in detail; their names are self-explanatory. The first step advised by EFQM is to carry out a process of self-assessment. This self-assessment process in SF is organised around a questionnaire with around 185 questions, all related to the nine boxes in figure 4. Since the self-assessment process was concurrent with the Norad review, it was decided that some of the self-assessment results should be included in the latter. SF provided full insight into all the results as well as necessary background information. This attitude is just one among many during the Norad review that demonstrate SF's strong commitment to transparency.

The results from the EFQM survey are summarised as overall scores on a 0–100 scale for the nine areas in table 2. As indicated in the total column, SF has an overall average score of 56¹³ and the nine areas range between 51 and 61. This is average for the organisations using the EFQM system. The scores indicate that leadership stands out as SF's core asset, while processes is the most challenging area. Our organisational assessments, as reported later, confirm SF's challenges related to processes. As for the high score in leadership, we partly relate this to SF's willingness to include local regional managers in top management, and the organisation's high level of transparency and participatory approaches. The results are relatively uniform across differentiation variables like length of service in SF, part- or full-time employment, and type of position (leaders or non-leaders).

¹³ When we later in the report use numbers from the EFQM survey, the reader should bear in mind that results above 56 are "positive", while results below indicate challenges.

Table 2: SF's scores from the EFQM survey

	Total	Place of work						Gender	
		South America	West Africa	East Africa	Asia	Head Office	SF Board	Male	Female
1. Leadership	61	74	70	65	53	58	72	62	59
2. Strategy and Planning	57	69	70	64	52	48	66	60	51
3. Staff	55	71	46	63	45	56	70	57	52
4. Stakeholders, Partners and Resources	59	70	72	66	51	54	60	61	54
5. Processes	51	66	66	56	45	44	57	53	48
6. Customer Results	52	56	62	64	55	42	44	55	48
7. Staff Results	56	69	62	68	58	46	31	58	52
8. Societal Measurements and Results	54	61	65	63	60	43	40	57	49
9. Key Performance Results	55	68	69	67	61	41	44	58	51
Summarized QA Score for all Criteria	56	67	65	64	53	48	54	58	52

The divisions across place of work and gender reveal some interesting findings. Compared to the men, the women turn out to be more critical to SF's quality. Similarly, staff at HO and in Asia are more critical than those working in other regions. The lower scores for the women should be further studied. May this somehow be related to the fact that SF has no women among their Norwegian leaders? The lower score for HO may be related to cultural differences, since Norwegians may be more used to being self-critical. The results in Asia are a concern, and SF should further assess what may be behind the lower scores. The low staff score of 46 in West Africa is also worth looking into. Why is this score so low when the other scores in West Africa are high?

5. SF's value chain

Michael Porter's value chain framework (http://en.wikipedia.org/wiki/Value_chain) helps to analyse specific activities in an organisation, and the organisation's ability to generate value for the end beneficiaries. Porter's framework was originally developed for profit-motivated firms, but can be adapted to the development context and in this case, has been used to analyse SF's activities, strengths and challenges in order to determine the organization's ability to provide effective aid.

Porter's framework basically divides all activities in organisations into primary activities and support activities. For an organisation engaged in development assistance, the primary activities are basically to channel money from donors into effective aid for the target group. To support the primary activities, the organisation needs activities like infrastructure, financial management, IT, etc., as illustrated in figure 5. The idea in Porter's framework is that each activity should add value, and those organisations most able to add value in the primary and support activities are the most competitive and effective organisations. In terms of development assistance this means that they are the organisations getting most out of donors' money and adding most value for the end beneficiaries. In reviews like this financial management together with the primary activities except donations, are the areas normally covered. We include the whole value chain, but emphasis the most relevant areas.

Support activities	Infrastructure (buildings/offices, office machines, cars, etc.)				Added value for end beneficiaries
	Financial management and administration system				
	Human resource management				
	Technology (IT, equipment, quality assurance systems, etc.)				
Primary activities	Securing donations	Programming (planning, implementation, monitoring and evaluation)	SF's regional offices	SF's local partners	

Figure 5: Adaptation of Porter's framework for SF's activities

5.1. Support activities in SF

According to the review team, the support activities in SF are generally strong and comprehensive, as outlined in the following.

Physical premises

The physical premises in Kristiansand and Kampala are functional without being showy. In the EFQM survey SF scored 65 for the question of whether the organisation ensures the efficient and effective use of buildings, offices and equipment. However, the survey also indicates that the conditions differ considerably, with very high scores in Norway, East Africa and South America (73, 79 and 84) and low scores in Asia and West Africa (42 and 34). Whether the lower scores in Asia and West Africa are rooted in unsatisfactory physical premises should be looked into by SF. Moreover, for an organisation involved in development assistance like SF, the low score of 38 to the question of whether offices are accessible to people with disabilities should be a concern.

Financial management and control

Financial management and administration systems are comprehensive and managed by well-qualified staff. This was also confirmed in interviews with SF's external auditor PWC. In particular, the financial controls in the projects are impressive. Through a monthly reporting system the person responsible at the main office keeps track of and follows up the smallest details in all projects. Most impressive is that he does this without being considered "a pain" by the regional staff. In Uganda they actually said that the financial controls were a major resource for them, and that the lessons learned from the controller were significant. This is echoed in the EFQM survey, where effective internal control and audits obtained among the highest scores. Some examples of the scores related to administration systems are shown in table 3.

Table 3: Scores from the EFQM survey related to administration systems

Statements from the EFQM survey related to accounting and administration systems	Overall score
Strømme Foundation ensures financial transparency in its external reporting.	74
Financial management in Strømme Foundation is in line with the organisation's overall plan.	69
Strømme Foundation ensures the cost-efficient management of resources.	64
Strømme Foundation delegates and decentralises financial responsibilities and balances them with central controlling.	61

Human resource management (HRM)

The EFQM survey reveals considerable differences on HRM according to region, with Asia and West Africa scoring lower compared to Norway, East Africa and South America. After studying the results, it is interesting to note that to most questions the difference in rating between leaders and other staff is very small.

The weakest points, as expressed by the respondents themselves, are as follows:

- Strategy for developing competencies.
- Mentoring and coaching systems to support and assist staff.
- A very low result in the staff surveys indicates that the EFQM survey is timely.

The strongest points are reported to be:

- Good working conditions
- Rest and annual leave.
- Involvement of staff in development of plans, strategies and goals.
- Constructive dialogue with staff.

Generally the results from the questionnaires indicate that SF's HRM is average. The recent initiative by the HR director to work on HR issues in a more systematic manner is a sign of SF's culture of being strong on support activities.

Technology

An impressive side of SF is its ability and willingness to make active use of new technology. In the EFQM survey the use of information and communication technologies scored among the highest of all areas. Some examples from the survey are presented in table 4.

Table 4: Scores for SF's ESQM responses related to technology

Statements from the EFQM survey related to technology	Overall scores
Strømme Foundation promotes electronic communication and interaction with customers.	65
Strømme Foundation efficiently applies appropriate technology to manage tasks and knowledge internally and externally.	63
Strømme Foundation has an integrated policy of technology management in accordance with the strategic and operational goals and objectives.	66

The high scores related to the use of technology are materialised in the active use of teleconferencing, Skype and related telecommunication systems, intranet, online library systems, and recent initiatives like EFQM.

The recent initiatives of quality assurance and active use of the intranet are interesting and should stimulate other Norwegian donors to make more active use of such systems. However, a concern is related to the cost-benefit of all the new initiatives. The recent quality assurance initiative seems to be overwhelming, as does to some degree the intranet system. A more careful selection of themes based on concrete benefits for users seems needed. Besides, more effort is needed to "sell-in" the benefits of the new technologies and systems for quality assurance. We observed and received comments that these systems operate too much in isolation. There is therefore a risk that the initiatives will not be able to significantly influence and improve the staff's work and the overall impact of SF's efforts.

5.2. Primary activities

Securing donations

SF is well-established in the donor market and is recognised for being innovative in its continued efforts to secure donations for development activities. Their newsletter *Hjelp til Selvhjelp* is sent to around 30,000 subscribers, of which more than 3,300 are businesses or schools. The organisation is well-anchored in Norwegian society, especially in the south and south-western parts of Norway. According to SF, the majority of donors share their Christian values, but a considerable number have a purely humanistic motivation. Private donations to SF have continued growing in recent years and reached 62 million NOK in 2007, although there is a warning signal in the declining number of donors, falling from 32 to 24 thousand during the last eight years.

SF is an active member of Innsamlingskontrollen.¹⁴ Accounts are presented according to the requirements and no remarks were made in the 2006 report. According to the formula practiced by Innsamlingskontrollen, the administrative cost was 6.2%, similar to that of other major organisations in Norway.

The mass market is becoming more and more saturated. There is a need to develop new donor segments, a task that SF takes seriously, and SF has recently developed successful partnerships with businesses and international institutional donors. Since 2007, SF has been in partnership with Geneva Global (www.genevaglobal.com), an advisory services firm that funds, researches, recommends and monitors projects on behalf of wealthy donors. It's a innovative approach, whereby projects are rated according to their potential effectiveness. As far as we know, SF is the first Norwegian organisation to partner with Geneva Global. Again, SF demonstrates a keen intuition for innovative donor approaches. The partnership with Geneva Global also illustrates the increasing need to document the results demanded by donors. The reporting requirements are tight, but at the same time helpful. The learning outcome from the partnership can therefore turn out to be as important as the money itself. In 2007 SF received around \$1.5 million from the Geneva Global partnership.

However, SF has only been able to tap into international public donors to a small degree, which may be due to the lack of initiatives and organisation of efforts. In particular, the regional offices are unfamiliar with tapping into the local non-Norwegian embassies and related sources where SF operates. Recently, SF has begun to discuss policies and efforts on local resource mobilisation in the regions. HO has not positioned itself to tap into the increasing budgets becoming available from the EU system. This is similar to most other Norwegian organisations. With its innovative and winning spirit, SF could become a frontrunner in these efforts, as they have been before in areas such as telemarketing, direct marketing and business partnerships. Finally, as discussed earlier, the apexes of SF have not been able to tap into the increasing number of sources available for microfinance investments.

Overall we consider the primary process of securing donations to be one of SF's major strengths. However, as competition and the need for documented accountability grow, particularly from potential new donors like businesses, the EU and Geneva Global, we observe a greater need for cooperation between the communication and programme

¹⁴ A foundation with the objective to promote transparency among organisations collecting money from the public.

departments. With the current decentralised structure (see section 7), such cooperation is a challenge.

Programming

Programming is the process of channelling the resources from donors to partners. Programming naturally involves the regional offices, but for analytical and descriptive purposes we shall address them separately.

The first thing that struck us when we started to review SF was how difficult it was to understand SF's programmes. We knew from its overall development policy that "SF has deliberately chosen Education and Microfinance as the two principle areas of intervention to free people from poverty." Thus, we expected to find mainstream education and microfinance programmes. However, apart from the lending activities taking place in the apexes, it was difficult for us to conceptualise and understand what SF was actually doing. For the microfinance part, the lending operations in the apexes and the support to SHMGs are easy to recognise and understand. Having said that, we were surprised to find that nearly all lending in the apexes is funded by donations, mainly from Norad. In an apex structure we expected to observe more intermediation of others' funds. Moreover, since the microfinance industry has reached far in developing relevant indicators, we expected benchmarks to be more actively used and more comprehensively presented.

The education part was even harder for us to understand. Not only were the policies and strategies very broad and the definition of education vague, but also the terminologies or concepts uttered by the HO to describe what education is for SF seem to contradict what we found in the field. The terms "empowerment" and "life skills" were frequently used when the HO staff explained what education is in SF. Therefore, while carrying out our fieldwork in Uganda we expected to visit projects promoting empowerment and life skills. It was a surprise after 2–3 days to realise that nearly all the educational activities in Uganda are related to strengthening community public schools. The regional staff explained to us about children at risk and empowerment. And of course, children are empowered when they attend better schools. But nearly all activities in the projects were related to securing better schools and better education in poor communities. Teachers were trained, community members were sensitised and involved, classrooms were built, the public educational department was consulted, etc. The objective was that all the children, not only those at risk, were to get access to better schooling. The projects were thus relatively mainstream efforts to strengthen public education in poor communities. They were thus not what we would consider specially designed empowerment projects as HO explained to be the focus.

As educational efforts the projects seemed highly relevant, and we expect the outcome of the efforts to be positive. However, we believe that the outcome would have been considerably better if SF had been clearer in its definition of education, and therefore more consistent of the type of projects they are actually involved in. For example, the collaboration with the district education officers would have been strengthened by a more streamlined education project. Another challenge here is related to the potential cross-fertilisation and organisational learning for SF as an organisation. It can be argued that the HO does not currently emphasise the promotion of formal education in East Africa. Therefore, the education initiatives taking place in Uganda and in several other East African countries are not part of SF's main educational strategy as expressed by the HO. Indeed, similar education projects to those found in East Africa are, according to the programme department, not present elsewhere in SF's

project portfolio. The possibility of cross-fertilisation and organisational learning is therefore minimal.

We use this example to illustrate that the major challenge for SF is related to its programming efforts. SF has been skilful in developing interesting and pithy overall guidance in, for example, their vision and mission statements: “A world free of poverty” and “To eradicate poverty.” The concepts become much more blurry when the statements are to be operationalised. The strategic interventional areas of education and microfinance are stretched, and only recently has a more concrete but still very general development policy been developed. This situation, together with the decentralised organisational structure, leaves the ground open for the regions to involve themselves in all kinds of projects and methodologies.

The regional offices plan, decide, implement and monitor. As long as the efforts fit the overall general policy, new projects can be accepted. The role of HO becomes mainly to assure the funding and to liaise with Norad. Only once a year, and in relationship with reporting to Norad, are reports regarding project activities and outcomes provided to HO. During the year no aggregated programme reports from the regional offices exist.¹⁵ This is an unhealthy situation. Reporting is basically a learning opportunity, especially for those making up the reports. The control aspect is generally less important. It is through reporting that one can learn, and based on the information provided, an often helpful dialogue can take place between the reporter and the one receiving the information. Reporting is not just a control mechanism; more importantly, it’s a quality improvement mechanism. The lack of reporting on SF’s core programme activities is in strong contrast to the monthly reports provided to the financial department. We find this situation difficult to understand, but believe that it is rooted in the very decentralised structure of SF. More on this in section 7.

The challenges that SF is facing in programming seem to be recognised by SF’s staff. In the EFQM model, “processes” compares best to programming, and this is the area with the lowest overall score (51) in the EFQM questionnaire. Other related findings from the survey are shown in table 5.

Table 5: Scores from the EFQM survey related to programming

Statements from the EFQM survey related to programming	Overall score
Strømme Foundation uses comparative analyses (e.g., benchmarking) between different actors and organisations.	38
Strømme Foundation includes non-financial performance data in budgeting.	44
Strømme Foundation allocates resources to processes based on their contribution to the strategic goals of Strømme Foundation.	47
Strømme Foundation measures and reviews the effectiveness of process changes and carries out benchmarking to drive improvement.	44

The low scores in table 5 (remember that average score in the EFQM survey is 56) indicate that the staff recognises that important areas in SF’s programming activities are not functioning properly.

The wide diversity in projects leaves little room for programmes that could be implemented across regions. Only the apex structures can today be recognised as a programme in real

¹⁵ The situation in the microfinance projects are somewhat different since the apexes in Sri Lanka and Uganda have their own board where reports are shared more frequently.

terms, where activities in projects are recognisable across regions, and where cross-fertilisation is facilitated. However, in SF's project portfolio there are several very interesting initiatives that probably possess the necessary elements to make them into interesting and innovative themes or "product lines"¹⁶. From our very brief review the following stand out:

- Apex structure for venture capital funding and technical assistance to MFIs (more on this in section 11).
- Self Help Microfinance Groups, as practiced in West Africa with Oxfam.
- Strengthening of primary schools in poor communities, as practiced in Uganda.
- Speed Schools, as practiced in West Africa.
- Empowerment of adolescent girls, as practiced in Shonglap in Bangladesh and CEDETEP in Peru.

All of these, and probably other initiatives too, seem to be innovative and effective. However, what is lacking is a systematic approach to document the efforts, contextualise them, and apply them across the regions. Such specialisation, allowing much-needed local contextualisation, could bring along more streamlined planning and monitoring, and cross-fertilisation across regions. Besides, having such cross-regional "product lines" could make communications with donors easier. However, without a clear coordinated effort from HO, this type of more streamlined programming will in most cases be impossible.

The challenges faced in programming are in part already recognized by SF. During the review process HO staff shared with the Review Team its concerns on (a) the need for strengthening of the programme department, (b) improving better relationship between the programme department and the regional offices to more effectively carry out its functions, (c) revisiting the decentralized management system with large autonomy that still rests with the regional offices, (d) Restructuring several processes of the organization, (e) reduction of the work spread to allow better cross-fertilization. With its new leadership we therefore consider that SF has the self-understanding and knowledge it takes to undertake the needed changes.

Regional offices

The regional offices are a major asset to SF. Staff are well-experienced and demonstrate commitment. The local presence gives the opportunity to work closely with partners, and the decentralised organisational structure has facilitated a real empowerment of the regional offices and their directors. In the regional offices, planning, implementation and monitoring take place, and decisions are taken without the need for constant consulting with Norway. We generally consider this to be very positive. The high quality present in many projects is the result of hard work carried out by knowledgeable staff in the regional offices. However, as mentioned before, clearer coordination and monitoring from HO will bring additional benefits.

Interviews with several partners in Uganda confirmed that SF is often the preferred partner, not because it provides the biggest budgets (which it generally doesn't), but because its added values for the educational partners are considerable. These, among others, include:

- Training and capacity-building programme, especially in planning, organisational governance, and financial management and control.

¹⁶ When we use the term product line we do not mean that SF should become donor/HO driven in its interventions. The term is used to identify themes where SF could build a special competence and where the competence could be useful across regions. However, we always stress the need for local adaptation in development interventions.

- Project and financial reporting, including close follow-up by SF's local staff.
- Access to other donors in SF's network and networking with other SF partners.
- Focus on organisational sustainability, including training in local/community fundraising.
- Allowing up to 20% of the budget for overhead/administrative costs.¹⁷
- Coordination between donors.

This long list is impressive, particularly since nearly all the strong points were mentioned by all the visited educational partners. As for the microfinance partners, the added value mentioned was the local presence, which made SF into a more flexible funding partner. However, if not asked about it, no microfinance partner mentioned any benefits stemming from non-funding input like networking or technical assistance. This indicates that besides funding, SF's added value to its microfinance partners seems limited.

As for the educational partners, it is obvious that SF has found measurements that really add value to their partners, at least in East Africa. However, what is now needed to further improve the quality of work in the regional offices is, on one hand, the development of a much closer working relationship with HO, guided by clear policy guidelines and an empowered programme office in the HO. On the other hand, regional offices need to devise a mechanism that will ensure that the capacity that is being built for its partners is also transferred to the government system, in particular the education office, to avoid developing parallel structures. More on this in section 11.

Partners

All SF's efforts are carried out through partnerships with local organisations. According to SF's programme staff, most partners are NGOs or MFIs working on behalf of the target population. Few partners are direct representatives of the target population like community based organisations (CBOs) or savings and credit cooperatives. Most, but definitely not all, educational partners share SF's Christian values. Most MFI partners do not specifically build on Christian values. Normally SF only funds a minor share of an educational partner's overall budget, often between 10% and 40%. Also, with the MFI partners, SF always takes a minor share.

Our impression is that SF has been able to identify relevant and relatively effective partners, who are able to work effectively with local communities and microfinance clients. In table 6, some results from the special survey related to partners are presented.

Table 6: Results from the special survey related to SF's partners

Statements	Strongly agree and agree	Strongly disagree and disagree
SF's development partners are generally weak and a major hindrance in increasing the effect of our development programmes.	15%	62%
I personally prefer when SF partners with Christian partners.	19%	64%
SF's Christian commitment is a hindrance when it comes to choosing the most effective type of partners.	11%	62%
SF should partner more directly with grassroots representative CBOs and less with NGOs and churches working "on behalf of" the target population.	18%	37%

¹⁷ We consider positive that SF allows a certain percentage for overhead cost which are necessary to assure partner quality.

As indicated in table 6, the respondents echo our view that the partners are generally strong. At the same time, it looks like SF does not misuse the fact that its operations are based on Christian values. This was also our impression during the field visit. The Christian values seemed to be a positive asset, strengthening and not hindering the development efforts. Only 37% disagree that SF should partner more with CBOs. With its local presence in the regions, it could be an opportunity to assess whether some partnerships could be directly with representative CBOs from the target communities.

When it comes to the MFI partners, we consider that too much of SF's activities and portfolio are tied up in already strong MFIs, as indicated in section 3 and returned to in section 11.

Value chain – final remarks

The recent initiatives to further improve HRM, the willingness to make use of new technology, its strong financial controls, as well as the introduction of a quality assurance system, is typical of SF. The organisation places great emphasis upon being strong on support activities, to such a degree that we fear that the primary programming activity suffer. There is a need for a consciousness-raising process in SF in order to make the organisation, particularly HO, aware that support activities are only there to support the primary activities. Thus, additional focus upon support activities is not what's most needed at the moment. The support activities are already good, and probably among the better compared to other Norwegian development NGOs. Efforts are now needed to strengthen the programming primary activity.

6. SF's geographical interventions

SF supports 177 projects, with 144 partners, in 17 countries across four regions. The available resources are therefore thinly spread. Adding to this is the distance between the projects. As an example, figure 6 illustrates how the projects are spread across Uganda. The situation in Uganda is similar to that in several other countries.

Figure 6: Spread of projects across Uganda



If the projects were relatively similar in terms of methodology and theme, the spread of resources could be better understood and perhaps defended. However, SF’s supposedly concentrated efforts in education and microfinance are watered down through the inclusion of a very wide variety of interventions, models and methodologies.

The current situation of thinly spread resources does not facilitate concentrated efforts, cross-fertilisation between efforts, or cost-efficient operations. A reduction in the number of projects and partnerships seems appropriate. This can be done through a reduction in the number of regions, partner countries, partners, and projects. Of the available mechanisms, the last is the least controversial while the first is the most controversial.

Few organisations of SF’s size can afford the relative luxury of being present across the globe. And since SF has not developed more standardised methodologies that can be rolled out in most contexts after local adaptation, there are strong arguments that the number of regions should be reduced. However, since SF has private donors attached to regions and projects, a withdrawal is difficult and can be costly. It may also be an advantage in the general donor market to demonstrate size through global presence. Besides, local staff competencies will be lost if regions are closed down.

Table 7 reports the respondents’ answers from the special survey to questions related to the possible concentration of efforts.

Table 7: Results from the special survey related to the concentration of SF’s efforts

	SF should concentrate its efforts in fewer countries, with less partners and in less projects			SF has too many partners		
	Total ¹⁸	Head office staff	Regional office staff	Total	Head office staff	Regional office staff
Respondents	67	19	34	67	19	34
Strongly disagree	13%	0%	18%	22%	11%	29%
Disagree	21%	11%	35%	22%	21%	32%
Neutral	22%	26%	18%	16%	5%	15%
Agree	22%	37%	12%	15%	32%	9%
Strongly agree	13%	26%	9%	10%	26%	3%
N/A	8%	0%	9%	13%	5%	12%

Predictably, table 7 indicates that regional staff are very reluctant to reduce the number of countries, partners and projects compared to HO staff. This is confirmed in the control question regarding whether SF has too many partners.

The new General Secretary of SF recognizes the need for more concentrated efforts. He is currently not planning the closure of any regions, but expresses willingness to reduce the number of countries, partners and projects. At the moment we support his decision. The reason is that we consider it to be much more important for SF to dedicate time and effort to improving its primary programming activities. The closure of regions will probably generate much conflict, both internally and among donors, and may therefore distort other more important efforts. Besides, if SF is able to better streamline its primary activities, identify and develop a few “product lines”, and nurture a more value-adding relationship between HO and the regions, a continued global presence may be wise over time.

When reducing the number of partners, we warn against overloading the remaining partners with projects and money. There is a fine line between concentrating donor efforts and overloading partners’ capacities. A reduction in the number of SF’s projects and partners is necessary, but should not jeopardise partners’ identities and sustainability.

7. The organisational structure

SF is characterised by a greatly decentralised organisational structure. The four regional directors, together with six HO directors, all report directly to the General Secretary (GS). Compared to SF’s size, the number of directors seems high, and the workload for the GS must be heavy. This is even more so since the four regional directors operate far away, making frequent contact difficult.

¹⁸ The total number includes seven board members and seven partner organisations who participated in the survey.

The GS reports to a seven-member board,¹⁹ elected by a 16-member council who meet twice a year. The SF board is reported to be functioning well, with dedicated and capable members. During the last years SF’s board has been increasingly active in its controlling and supporting efforts. An interesting aspect of the board is the one member from the South, not related to SF, currently Joanna Ilboudo from Burkina Faso. The inclusion of a member from the South on the board, as well as six non-Norwegian directors (four regional directors, one expat from India, and one expat from England) again demonstrates SF’s willingness to be innovative, and its real intention of being an international organisation where voices from the South are not only consulted, but are actually decisive. Figure 7 presents SF’s organisational chart at the management level.

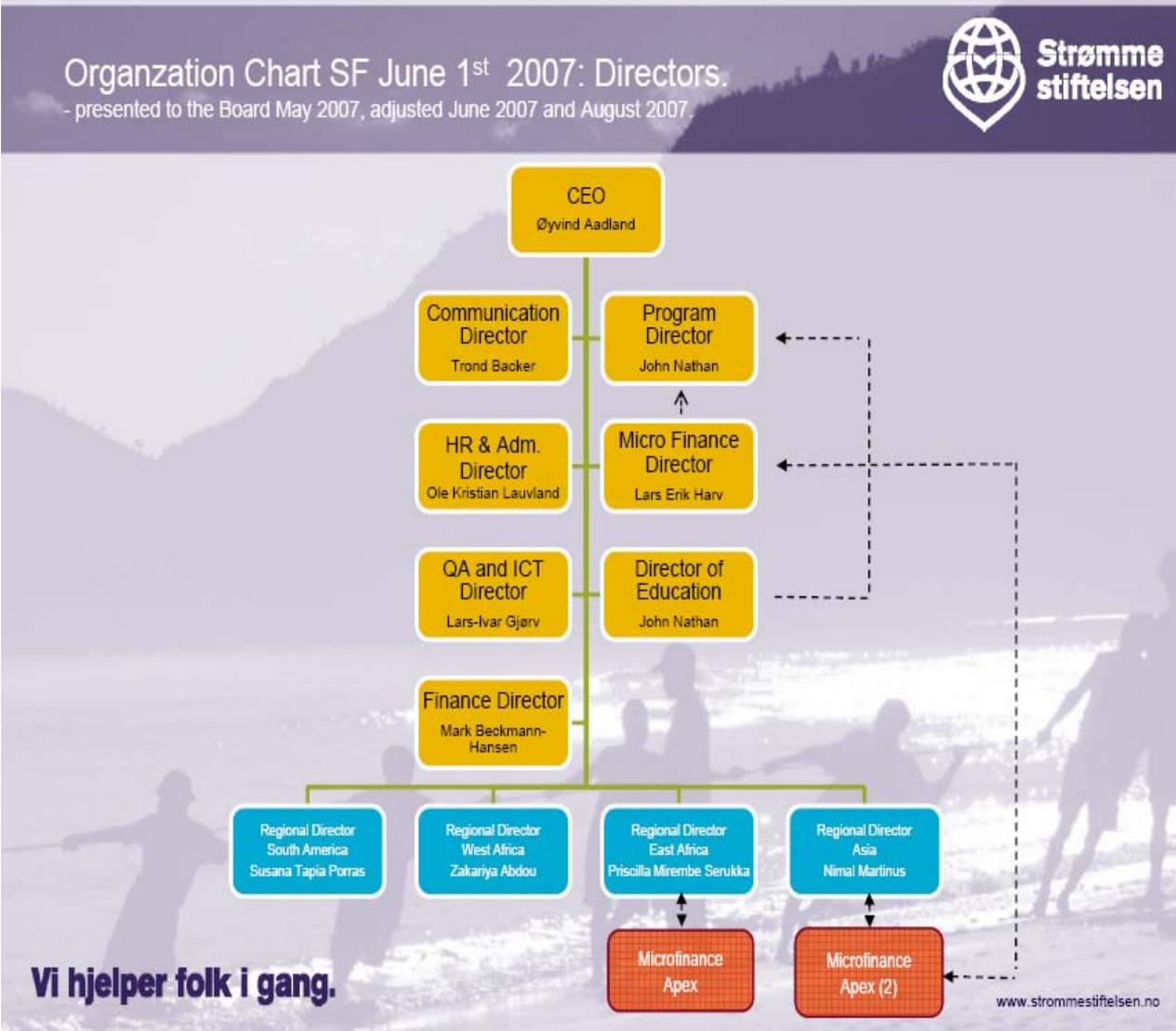


Figure 7: SF’s organisational management

SF’s willingness to keep a decentralised structure where the “voices from the South” considerably influence all aspects of SF is nothing but impressive. The regional directors are empowered and have delegated mandates to fully operate the organisation in their regions. The regional director we met in Uganda demonstrated capacity, knowledge and dedication, and according to SF all their regional directors are of the same calibre. Together with their

¹⁹ Also the three substitutes are normally called for the meetings.

local staff they are a major asset to SF. This is also recognised by all staff, both in Norway and in Uganda, we interviewed during the review process. They all highlight the capacity of the local staff, and the non-dependency on Norwegian expats in the regions.

The focus upon keeping a decentralised structure has not come with zero costs. Today there is a considerable difference between how SF's mandate is practiced in the four regions. Policies, methodologies and practices differ considerably. Standardisation and cross-fertilisation across regions is difficult to observe. Apart from the lending activities in the apexes, it is generally difficult to observe a common thread in the core of the projects. The overall project portfolio is fragmented. To the review team this is surprising since SF claim to be concentrating their efforts in microfinance and education. In particular, the term "education" has been generously stretched to involve a wide spectrum of projects and objectives, as articulated earlier.

There are some instances in which one region has benefited from another. For example, in the writing of the management and operational manual, Asia benefited from the East African manual, and Sudan benefited from the experience of West Africa in initiating SHMGs. However, what stands out is the level of independence in the regional offices. Each office develops its own manuals, decides on new partnerships, phases out partners, and decides how, where and when to get involved. Primarily when it comes to the provision of money do they depend upon HO. The result is that HO often lacks important information, and at the same time the regional offices operate in isolation without proper support and guidance.

We don't want to mislead here, and therefore let us say at once that we think that granting high levels of autonomy and independence to regional offices is commendable and should be encouraged. However, we don't think that this needs to imply depreciation and depriving the HO, in particular the programme office, of its pivotal role. We see a strong need for clear policy guidelines from HO in order to secure coordination, cross-fertilisation, improved effectiveness and cost-efficiency, across as well as within regions. In fact, we do not see how this can be done without a stronger role and involvement from the programme office at HO, nor do we see how SF can uphold their obligations towards the donors²⁰ if HO doesn't install systems allowing better overview at HO level.²¹

SF's flat and decentralised structure is appreciated and challenged by both HO and regional staff, as illustrated in table 8.

²⁰ The demand from Geneva Global has already resulted in much stronger information and monitoring of these projects by HO.

²¹ In SF's microfinance projects the situation is somewhat different as the apexes submit reports to their boards which meet every quarter.

Table 8: Survey responses to questions about SF’s organisational structure

	SF's flat structure is a major strength to the organisation			SF's flat organisational structure makes coordination, learning and monitoring difficult			SF's involvement of regional managers in the top management team is a major strength to the organisation			SF's involvement of regional managers in the top management team generates conflicts and makes the daily overall management of the organisation inefficient		
	Tot	HO staff	RO staff	Tot	HO staff	RO staff	Tot	HO staff	RO staff	Tot	HO staff	RO staff
Respondents	67	19	53	67	19	53	67	19	53	67	19	53
Strongly disagree	3%	5%	4%	10%	16%	13%	3%	11%	4%	24%	16%	25%
Disagree	12%	26%	15%	27%	21%	28%	6%	16%	8%	30%	32%	32%
Neutral	22%	16%	23%	16%	11%	15%	10%	11%	13%	10%	5%	11%
Agree	36%	37%	38%	22%	32%	25%	27%	32%	30%	9%	26%	11%
Strongly agree	13%	16%	13%	9%	21%	9%	43%	32%	38%	9%	21%	9%
N/A	13%	0%	8%	15%	0%	9%	10%	0%	8%	18%	0%	11%

The responses in table 8 illustrate different views on the decentralised structure and its effects. Generally, as expected, regional staff are more satisfied compared to HO staff, but at the same time HO staff support a decentralised structure. Around one third of the respondents agree or strongly agree with the statement that the flat structure makes coordination, learning and monitoring difficult. At HO more than half of the respondents support this view. At the same time there is strong overall support for keeping the regional managers part of the management team.

As mentioned before, we do not see how SF can uphold its current decentralised model over time. At the same time there is a need to assure that the “Southern power” in SF remains a strong part of its culture. In this situation a balanced decision is needed, which will probably require some type of hybrid structure. We will return to this section 11.

8. Level of alignment in interventions

Project and programme design should be aligned with several stakeholders. The assumption is that the more aligned the interventions are, the more effective they will be. Figure 8 illustrates with whom the projects and programmes should be aligned. The inner triangle is, according to our view, the most important areas with which to assure alignment, while the outer square will bring additional benefits to the intervention.

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Figure 8: Project and programme alignment

The time available for the review process does not allow for the in-depth study of alignment. However, in order to achieve some insight we included nine questions in the special survey. Table 9 presents the results for the 67 respondents.

Table 9: Responses to questions on alignment

QUESTIONS/ANSWERS	Very Low	Low	Med	High	Very High	N/A
To what degree are SF's projects/programmes aligned with the target groups' needs and resources?	0%	2%	8%	51%	36%	5%
To what degree are SF's projects/programmes aligned with SF's overall vision, mission, strategies and policies?	2%	0%	9%	43%	42%	5%
To what degree are SF's projects/programmes aligned with the local partners' strategies and competencies?	0%	2%	12%	60%	18%	9%
To what degree are SF's projects/programmes aligned with lessons learned in related international experiences and research?	2%	6%	30%	36%	13%	13%
To what degree are SF's projects/programmes aligned with local experiences in the target area/group?	2%	0%	13%	48%	30%	8%
To what degree are SF's projects/programmes aligned with national strategies like the PRSP in the countries where SF operates?	0%	2%	10%	48%	28%	12%
To what degree are SF's projects/programmes aligned with other major, related donor-funded projects in the country/area of operation?	2%	5%	25%	33%	21%	15%
To what degree are SF's projects/programmes aligned with the private Norwegian donors' expectations and preferences?	5%	0%	12%	33%	24%	27%
To what degree are SF's projects/programmes aligned with Norad's overall strategy for Norwegian development (White paper, etc.)?	0%	2%	6%	39%	31%	22%

The results for those who work with microfinance and those who work in education parallel each other to a large extent, as do the results for those working at HO and the regional offices. To help identify areas with higher and lower level of alignment, we have greyed the results for High and Very High. Alignment with international experiences and research, and alignment with other major, related donor-funded projects in the country stand out as the two most interesting areas of analysis, with a total of 49% and 54% answering High or Very High, respectively. Compared to most of the other areas fluctuating around 80% in the High or Very High categories, the respondents are less certain whether SF's projects and programmes are aligned with research and other donors' initiatives. This may indicate that SF operates too much in isolation, and that they are not investing sufficient time in networking with researchers and other major players. A recent initiative of the new General Secretary, in which he indicates a strong wish to increase and improve the organisation's relationship with academia, is therefore timely.

9. Synergy between microfinance and education

Everyone will agree that for a target group there is strong synergy between access to microfinance and increased knowledge and skills. However, there seems to be a misunderstanding among several people in SF when they argue that being involved in both microfinance and education assures synergy. It doesn't! For synergy to be present requires either a coordinated effort in both education and microfinance towards the same target group,

or internal synergy in SF. For example, what is learnt in microfinance can be applied in education or other types of economies of scale, and being involved in both areas can give a competitive advantage in the donor market.

When assessing SF it is very difficult to observe any form of synergy from being involved in projects and programmes within the two fields of microfinance and education. The only area where synergy is clearly present is in SHMGs, where both knowledge creation and financial mobilisation are fundamental elements. Elsewhere little synergy can be observed. Sharing offices may bring down the cost of rent, there may be some synergy in the donor market, and some synergy may be found in South East Asia where it is more common to practice a more integrated microfinance model compared to the mainstream one in Africa and South America. Some may also argue that by keeping the apexes together with education, SF reduces the risk of microfinance drifting away from the poorer segments. However, at the same time others will argue that by keeping them together, microfinance is not able to fully release its potential.

The overall impression is that little synergy can be observed. There are very few cases where the same partners operate both microfinance and education projects²². There are very few cases where education and microfinance partners operate in coordinated efforts towards the same target group. And there is little evidence of economies of scale, cross-fertilisation or other types of win-win situations between microfinance apexes and education within SF. However, strong synergy can be found in SHMGs.

Three questions related to the synergy aspect from the special survey are reported in table 10.

Table 10: Responses to special survey questions related to SF synergy

Statements	Agree and Strongly Agree
My experience is that SF is able to find important synergy between education and microfinance.	58%
My experience is that SF’s knowledge and experience in education strongly influence and improve SF’s involvement in microfinance.	55%
My experience is that SF’s knowledge and experience in microfinance strongly influence and improve SF’s involvement in education.	51%

Compared to the rest of the survey, the scores on the synergy aspect are low and indicate that several of those working in SF also struggle in identifying synergies. However, based on our observations we would have expected the scores to be considerably lower. We interpret this mismatch as a need in the organisation to better understand what synergy actually is.

Does the analysis so far indicate that SF should redirect all of their microfinance activities into SHMGs, which is the area where synergy exists? Table 11 provides some further insights.

Table 11: Responses to special survey questions related to microfinance operations

Statements	Strongly Agree and Agree	Strongly Disagree and Disagree

²² Blended microfinance and education initiatives provided by the same partner are generally not recommended (one of the 11 key principles of C-GAP). This also illustrates how difficult it can be to search for synergies between education and microfinance in SF.

SF should gradually change its microfinance involvement from building up a professional microfinance industry to promoting more people-based financial systems.	48%	14%
SF should continue to have a broad microfinance involvement in both the promoting of savings and credit groups and in building sustainable MFIs.	73%	3%
SF's limited apexes should be phased out and SF should specialise in being a donor, not in being an investor in microfinance.	21%	40%
SF should avoid inviting profit-motivated investors to participate in the limited apexes.	28%	29%
I favour SF's involvement in promoting microfinance in self-help groups above SF's participation in building up sustainable MFIs.	44%	18%

The responses reported in table 11 are interesting. For example, 73% want SF to continue being involved in both apexes and self-help groups, but at the same time there is no doubt that the self-help group methodology has much more support in the organisation. Only 14% disagree with the statement that SF should shift from building a microfinance industry to promoting more people-based financial systems; only 29% disagree with avoiding inviting profit-motivated investors, and as many as 44% favour SF's involvement in self-help groups above its participation in building up sustainable MFIs. Finally, only 40% disagree to phasing out the apexes.

It therefore seems like those answering the special survey are divided in two camps: one satisfied with the situation as it is, and one interested in seeing SF become increasingly involved in savings and credit groups at the cost of the apex structures. Particularly since there is little synergy between apexes and SHMGs, a gradual phasing out of the apexes could, theoretically speaking, be an alternative. However, SF has a long history of involvement in apexes and wholesale lending activities. Knowledge is gained, the organisation is positioned in the donor market and obligations taken on. SF is now an actor in a relatively new and very dynamic industry. For the time being there are good reasons to continue being involved in both apexes and self-help groups. However, as time passes and the market matures, a day may come when leaving the apexes in the hands of others may be a wise decision. It is therefore important that SF structures its apex involvement in such a way that successful exit is possible.

There is also another side of the synergy debate that we consider to be important: the degree to which the continued debate may hamper the professional development of SF's microfinance apexes. As we will further analyse in section 11 we consider it time to separate the wholesale lending into a separate legal structure to allow increased professionalisation in this area. Thus, we suggest ending the synergy debate and allowing the apexes to develop along sound principles for their type of businesses, still in line with SF's commitment to eradicating poverty.²³

10. Comparing microfinance and education in SF

In this section we compare the quality of efforts in microfinance and education. The objective is not to proclaim a winner, but to use the exercise to identify in which of the two programmes SF may have most challenges to confront, according to its own assessment. To structure the comparison we make use of CGAP's aid effectiveness star. The idea behind the star is that a

²³ There may be models in South East Asia that allow more synergy. In this case, continued emphasis upon synergy may be wise.

donor has five important areas to care for if the aid it provides is to be effective. The star is presented in figure 9.



Figure 9: CGAP’s aid effectiveness star

The five areas of the star are defined as follows:

- Strategic Clarity measures whether the development agency has policies aligned with good practice that are shared throughout the agency.
- Staff Capacity measures whether the development agency has staff with the necessary expertise to ensure quality of design, implementation, and monitoring of programmes.
- Accountability for Results measures whether the development agency has systems in place that ensure the transparency and performance-based management of programmes and components.
- Knowledge Management measures whether the development agency has systems to create, disseminate and incorporate learning from its own and others’ experience.
- Appropriate Instruments measures whether the development agency has appropriate funding instruments that are used in a flexible manner and adapted to partners’ and market needs.

In tables 12 and 13 the results from the 67 respondents to the special survey are reported. Table 12 has combined Strongly Agree and Agree into one, and the statements for education are greyed to make it easier to distinguish between education and microfinance. In table 13 the respondents were asked to decide whether they consider education or microfinance to be “best”. The two tables therefore complement and serve as controls for each other.

Table 12: Special survey responses to statements on education and microfinance

Statements	Agree and Strongly Agree
SF’s microfinance policy is in line with internationally recognised good practice and is shared throughout the organisation.	85%
SF’s education policy is in line with internationally recognised good practice and is shared throughout the organisation.	75%
SF’s staff has the necessary expertise in microfinance to ensure the quality of design, implementation and monitoring of microfinance interventions.	83%
SF’s staff has the necessary expertise in education to ensure the quality of design, implementation and monitoring of education interventions.	81%
SF has good microfinance systems in place to ensure transparency and enable	84%

performance-based management.	
SF has good education systems in place to ensure transparency and enable performance-based management.	81%
SF has good microfinance systems to create, disseminate and incorporate learning from its own and others' experiences.	70%
SF has good education systems to create, disseminate and incorporate learning from its own and others' experiences.	66%
SF has appropriate funding instruments in microfinance that are used in a flexible manner and can be adapted to partners and market needs.	72%
SF has appropriate funding instruments in education that are used in a flexible manner and can be adapted to partners and market needs.	61%

Table 13: Special survey responses to questions on education and microfinance

Questions	Educa-tion	Micro-finance	N/A
Where would you generally consider that SF's policy is better in line with international recognised good practice; in microfinance or in education?	22%	54%	24%
Where would you generally consider that SF has strongest staff capacity; in microfinance or in education?	33%	37%	30%
Where would you generally consider that SF has better quality systems in place; in microfinance or in education?	21%	55%	24%
Where would you generally consider that SF has better systems to create, disseminate, and incorporate learning from its own and others' experiences; in microfinance or in education?	25%	39%	36%
Where would you generally consider that SF has more appropriate instruments that are flexible and adapted to market needs; in microfinance or in education?	24%	34%	42%

Table 12 and 13 are discussed together. Both tables clearly indicate that the respondents perceive microfinance to be more “advanced” compared to education. In all five areas, microfinance stands out. The lower scores in both microfinance and education related to the systems to create, disseminate and incorporate learning from its own and others' experiences echo the findings in table 9, where alignment with international experiences and research also scored low (compared to the other areas). Indeed, based on the scores, the level of self-satisfaction is clearly higher among those working in microfinance compared to those working in education. To all five questions in table 13, between 80% and 90% of those working in microfinance considered their own area to be “the best”. For those working in education, the percentages fluctuated between 30% and 50%. In many ways this also demonstrates the professional and cultural difference that exists between the two areas. While microfinance because of its quantitative inclination (finance/economic) attracts the more business type of people and can make use of more standardised methodologies, benchmarks, etc., educational efforts are more qualitative and contextual specific and thus, not readily standardised. They, therefore tend to attract people who tend to be more “humble”. The answers may also reflect, as outlined earlier, that SF faces a considerable challenge in better defining its educational efforts.

11. Areas of special concern

In what follows we shall outline areas which needs to be addressed by SF

11.1. Microfinance

As mentioned already SF is in need of a more mainstream model for wholesale lending. This will require a final settlement with Norad on how to consider loan capital received through the framework agreement. Nearly all loan capital in SF's wholesale lending operations stems from the framework agreement with Norad. Until now, in agreement with Norad, this capital has not been consolidated in SF's financial accounts. To Norad it is difficult to provide funding for on-lending since funds are not spent, and there may be income related to the lending operations through the payment of interest. However, Norad's funding instruments should not hinder the best possible project design. In our view, SF has been justified in emphasising the need to supply funds to MFIs as loans (and not as grants), and charging interest on the loans. It is also our view that SF is right in advocating that lending operations should be organised in separate apex structures organised as shareholder companies (when legally appropriate). SF has long wanted to organise all the lending operations as a separate legal structure at the HO level, with the sole responsibility of being a wholesale lender. We support this view as indicated in figure 10 below.

Similar to most other international lenders, SF offers MFIs short-term loans on close to commercial terms. However, other often more important needs are only served to a minimum degree by SF and its apexes. Smaller MFIs have a strong need for technical assistance, capacity building and better governance, and MFIs organised as NGOs have a need for quasi-equity. SF's local presence can make such provision possible. Thus, we argue that SF has not been able to fully make use of its core competitive advantage – local presence. Moreover, local presence should make it possible for SF to not only provide loans funded by the framework agreement with Norad, but also to broker others' money.

From a theoretical standpoint, SF would benefit from considering themselves as venture capitalists and not a bank. Banks take little risk and receive little return; venture capitalists take more risks and receive higher returns, but in a longer run. Besides, banks provide little more than funds to their clients, while successful venture capitalists bring in other resources like networks, knowledge, governance, etc. This is really what is needed in the microfinance industry today, and with its local presence, experience and knowledge in the field, SF is well-positioned to take on such a role. Considering themselves as venture capitalists, SF will become a much more active and involved part of the MFIs. This could include taking a position on some MFI boards. The best way of becoming a venture capitalist is to become an equity holder in an MFI. However, due to legal constraints this may be difficult, so quasi-equity in the form of subordinated debt could be a feasible measure.

Microfinance wholesale lending should search for new strategies. According to our view, the core outcomes of a strategic process could be as follows:

- Wholesale lending is organised in a separate organisational structure in Norway, fully owned by SF. This could be done in a not-for-profit shareholder company where only capital first donated to SF can be allowed as shareholder capital (solely owned by SF). A possible name could be SF microfinance ltd.
- In regional apexes also other investors beside SF microfinance ltd could become co-owners. Conditioned that they share SF's mission.
- An agreement with Norad should clearly indicate that funds received in former framework agreements should be:
 - Legally owned by SF, allowing a full consolidation of the organisation's financial accounts. This could be done as restricted equity in SF. This capital could so be invested as equity and debt in SF microfinance ltd. Interest income

from the donated capital should only be used for microfinance operations and outreach.

- Properly managed according to recognised “best practices”.
 - Mainly (at least more than 50%) invested in smaller and medium-sized MFIs, especially those with few alternative sources for funding.²⁴
 - Used for microfinance operations only.
 - In case SF decides to no longer provide wholesale lending and investment in MFIs in the future, the money received could be used to fund other SF operations in line with Norad’s policies and in the least developed countries.
- In future framework agreements with Norad, SF should only receive funding for technical assistance and similar to strengthen smaller MFIs. Some funding for applied research and networking could also be appropriate.
 - Increased capital for on-lending in the apexes should come from other external sources. Due to the cost constraint outlined in section 3.2, this could be done through brokering arrangements and not necessarily in more traditional intermediation formats.
 - SF considers themselves “venture capitalists” and starts developing a core competence therein. This will require continued efforts to build staff capacity.

11.2. Education

It is our opinion that the following areas of concern need to be discussed as far as SF’s education intervention is concerned.

Broad definition of education

The first and undoubtedly main area of concern is SF’s use of a very broad definition of education. This is obvious in both the overall development policy and the education policy of SF. A quick review of SF’s policies and strategies clearly revealed that SF’s definition of education encompasses almost everything, from formal (public and private schools) to informal (literacy, skills development, vocational training, etc.) education. Consequently, a review of the educational project portfolio confirms that SF’s current initiatives in education seem to involve everything. Obviously, such a broad definition of education, or rather such a lack of a limited and focused definition of education, makes it difficult for SF as an organisation to develop and maintain a core competence in education and develop comparative advantage. It is the opinion of the review team that this is a major area of concern in SF’s development policy in general, and its education policy in particular. We therefore call for SF’s immediate attention in order to address this shortcoming. The urgency of a clear and focused definition of education also stems from the fact that SF has deliberately chosen Education as one of the two principle areas of intervention to free people from poverty.

Appropriateness of the use of the “community-based education intervention” concept

Closely related to the above is SF’s use of the concept of “community-based education intervention” (CBEI) to refer to its current educational initiatives in East Africa. The concern we wish to raise here is the appropriateness of using the CBEI concept in relation to SF’s educational projects, at least those that the review team visited. From our observations and from what was told to us during the field visit, we have the impression that what is here referred to as CBEI is essentially strengthening primary education, with strong emphasis upon

²⁴ More details on type of MFIs may be needed in the agreement. Besides, investment can be done either as loans, equity or guarantees.

involving the community (as part of the stakeholders) right from the project identification stage through participatory preliminary studies (PPS) to implementation, through local resource mobilisation.

While there can never be any doubt that the involvement of the community in project identification and local resource mobilisation for education is a worthwhile effort, which needs to be commended and strengthened, our concern is that in itself this does not constitute what educationalists would call CBEI, for the education concept of CBEI is more than that. In a school setting, for example, it first and foremost refers to a local/community-based curriculum. Therefore, all other aspects of education, such as the teaching and learning materials, the language of instruction, the overall school environment, etc., are all designed and developed to identify with and suit the community within its context. It should therefore be education that the people, in particular the beneficiaries, are able to directly identify with and associate with their respective immediate communities. Thus, even within the same country, community-based education would be different from one community to another.

Development of a parallel structure

The third and final area of concern is the danger of developing a parallel structure besides the government/public education system. This danger is directly related to SF's model of operation, in particular SF's use of partners, mainly NGOs, in the implementation of its projects and programmes. According to this model of operation, SF not only channels financial support to the various partners in order for them to implement the various education projects, but also supports the capacity building of these partners in various fields of specialisation in an effort to enhance partner effectiveness and efficiency. In the context of developing countries, it is obvious that this model of operation carries with it an inherent danger of developing a parallel structure besides the government/public education system, especially if there are no deliberate efforts to make sure that the capacity that is being built within the partners is also transferred or filtered into the government/public system.

The government education system in developing countries is often starved of both manpower and financial resources, and is therefore characterised by weak, ineffective and inefficient education delivery systems. These inadequacies make dealing with government or public systems cumbersome and difficult, and often serve as salient reasons for bypassing the public system and avoiding any sort of interaction with the government. On the other hand, it is true that despite all these inadequacies, the government is still entrusted with and actually carries the heavy responsibility of education provision in most developing countries. In fact, developing the capacity of the government system is perhaps the most important and primary focus of Norwegian development assistance, and therefore the main rationale behind Norad's support for education in SF. It is encouraging to hear that East Africa Regional office has partnership agreement the Ministry of education under which in Uganda, for example, the government, and the district education office in particular, is involved in the PPS and some aspects of project implementation. We would strongly advise SF to devise a mechanism to ensure that the capacity that is being built among the partners is also transferred to the government system, especially the district education office. The underlying principle for SF should be: work with the government and not on behalf of the government. Given its model of operation, SF needs to insist on this principle being adhered to by all its educational partners.

11.3. A new organisational structure

The current organisational structure seems to be a constraint and holds back new and necessary innovations in the organisation. A new structure is necessary in order to facilitate better programming and the mainstreaming of microfinance wholesale operations. In figure 10 we present a potential new organisational structure, which we believe can help guide SF in their efforts to design a new structure.

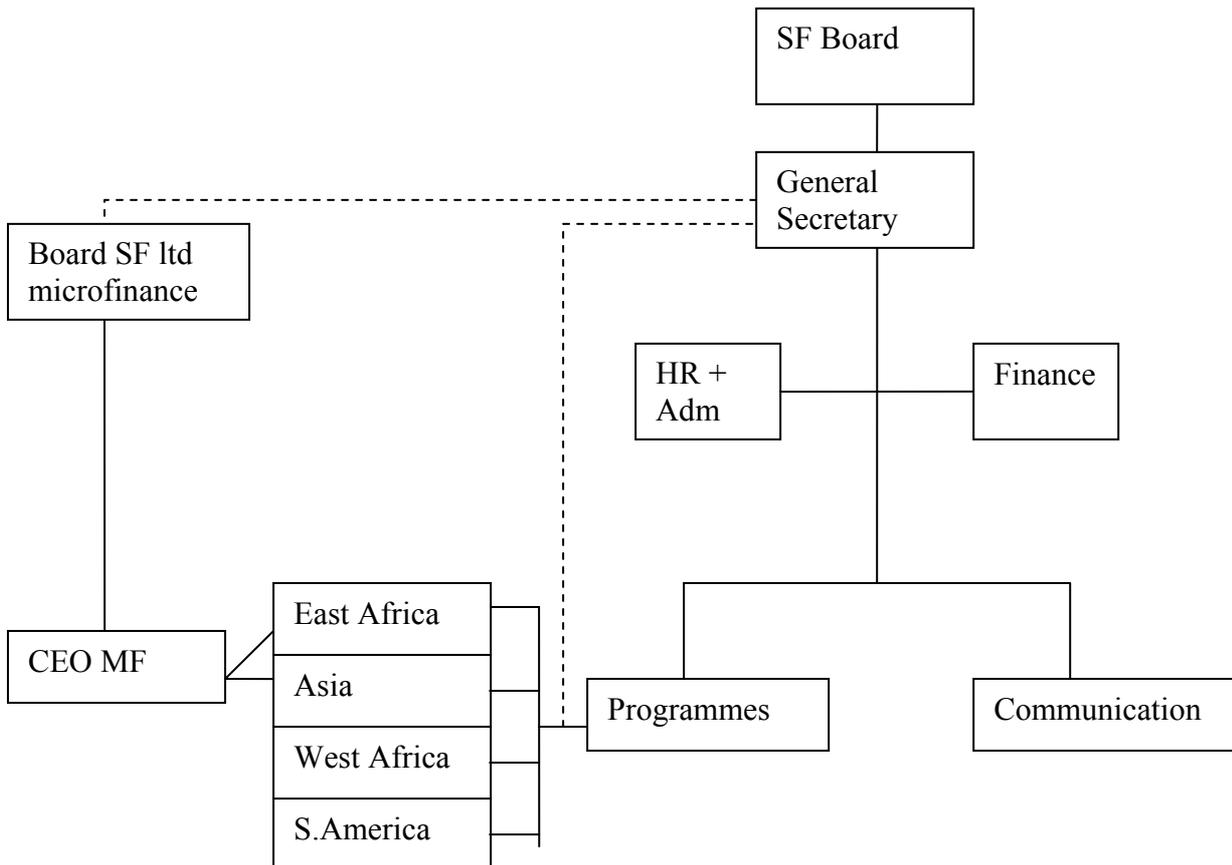


Figure 10: Proposal for a new SF organisational structure

In the proposed new structure there are three main changes compared to today's situation. First, quality assurance is removed from the management team as we consider this to fall within the programme and administration departments. Second, wholesale microfinance activities are organised in a separate legal structure. And third, the regional directors will report on a daily basis to a new programme director located at HO, while the apex directors will report to their boards nominated by the CEO of the microfinance ltd.²⁵ The dotted line between the GS and the regional directors is to illustrate that the latter will continue being the legal representatives of SF in their regions, and as such they should have direct access to the GS as he is the one appointing them. We also suggest that the directors indicated in the figure,

²⁵ There is no problem in continuing the current practise of letting the regional directors being the presidents of the local apexes. However, legally they will have to be appointed by the owner who in a new structure will be the ltd company.

including the CEO of the microfinance limited company and the regional directors, are considered to be the leadership of SF, and as such they should meet in a leadership conference at least once a year. The solid line between the CEO of the microfinance limited company and the regions is to indicate that this person will constitute the general assembly of the local apexes. If apexes are opened in West Africa and South America similar solid lines will have to be added. The dotted line between the GS and the microfinance limited board is to illustrate that the GS as the general assembly of the company should be the one appointing the board. The GS should probably also become the president of the board, but should at the same time ensure that proper microfinance expertise is appointed.

In our view, the proposed organisational structure could:

- Strengthen/streamline the programming core function at HO and provide the regional directors with close follow-up and monitoring.
- Facilitate cross-fertilisation across regions.
- Allow the development of “product lines”, which after local adaptation could be tried out globally.
- Allow specialisation in microfinance apex operations.
- Give the GS a workload that is manageable.
- Facilitate a more effective coordination and management team.
- Improve the communication and contact between the programme and communication departments.

SF has long recognized the need for a new organizational structure. As this report is handed in SF has thus already decided changes which seem to be in line with the recommendation provided here.

12. Conclusions

In responding to the Terms of references, our overall conclusion from this organisation review is that SF, as an organization, has the ability to provide effective aid, but still faces some important challenges. These are particularly related to more effective programming of development efforts, a more value adding relationship between head office and regional offices, a more precise understanding of education, and a more sustainable and value adding business model for the microfinance activities. However, the results of SF’s activities and interventions are both in accordance to the Norwegian policy priorities and also relevant to partners’ and target groups’ needs. Moreover, the assessment of SF’s support activities confirms the organisation’s professional, financial and administrative capacity to carry out programmes under the framework agreement with Norad. More specific conclusions from the review are summarised as follows:

Organisation

- SF is a transparent organisation willing to share information and eager to innovate and improve its quality of work.
- SF is well-anchored in Norwegian society with diversified sources of funding. Its dependency upon Norad is limited, with less than one third of the funding coming from the framework agreement. Increasingly, SF has been able to tap into new income sources stemming from businesses and international institutions.
- The support activities of infrastructures, accounting, administration and use of technology are well-structured and all add important value to SF’s interventions. In

particular, financial control is impressive from both a control and transfer of knowledge perspectives.

- The recent intranet and total quality assurance initiatives are interesting and innovative. However, they fall the risk of being too overwhelming and effort should be made to make them aligned with the major needs of the organisation.
- The positive side of SF's flat structure is that it has facilitated a high level of autonomy and independence to the regional offices, which has made regional offices an important asset to SF.
- The challenging side of the organisational structure is that it does not allow easy cross-fertilisation across regions or a stimulating relationship between regional offices and the programme office at HO, nor does the structure facilitate close contact between the programme and communication departments.
- The partnership arrangement is functioning well, mainly because of the local presence of regional offices, which enables SF to identify reliable and effective partners with relevant local or community knowledge, and also allows close follow-up of the partners.
- The educational partners acknowledged and appreciate important added values from their relationship with SF over and above funding. Fewer added values were observable with the microfinance partners visited in Uganda.
- A structured programming of the development interventions stands out as one of SF's major challenges. The result is that few overall concepts, themes or 'product lines' can be observed. The quality of interventions can end up being incidental, and the variety of interventions too broad.
- SF's resources are thinly spread across four regions, 17 countries, 144 partners and 177 projects. Increased overall impact is expected if resources are more concentrated.
- SF's projects and programmes seem well-aligned with most of the relevant stakeholders. However, alignment with international research and other donors' efforts could be strengthened.

Microfinance

- SF has been able to reach out to an impressive number of MFIs, most of them small and with few other accessible funding partners. However, most of the microfinance portfolio is concentrated in a few larger MFIs.
- With its local presence SF is well positioned to serve smaller MFIs not only with short term funding but also with technical assistance and (quasi)equity accompanied with relevant governance.
- In its lending operations SF has not been able to effectively tap into other resources, and is therefore nearly fully dependent upon the grants received through the framework agreement.
- The overall microfinance activities in SF as well as the individual apexes are not sustainable and show few signs of becoming sustainable unless the current business model is changed.
- Its recent involvement in SHMGs constitutes an interesting initiative where also the synergy between microfinance and education is more obvious. However, between the apexes and the SHMGs as well as between the apexes and education little synergy can be observed.

Education

- SF has a long standing experience in supporting education in the South. Indeed, support to education has always constituted the biggest part of SF's resources, nearly double of the financial resources compared to microfinance.
- SF's initiatives in education like CBEI in East Africa, Shonglap in Bangladesh and Speed Schools in West Africa are interesting and relevant innovations in the context of development education. With clearer guidance from HO, these innovations have great potential, with local adaptations, to be rolled out across and within the regions.
- SF's broad and vague definition of education is a major area of concern. This not only undermines good education initiatives, but also makes it difficult to observe the organisation's core competence in the field of education, despite many years of experience.
- Closely related to the above is the lack of clear education policy guidelines from HO to guide and coordinate education initiatives across SF's regions. This has resulted in fragmented portfolio of education projects.
- In education, although SF's partnership arrangements function well, they run the risk of developing a parallel structure, especially if the current capacity being built within the partners is not transferred into the government system. A deliberate mechanism is necessary to ensure that such a transfer of capacity from partners to the government is implemented.

As a final note, it should be pointed out that SF is familiar with most of the challenges raised in our conclusions above, and indeed, it is planning to address most of them in its forthcoming 5-year's Master Plan (2009-2013).

13. Recommendations

Organisation

1. SF should continue developing strategies to expand and diversify its sources of donations. Regional offices should be encouraged to seek funding opportunities from the local OECD embassies in their respective regions, while the HO could explore possibilities in the EU system, as well as other international sources like Geneva Global.
2. The organisational structure of SF should be changed along the lines proposed in this report in order to facilitate better coordination, increased quality and cross-fertilisation in programmes, and to specialise the apex operations. This includes placing microfinance operations in a separate legal structure, and includes a programme director at the HO.
3. SF should continue to cultivate its decentralised structure and the empowerment of local staff and management. A clear message should be given that the need for better programming and a programme director does not mean a shift away from being a decentralised organisation.
4. SF should concentrate its efforts with fewer partners and projects in fewer countries. For the time being we don't recommend the closure of regions as this could generate "noise", both internally and among donors, which may distort other more important organisational changes.
5. A more demand-driven and limited approach is needed in order to get the best possible out of the recent quality assurance and intranet initiatives.
6. SF should perhaps decide upon a maximum of five "product lines" in order to develop special competencies and allow the rolling out the interventions across regions (after

the necessary local adaptation). SHMGs could be one such “product line”, Shonglap in Bangladesh could be another.

7. SF should assure better alignment in projects and programmes with international research and major donors’ interventions. Partnerships with academic institutions and action research efforts are recommended.

Microfinance

8. For the wholesale lending a new strategy, different from the current of cross-subsidization, should be carved out. This could include the separation of the lending activities into a separate organisational structure and a shift in strategy from being a “bank” to becoming a “venture capitalist”. This will allow the channelling of much-needed non-financial resources like technical assistance and governance to the MFIs.
9. Grants received by SF from Norad for the lending operations should legally be passed over to SF as restricted equity, allowing the consolidation of the financial accounts. A separate agreement between Norad and SF should be developed to govern these grants.

Education

10. As a matter of immediate attention, SF needs to revisit its broad and vague definition of education and develop a more limited and focused definition, as well as clear policy guidelines. This will include installing additional expertise and capacity in the HO.
11. To avoid developing a parallel structure, we strongly recommend that SF devises a mechanism to ensure that the capacity that is being built among the partners is also transferred to the government system, especially to the district education office.

We recommend that Norad should enter into a new framework agreement with SF based on the recommendations and assessments provided in this report. In the new framework agreement SF should visualise its main “product lines” and clarify its educational concept. Besides, a more value adding relationship between the Head Office and regional offices should be outlined. Continued funding for microfinance is recommended, but not as grants for on-lending, but as support for the promotion of SHMGs and the strengthening of smaller MFIs through the provision of technical assistance, (quasi-)equity and corporate governance.

Norad. The review will also assess the partner organisations' ability to deliver towards its target groups and its ability to meet with its commitments towards the Norwegian organisation. It is the "performance of the system for delivery services" that is to be analysed, not the services themselves. An assessment of the partners' capacity may, however, be illustrated by results among the end-user of the partners' services.

The context at home influences the Norwegian organisation in Norway; the context abroad influences the organisation and partners in their joint work. By context is meant framework conditions which the organisation cannot influence itself, factors it can influence as a result of prolonged purposeful efforts, and factors in its surroundings which it can readily influence.

The organisational review will normally start with a description of the services delivered at different levels in the organisational chain. The description shall be related to the context in question. It shall also provide an overview of the distribution of resources in the organisational chain. As the analysis of the organisation's and partners' services progresses, the causes of the conditions that are uncovered will be examined in more depth, both factors of an organisational nature (the square box I), the partners' roles and resources, and factors that can be attributed to the context in which the work is done.

It is important not just to examine the results (Circle III) among partners. Also possible consequences of the organisation's and partners' work for other groups in the immediate environs and the local community may be examined. As illustrated by the arrows in the figure, there is continuous interaction between the organisational chain and the surroundings. In this interaction a great deal of communication and learning takes place at different organisational levels between the Norwegian organisation, partners and recipients, which is important to performance.

The capacity analysis of this organisational system shall assess both the services delivered and the quality of the ongoing interaction processes, which will require the use of different kinds of indicators.

The square (I) contains the actual description of the organisation, including the organisation's platform, organogram, strategic coherence, human and financial resources and procedures/tools, evaluation and learning.

The analysis of the organisation's ability, together with its local partner, to make use of its resources in order to achieve results takes place in the triangle (II). The analysis of performance is the most important part of the organisational review.

The circle (III) contains the results which the organisation achieves together with its partners with respect to the development of the partners' capacity and aid to final recipients. The results are divided into two parts in order to illustrate that most organisations have the twofold goal of strengthening local partners and thereby strengthening special target groups and/or civil society. The review shall focus on capacity development with the partner. Results with the end-user may serve to illustrate the partners' capacity, but is not subject to separate analysis. In addition to observations, interviews and the material available in the organisation's reports to Norad, the country visits will show whether the results among partners are actually in accordance with the picture painted by the organisation in its reports.

An organisational review shall thus assess an organisation's ability to achieve effective aid given its available financial, human and professional resources and work methods. The main question is whether the organisation – together with its partners – has the capacity and professional expertise required to achieve its goals and implement the measures and programmes supported by Norad or which Norad will support. This presupposes that the organisation is familiar with the socio-cultural context in which it operates and that it has a realistic ambition level for its work. Other important aspects include examining to what extent and how the organisation coordinates its work with other organisations, locally and in relation to the national authorities. And whether it is familiar with and utilises the same guidelines and standards in its work as other players do.

The team's assessment shall take account of Norad's experience of dialogue with the organisation, the annual meeting, country visits, the organisation's follow-up of previous grant letters, participation in various national and international forums etc.

After an overall assessment, Norad should be able to:

Determine whether the organisation has the required system for management and control of its own activities, including expertise with respect to developing and applying methods and systems for the documentation of results and long-term effects.

Determine whether the organisation's reports to Norad give a true picture of partner. and provide Norad with an adequate basis on which to assess further support.

Determine whether the organisation is capable of adapting goals and means to each other, and adapting means and goals to the situation and the context.

After the review the organisation should be able to:

Decide the direction of the organisation's further work on development of its capacity.

2. Background

Strømme Foundation is a foundation based on Christian values. Some of its core values and focal points for development work are human dignity (menneskeverd), human rights, gender equality, participation, responsibility, transparency and sustainability.

Strømme Foundation development goal is poverty eradication by supporting people struggling to get out of poverty through social and economic development, as well as enabling/ empowering people to make use of the talents that exist in every human being in order to create "value based development".

All of Strømme Foundation's work is based on "increased understanding, engagement and economic support".

Strømme Foundation's framework agreement with Norad was signed in 2003, and Strømme Foundation will be assessed for a renewed framework agreement after the fiscal year 2008. The agreement is comprised of a number of free-standing projects, combined into two larger thematic programmes with either Microfinance or Education. With respect to countries, the following are included in the agreement; Kenya, Mali, Rwanda, Tanzania, Sudan, Uganda,

Bangladesh, Sri Lanka, East Timor and Bolivia. KRIK (Kristen Idrettskontakt) has also been included in the agreement.

Strømme Foundation argues that there is a significant synergy between being involved in projects and programmes within the two fields of Microfinance and Education. Since the agreement was signed Strømme Foundation has also quite frequently made changes with respect to the local partner for individual projects, phasing out old partners and entering partnership with new local partners within the Framework Agreement. This has also been commented upon by Norad. Strømme Foundation has responded to these comments.

In parallel to the framework agreement, there has been a dialogue between Strømme Foundation and Norad with respect to its Microfinance activities, and the fact that Norad through Strømme Foundation supports profit based companies, Ltd's or "Apexes". Strømme Foundation argues that profit is no motivation, but has come about in their search for efficiency. The legal form of a shareholding company, SF also argues, is a convenient set-up if SF wants to attract equity and active ownership.

The reason for carrying out a review now, is to establish a platform for further dialogue before the next assessment for a renewed framework agreement (from 2009 onwards) is due, and also to bring forth constructive recommendations for improvements with respect to the foundations work, and the cooperation between Norad and Strømme Foundation. This review is also part of Norad's regular organisational reviews.

The team will comprise of two consultants, from two different consultancy companies (NCG and LINS), due to the thematic focus stated in the agreement. One will focus on the microfinance aspects (NCG), whereas the other will focus on the educational aspects (LINS). One of the two consultants will be selected as a lead consultant, and will be responsible for the delivery of the final report. The budget also allows for hiring a local consultant, which in that case will be hired by the team.

3. Purpose

The purpose of the organisational review is to examine the organisation's ability to provide effective aid. By effective aid in this context is meant:

The cost-efficient use of funds

Results that are in accordance with Norwegian political priorities

Relevance to the partners and target groups

The ability to achieve its own goals

The review shall assess the organisation's professional, financial and administrative capacity to – together with its partners – carry out programmes that implement the organisation's Norad-financed measures and programmes.

4. The scope of the assignment

The review shall be based on the following reference material:

The organisation's cooperation agreement and contract with Norad, its policy and strategy for aid work, reviews, annual reports, website and applications, as well as research-based

literature aimed in particular at the areas within which the organisation works, and documents with reference to 'best practices'

Applicable guidelines for grants to civil society (2001)

White paper no 35 (2003-2004)

The grant letter for each year in the agreement period (until present)

The report of the Rattsø committee (summer 2006).

Norad's strategy towards 2010

Other relevant documents; minutes from meetings and annual meetings

The organisational review shall form the basis for a general assessment of both Strømme Foundation's reporting to Norad and the quality of the organisation's internal communication. The analysis shall also include an assessment of the head office's organisational structure and dimension in relation to its own functions and tasks. The review shall cover the whole organisational chain from head office to local partner²⁶. The work will consist of studying, analysing, concluding and presenting recommendations and proposals for follow-up.

An overview of the factors it will be natural to examine in more detail follows below.

Most of the following points involve questions that cannot be answered in chronological order once and for all, but are more recurring questions that will follow the consultants in its assessments throughout all the phases of the work up until the final report.

Description of the organisation (The square I)

The organisations catchment area, platform and structure:

In Norway and abroad

Remit, policy and strategy(-ies)

Governing bodies, organisational structure and work methods

An organogram indicating the place of the international work

Strategic coherence between the goal, strategy and action levels

The organisation's partners/whether it operates on the basis of partnership (or is self-implementing)

The organisation's procedures for (a) monitoring and (b) formalised dialogue/collaboration with any partners in the South

Capacity, professional and technical competence

Procedures/tools for organisation management, financial management and the measuring of results

Risk analysis of human, professional and financial resources

Evaluation and learning

Strømme Foundation's technical competence within both education and microfinance, and tools for updating this knowledge and competence

What technical networks does SF belong to when it comes to education and/ or microfinance?

Other aspects of the organisation which Norad or Strømme Foundation wish to shed light on:

Strømme Foundation's tools for selecting partners

Who are Strømme Foundation's partners; local, national or international partners?

Strømme Foundation's tools for partnership development, and their actual cooperation with local partners;

²⁶ The local partner can consist of a network of individuals, informal local community groups (CBOs), individual NGOs, NGO networks, government or semi-government organisations. The context in which such players operate is also highly variable, which strongly influences the critical variables for capacity building it will be most relevant to examine in the review.

To what extent are local partners included in the decision-making and planning processes?
What is the timeframe for partnerships, and to what extent is a phasing-out strategy prepared with a view to the partner standing on its own feet in the end?
What is left with the local partners in terms of increased competence or capacity when Strømme Foundation phases out a project?

Performance analysis (The triangle II)

Of Strømme Foundation

Policy, strategy and action programme for building partners' capacity:

How does the organisation endeavour to measure and monitor the attainment of goals?

What success indicators has it established/does it establish?

How is capacity relating to the work to be done checked?

How does communication function between the head office, regional offices, and the organisation in the field and partners?

What is the timeframe for partnerships? To what extent is a phasing out strategy prepared with a view to the partner standing on its own feet in the end?

To what extent, and how, is there a synergy between the two thematic programmes of Education and Microfinance, both on a project and programme level?

In cooperation with local partners; what is Strømme Foundation's own contribution in this respect?

Of local partners

The quality of the partner's planning and implementation process:

To what extent are partners and target groups included in the planning and implementation phase?

How much local expertise and resources is mobilised in programmes?

How realistic are the goals and the planned results during the planning phase?

How are indicators used in the planning phase?

How are risk analyses carried out in the planning phase?

Of both Strømme Foundation and local partners

Reporting and evaluation of capacity-building results:

What indicators and other instruments are used to report goal attainment at different levels?

What are the reporting requirements and how are they followed up?

What feedback is given on reports from partners?

What guidance is triggered by feedback on reports?

Learning in the organisation and by local partners:

Is there a system in place to share information about lessons learned?

Ability for self reflection; does SF assess its own strengths and weaknesses? If so, how is this followed up?

The quality of communication when:

A failure takes place in terms of quality and delivery date in relation to contractual obligations, financial mismanagement and irregularities

Conflicts and/ or corruption occur

Results achieved among partners (The circle III)

What has been achieved in terms of building partners' capacity that can be attributed to Strømme Foundation? This may also be illustrated by results among the final recipients.

How has this contributed to strengthening civil society?
How are results among the final recipients documented?
What is the level of the results documented (input, output, and outcome)?
To what extent are indicators used in reporting?
How is the risk situation handled during the programmes?

Income-generating Apexes/ Limited's (Ltd's) within Strømme Foundation's Microfinance work

As was mentioned above, over the past few years, some of SF's microfinance activities have been separated into Limited's/ Ltd's (i.e. so-called "apexes") with a commercial aspect to promote efficiency, and thereby are generating income and a financial surplus. This use of public funding has been treated in a dialogue with advisors in Norad, in parallel to SF's existing framework agreement. Norad will most likely suggest a new model before the new framework agreement is signed, where the microfinance activities generating a surplus/ income will receive separate funding (e.g. Norfund) from the remaining non-profitable microfinance activities that will still be funded through a framework agreement with Norad.

Thus, in connection to the findings and recommendations for this organisational review, Norad requests that this review also will comment upon such a plan to separate the two aspects of microfinance-related activities come next framework agreement, preferably with specific recommendations.

5. Work process and method 27

The main part of the review will be carried out in Norway, where Strømme Foundation has its head office (Kristiansand). One country visit will also be carried out as part of the review, and the team will travel together.

General information about the collection of data/information

The review shall be based on document studies, but also on the use of a self-evaluation form and interviews in order to ensure necessary participation in the process.

The self-evaluation form will preferably be used by board members and employees at head office and country level and possibly others. Interviews, which should be based on an interview guide, can be conducted with a sample of persons at all levels in the organisation, including partners (and possibly target groups or other stakeholders).

The study and documentation phase

The first part of the review will consist of an in-depth study of the documents concerning the organisation and its cooperation with and reporting to Norad and its local partner.

3) Two good reference documents as regards organisational analysis are Stein-Erik Kruse's "How to Assess NGO Capacity: A Resource Book on Organisational Assessment", 1999, Bistandsnemnda and "Institutional Assessment and Capacity Development: Why, What and How", produced by EuropeAid for the European Commission, September 2005.

The provisional results from this phase shall be presented to Norad and Strømme Foundation. The inception report shall propose focal points for the country visit.

Country visit: Uganda

During the country visit, focus will be on the quality assessment of the partnership and its capacity to deliver. In addition to conversations with project employees, it will also be necessary to speak to people who are not dependent on the organisation in any way.

Examples of such persons are (a) peers, i.e. other players who work within the same field in the same country, and (b) players at the local level, for example residents in areas in the vicinity of where the organisation's activities take place, but who do not benefit directly from the organisation's work.

The team will hold a debriefing with the organisation and its partners before travelling home from country visit.

The country in which field visits for this review will take place is Uganda - where a relatively large part of Norad's grant is being channelled for both Microfinance and Education programmes. In Uganda, Strømme Foundation also operates through a relatively large number of local partners.

The budget allows for the two consultants to make simultaneous field visits within Uganda.

Interpretation of the data and observations

The consultant's subjective standpoint shall be explicitly stated in the report, and the methodological approach shall be systematic and analytical. As far as possible, conclusions shall be based on triangulation, i.e. elucidation of the same question from several angles using data from composite source material. The document studies and interviews shall be organised in a manner that ensures they are representative and that the analysis provides a basis for drawing tenable conclusions.

Analysis and conclusion

All assessment of the reliability and relevance of the management of the undertaking and its finances shall be based on documentation.

Recommendation and follow-up

The review shall provide Norad with new knowledge about the direction further cooperation with Strømmestiftelsen should take. The recommendations shall be structured with this in mind and contain proposals for improvements on which Norad should focus in its follow-up work.

The recommendations shall also contain proposals for measures to improve SF's organisational structure in order to optimise the organisation's aid activities. Otherwise, the team is free to include other recommendations that are deemed to be relevant to furthering the objective of the review.

The team leader is responsible for the final report, but any internal disagreement about its conclusions and recommendations should be stated in the report.

6. Reporting

In order to allow an opportunity for comment and for correction of any factual errors and misunderstandings, the team will send a draft of the final report to Strømme Foundation, local partners and Norad no later than Thursday December 20, with a deadline for responding to the team two weeks later.

Final report

The final report will be structured in accordance with the Terms of Reference. It shall be written in English, contain a summary of approx. 3-4 pages and be maximum 30-35 pages long. Appendices can be added. The final report shall be sent to Norad in an electronic format.

Strømme Foundation may on its own or partners' behalf request that information that is considered particularly sensitive with respect to the life and safety of staff be included in separate appendices with restricted access.

Information, presentation and publication

In order to ensure that the report constitutes a good basis for follow-up, the team shall keep Norad's case administrator and (when applicable) the reference group informed about the progress of the work and include them in discussions about important findings, topics and issues before the country visits start, as well as during the concluding phase of the work.

At the request of the organisation or Norad, the team leader shall be available for discussions about recommendations and follow-up points.

As part of the assignment, the team leader and/or consultant shall make two presentations of the final result two months after the report is completed. One of the presentations will be made at Strømme Foundation's head office or other expedient venue, while the other will be made at a half-day seminar for SF and Norad personnel.

The report will normally be published on the internet. In special cases, and subject to relevant legal provisions, parts of the report may be exempted from general publication.

7. Time schedule and budget (2008)

Time schedule

Wednesday 16 January: Start up point for this review

Thursday-Friday 17-18 January: Consultants meet with Strømmestiftelsen in Kristiansand

Friday 18 January: The inception report will be presented to Norad no later than

Monday-Saturday 20-26 January: The country visit to Uganda will take place (week 4)

Friday 15 February First draft report will be presented no later than 15 February

Friday 22 February: Norad and Strømme will comment on this report to the consultants no later than 22 February

Friday 28 February: Final report will be presented by the consultants no later than 28 February

Friday 6 March: Presentation by the consultants of the report, meeting between Strømme, consultants and Norad with Strømme and Norad's comments, and plans for follow-up of the report's findings and recommendations.

Friday 14 March: Publication date of the report by Norad

Budget

The organisational review is stipulated to a total cost of NOK 315 000,-

See separate appendix (Excel sheet) for a more detailed budget for both LINS and NCG.

The Terms of Reference is approved by Bernt Gulbrandsen, the Director of the Civil Society Department, Norad.

Tina Hageberg, advisor at the Departement of Civil Society: 16.11.07
(saksnr. BEST: 0700083)

Attachment 2: Itinerary and List of People Met in Uganda

Monday, 21 January 2008

09:00 – 09:30

Regional Director – Strømme Foundation Eastern Africa Region

Ms. Priscilla Mirembe Serukka

09:30 – 11:00

Strømme Foundation East Africa Regional Office, Kampala

Priscilla Mirembe Serukka

Regional Director

Elizabeth Naiga

Microfinance Officer

+256-752647676

Sentumbwe Danice

Microfinance Officer

+256-772515468

Asimwe Robina

Communication & Fundraising officer +256-752658806

Musoke Margaret

Finance & Administration Officer

+256-772424475

Nabukenya Allen

Administration Assistant

+256-772908690

Ezra Remo Weleya

Regional Education Coordinator

+256-772649289

Paul N. Mayanja

CEO SMF EALTD

+256-782358207

Denis Okaba

Accountant

+256-772542092

11:05 AM

Depart for Kisangati, UML Branch

11:30 – 01:15

UML Kisangati Branch

Wilson Twamuhabwa

Head of Operations, UML

+256-752514361

Namuleme Carolyne

Branch Manager, Kisangati

+256-772671114

01:15 - 02:30

Proceed to Kayunga, PEARL Branch

03:00 – 03:30

Twezimbe Women Group

Mubiru Joseph

Credit Officer

+256-772888018

03:30 – 04:00

Proceed to Kayunga. PEARL Branch

04:00 – 05:15

PEARL Kayunga Branch

Nalumansi Lillian

Senior Credit Officer

+256-772474329

Naomi Isingoma

Senior Credit Office

+256-772973844

Mubiru Joseph

Credit Officer

+256-772888018

Nakaggloa T. Ruth

Office Messenger, PEARL Kayunga +256-775665006

Tuesday, 22 January 2008

08:30 – 12:30

Depart from Kampala to Mbale

12:30 – 14:30

Child Restoration Outreach (CRO), Mbale

Christine Kamiti

National Coordinator, CRO

Moses Bwayo

Program Manager, CRO, Mbale

15:00 – 17:30

BRAC, Mbale Branch

Mr Maksud Rahman

Area Manager

0712043032

Ms. Angella Nakiria

Branch Manager

0712034242

Ms. Judith Nambogwe

Credit Officer

0774105593

Wednesday, 23 January 2008

08:30 – 10:00

PRIDE Mbale Branch

Kigozi Richard Bikaatu

Head of Treasury, PRIDE

0772421934

Kayemba David

Branch Manager, Mbale Branch

0772837174

10:30 – 11:30

Uganda Women Concern Ministry (UWCM)

Mrs Edith Mary Wakumire

Executive Director, UWCM

0751523387

Christine Namwau

Monitoring & Evaluation Officer, UWCM)

Paul Makhethi

Child Programmes Officer (CBEI), UWCM

11:30 – 14:30
14:30 – 17:00
17:00 – 19:30

Proceed to Bumusamali School
School Visit – Bumusamali Primary School
Proceed to Kumi

Thursday, 24 January 2008

08:30 – 09:30

Ojamuge Dickens
Aturia Peter
Obone Godfrey
Inyangat James Peter

Vision TERUDO
Executive Director 0772440804
Programme Officer 0772976345
Programme Coordinator 0772882506
Accounts 0772565523

09:30 – 11:00

11:00 – 12:00
Okiira Alfonse
Aogon George
Itipe Regina
Egabgu Sam

Proceed to Kapir Primary School
School Visit – Kapir Primary school
Headteacher
Chairman – School Management Committee
Treasurer – School Management Committee
Member – School Management Committee

11:00 – 11:30

11:30 -12:30
Odonga Peter
Elvga Levi
Okello John Michael
Ovle Rose
Amodinu Janet
Adicha Janet
Adonu Betty
Akwi Sarah
Okalebo Daniel
Omodinu David

Proceed to Morukakize Primary School
School Visit - Morukakize Primary School
Headteacher
Chairman - School Management Committee
Chairman – Parent – Teacher Association

Friday, 25 January 2008

08:30 – 09:30

10:00 – 11:00

11:00 – 12:00

Christopher Musoke Board Member, SF Ltd.
David T. Baguma Executive Director –AMFIU
Peter Okaulo Uganda Agency For
Development (UGAFODE)

12:30 -13:30

13:30 – 15:45

Priscilla Mirembe Serukka
Elizabeth Naiga
Asiimwe Robina
Musoke Margaret
Nabukenya Allen
Ezra Remo Weleya
Paul N. Mayanja
Denis Okaba
Semei Kakungulu

LUNCH – SF Regional Office
Debriefing Meeting at SF-Regional Meeting
Regional Director/Chair SMF EA Ltd.+256-72701823
Microfinance Officer +256-752647676
Communication & Fundraising officer+256-752658806
Finance & Administration Officer +256-772424475
Administration Assistant +256-772908690
Regional Education Coordinator +256-772649289
CEO SMF EALTD +256-782358207
Accountant +256-772542092
CHRISC Uganda National Coordinator +256-72534055
***Debriefing Meeting at The Royal Norwegian Embassy,
Kampala Uganda***

16:00 – 17:30

Norad

Norwegian Agency for
Development Cooperation
P.O. Box 8034 Dep. NO-0030 OSLO

Visiting address:
Ruseløkkveien 26, Oslo, Norway

Telephone: +47 22 24 20 30
Fax: +47 22 24 20 31
postmottak@norad.no
www.norad.no

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