

Review of Development Policy and Cooperation, Trade and Investment – Development and Trade Effects

30 September 2026

Agenda

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Review Team (RT)

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Review objectives (ToR)

The objectives of the review were to:

1. **Assess the achievement of the development policy objectives to promote trade and investments.**
2. **Assess the development effects of trade and investments supported by ODA.**
3. **Provide realistic evidence-based recommendations.**

Review structured around **two core dimensions**:

1. Development policy and cooperation in advancing trade and investment
2. Development effects of those actions.

Review design and methods

- Participatory and utilisation-focused
- Judgement Criteria: qualitative and based on Finland's development policies and trade and investment efforts
- OECD-DAC evaluation criteria, HRBA & CCOs, mixed methods
- Systems thinking
- Document and literature review/desk analysis
- Case studies
 - 2 field-based: Ethiopia and Vietnam,
 - 3 desk-based: South Africa, Global Gateway, IDB Invest.
- 160 interviews

Findings:

RQ1. Policy level: How and to what extent Finland's development policy guidance has promoted trade and investment, and been consistent with broader trade promotion efforts of Finland?

RQ 1.1. How coherent and consistent are development policy and trade promotion efforts in supporting trade, investment, and development objectives?

Finland's development policy guidance has promoted trade, investment and private sector engagement particularly since 2024.

At the level of *policy intention*, development policy is now increasingly coherent with Finland's wider economic-diplomacy and export-promotion efforts.

- **This coherence is asymmetric:** development policy has moved closer to the objectives, sectors and instruments of trade promotion, while trade and investment promotion remains primarily oriented towards Finnish competitiveness and market access.

RQ 1.2. How do channels and instruments support achievement of policy objectives, considering their flexibility, usability, and effectiveness?

Finland has a broad and potentially **complementary channel and instrument mix** to support its policy objectives, but the dual development and Finnish-interest agenda is yet to be translated into an **explicit operating model**, division of labour and results framework.

Consequently, **operational coherence** remains only partial.

Limiting factors include:

- insufficient capacity to start projects and get Finland into the project pipelines,
- scarce country-level capacity,
- limitations in instrument sequencing,
- unsatisfactory “additionality assessment”,
- restricted public-agency coordination, and
- inconsistencies in combining the use of ODA and non-ODA resources.

Findings:

RQ2. Cooperation level A): What changes have Finland's development policy and development cooperation brought about on a) trade and b) investments in partner countries and c) bilateral economic and commercial relations?

RQ2.1. Have supported interventions led to improved trade facilitation, or market access or competitiveness of companies in partner country and in Finland?

Finland – Vietnam Trade

Description

Finland – Vietnam trade

	Exports (EUR million)	Exports (EUR million)	CAGR (%)
	2019	2025	
Indonesia	220,7	377,5	11%
Vietnam	105,5	330,1	26%
Thailand	183,1	306,1	11%
Singapore	230,6	219,7	-1%
Malaysia	135,1	187,5	7%

Significance:

- Economic Growth
- Access to technology

Contribution:

- **23 Concessional Lending projects (2003-19):**
 - Water supply, meteorology, firefighting, waste treatment and medical equipment.
 - Saurus, Vema Lift, Dregar, Vaisala
 - No follow up business after project
- **Public Investment Facility:**
 - Pipeline of 7 projects – none realised
- **Local Co-operation Fund:**
 - Valmet/BMH - Bac Ninh waste to energy
- **Finnpartnership:**
 - Oivan, Cubicasa
- **Business Finland/Embassy:**
 - Lindstrom; Elematic; Foodiq

RQ2.1. Have supported interventions led to improved trade facilitation, or market access or competitiveness of companies in partner country and in Finland?

EU Market Access for Ethiopian Coffee

Description: EU Deforestation Regulation (EU) 2023/1115. Requires traceability evidence that 7 commodities were not grown on land deforested since 2020. Comes into effect 2027

Significance:

Ethiopia Coffee Exports 2024 Country	EUR (Million)	Percentage total
EU (27)	413.7	29%
Saudi Arabia	280.1	20%
United States of America	156.5	11%
Korea, Republic of	108.3	8%
Japan	97.6	7%
China	94.7	7%
Switzerland	52.1	4%
Taiwan	34.8	2%
United Arab Emirates	34.3	2%
Australia	24.3	2%

Contribution:

- **Fairtrade Africa implemented DONUTS project ('Dignified Opportunity Nurtured through Trade and Sustainability'):**
 - 18,000 farmers in 3 co-operative unions and 15 primary co-ops in SW Ethiopia.
 - Geopoints (<4 ha) or polygon mapping (>4 ha).
 - EUDR compliant certification
- **Responsible and Innovative Land Administration (REILA) programme :**
 - National Rural Land Administration Information System (NRLAIS)

Others:

- GIZ SUVASE programme

RQ 2.2. To what extent has development cooperation seed funding succeeded in leveraging additional public or private investment, how and how much? RQ 2.3. What types of investments (sectors, scale, origin) have been catalysed?

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Leveraging public investment: EU Global Gateway

Company/Project

Investment in 800 mobile phone towers in urban and semi-rural areas of Ethiopia, enabling the company to compete for market share with Ethiotelecom. Half of the investment used to purchase Finnish technology.

Finnish support

Embassy provided information, facilitation and support to bring together investees, EU Delegation/Global Gateway, European Investment Bank and government regulator. No Finnish MFA budget.

Additionality of Finnish support

Embassy support recognised by investee as vital to the deal. EUD 30% grant element of the investment crucial to viability of investment.

Development outcomes

Expansion of digital connectivity for suburban and rural populations. More competitive telecoms market in Ethiopia.

RQ 2.2. To what extent has development cooperation seed funding succeeded in leveraging additional public or private investment, how and how much? RQ 2.3. What types of investments (sectors, scale, origin) have been catalysed?

Leveraging public investment: Finnpartnership; Business Finland

Company/Project: **Oivan**

Establishment of subsidiary by Finnish digital transformation company in Vietnam 2018.

Finnish Support

\$96,500 Finnpartnership grant, covering 70% of initial set up costs, including legal, staff costs and exploring IT market.

Additionality of Finnish Support

Important contribution of FP grant recognised by Oivan to help navigate legal /administrative processes and understand market opportunities.

Development Outcomes

Growth from 11 to 82 staff; Opened branch in Danang. Supports service export earnings for Vietnam – providing outsourcing services to Saudi Arabia

Company/Project: **Lindström**

Medium sized Finnish textile service company, opened service centre in Vietnam in 2025 providing workwear rental services.

Finnish Support

Business Finland provided information on market conditions, local partners and tax and registration procedures. No MFA budget.

Additionality of Finnish Support

Practical, tailored company level support not available from Vietnamese government agencies or European business associations.

Development Outcomes

Finnish FDI in Vietnam; Technology has improved environmental impact; CSR support - clean water project for schools in Tra Vinh City

RQ 2.4. What kinds of partnerships or business linkages have emerged?

- Role of **international business associations**
- Secondments creating **early-stage relationships between Finnish companies and partner-country institutions**, especially in public sector digitalisation.
- Finnpartnership has supported **partnerships between businesses, CSOs and international organisations**.
- Finland-supported UN innovation hubs in Helsinki have created **innovation platforms** connecting UN programmes and country offices with Finnish public agencies, companies, financiers and universities.
- **Team National coordination** for EU Global Gateway to strengthen project-based partnerships.

RQ 2.5 To what extent has development cooperation influenced Finnish companies' engagement in partner countries and organisations?

- **Valuing non-financial support:** networking, government contacts, EU linkages:
 - Nokia Ethiopia
 - Valmet Vietnam
 - RiverCycle South Africa
- **Phone survey of Finnish companies in receipt of Finnpartnership grants** for Vietnam and Ethiopia:
 - "All interviewed companies stated that their activities in Ethiopia or Vietnam would not have been possible, at least to the same extent, without Finnpartnership support."
 - Business Partnership Support covered upfront costs of market entry
 - Contacts and networks
 - Guidance on human rights and environmental risk management
 - Strong learning effects

Review of Development Policy and Cooperation, Trade and Investment – Development and Trade Effects

Findings:

RQ3. Cooperation level: To what extent have trade and investments supported by Finland's ODA generated development effects?

RQ 3.1. To what extent trade and investments have generated development effects in support of sustainable development? What evidence can be found on sustainable or inclusive effects?

- Meaningful development effects, but the overall evidence is uneven and modest.
- The strongest **systemic contributions** through long-term bilateral, multilateral, institutional or CSO cooperation:
 - Strengthening public institutions, services and local capabilities
- Company- and investment-level activities more commonly generate **direct effects on people and environment**:
 - e.g. jobs, finance, productivity, and improved services
- Linking business activities to other development activities or actors may increase their potential for generating development effects.

Examples of identified development effects

Systemic changes: enabling environment for business & investment

REILA II & III programmes in Ethiopia (*bilateral, EU-cofounded*):

- improved the **access of small-holders** including women and persons in vulnerable situations **to finance**.

Systemic changes: other sectors

Eduten's Math Learning Ed Tech pilots in Vietnam, Bhutan, Lao PDR & Uzbekistan (*Finnpartnership, UNICEF Learning Innovation Hub*):

- improved **math learning results in public pilot schools**
-> expanding piloting

Development effects of business activities on people & environment

Selex Motors in Vietnam (*ADB Ventures Investment Fund*):

- **electric two-wheelers** produced and **battery swapping services** piloted
-> reducing CO2 emissions, air quality, clients' productivity

RQ 3.2. How do achieved development effects incorporate human rights principles and cross-cutting objectives of Finland's development policy?

- **Human-rights principles** and cross-cutting objectives (CCOs) most visible:
 - When explicit programme objectives
 - In projects involving traditional development actors
- **Company-led activities:**
 - Human rights principles & CCOs more often addressed through **corporate sustainability risk management**
 - **Targeted actions** especially in relation to CCOs on climate sustainability and environmental protection
- Focus on people in most vulnerable situations remains overall limited in supported business endeavours, and priority given to Finnish companies' businesses is weakening the emphasis on more fragile country contexts.

Examples on incorporation of human rights principles and cross-cutting objectives

Human rights principles: transparency, equality and non-discrimination

Nokia's and Fibertime Group's cooperation in South Africa (Finnfund):

- Improved low-cost internet access for over 400 000 households in underserved townships.

Cross-cutting objectives: climate sustainability

Developing meteorological services in Ethiopia (EMI, Vaisala and FMI, PIF):

- **strengthened weather forecasting and early warning** -> improving disaster preparedness and climate- related decision-making

RQ 3.3. How well have risks been managed in the initiatives that promote trade and investment?

- A **sound formal risk-management framework** and relatively strong ex ante systems in several instruments
- **Inconsistencies in implementation follow-up**, learning from risks and making use of the lessons, and portfolio-level oversight
- Future development effects **depend heavily on commercial viability**, local ownership, sustained institutional support and Finland's ability to manage systemic risks:
 - declining ODA, fragmenting implementation capacity by various actors ranking from public agencies to companies, SME exclusion, weak portfolio data, and challenges with RBM



Conclusions

Policy direction and operating model

C1. Finland has substantially strengthened the alignment of its development policy with broader trade and investment promotion goals, but operational integration remains incomplete, resulting in only partial coherence in practice.

C2. Finland has a broad and potentially complementary toolbox of instruments and channels, but it is not managed as one operational system.

Results, added value and current-term achievements

C3. While the current Government term has produced a shift in policy intention and institutional arrangements, it has not yet generated a broad transformation of realised trade, investment and development results.

C4. Long-term, partner-owned development projects and sequenced Finnish support have generated combined development and trade-investment effects.

C5. Finland's contribution to trade, investment and bilateral commercial relations is positive but modest and highly selective, with stronger evidence at firm, transaction, value-chain and institutional level than at the level of national trade and investment flows.

C6. Mobilisation and returnable finance can extend the reach of scarce ODA, but unclear concepts and uneven evidence mean that leveraged finance and its reflow cannot serve as proxies for development effectiveness.

Development effects and sustainability

C7. Development effects are strongest in interventions and activities specifically addressing a development challenge and aligned with the human rights principles and the cross-cutting objectives.

C8. Finland's most consequential future risk is not the absence of opportunities but declining capacity to convert opportunities into sustainable results and to manage the associated risks.



Recommendations

Policy direction and operating model

R1. Define the development–trade–investment nexus and translate it into a differentiated policy and operating framework.

R2. Create one lightweight national portfolio and pipeline and update the existing results-management system.

Results, added value and current-term achievements

R3. Make Team National operational through a small delivery function and a limited number of country–sector pilots.

R4. Protect a focused foundation of long-term bilateral, regional and multilateral enabling-environment cooperation focusing on land administration and digital public infrastructure, trade standards and compliance, tax and customs capacity, sector regulation, skills, responsible value chains, regional economic integration and climate-resilient public services.

R5. Establish a continuous project-preparation, consortium and missing-middle pathway for SMEs and specialist service providers.

R6. Recalibrate each key development–trade–investment nexus instrument against its own mandate and introduce time-bound performance tests.

Development effects and sustainability

R7. Further develop the existing development–trade–investment implementation ecosystem of public agencies, consultancies, companies, CSOs and partner-country actors and assign them with clear and complementary roles.

R8. Embed adaptive RBM, human rights principles, cross-cutting objectives and risk learning in the development–trade–investment nexus planning and implementation.



Thank you for your attention!



Additional material: Numbered Finding Statements



RQ1. Policy level: How and to what extent Finland's development policy guidance has promoted trade and investment, and been consistent with broader trade promotion efforts of Finland?

RQ 1.1. How coherent and consistent are development policy and trade promotion efforts in supporting trade, investment, and development objectives?

F1. Finland has not clearly defined what trade and investment mean within development policy, the roles and forms of private-sector engagement, or how Finnish interest and content should be balanced against partner-country development objectives. Nor has it established a sufficiently clear results logic for managing and assessing this increasingly integrated agenda.

F2. Finland's development policy has nevertheless become progressively more intertwined with its trade and investment agenda. This increases cross-government alignment but creates a more tension-prone balance between development objectives and commercial interest.

F3. Finnish interest has been present in development policy since 2016, but it was initially broad, largely implicit and embedded in foreign-policy, security, economic and cooperation rationales. By 2024, trade, investment and private-sector engagement have become major vehicles for advancing Finnish interest, with substantially greater emphasis on the interests and opportunities of Finnish companies.

RQ 1.1. How coherent and consistent are development policy and trade promotion efforts in supporting trade, investment, and development objectives?

F4. Finland's wider trade and investment promotion efforts are substantially more coherent with development policy than earlier in the period because development policy has moved closer to economic diplomacy and export promotion. At the same time, boundaries between ODA- and non-ODA-based measures are becoming less distinct, increasing both potential synergies and challenges for RBM, accountability and attribution.

F5. During the current Government term, the Foreign and Security Policy Report goes further than the International Economic Relations and Development Cooperation Report in embedding trade, investment and the private sector within Finland's geopolitical and national-interest framework. Retaining space for other forms of development cooperation, actual ODA allocations and channels remain only partly aligned with the stronger trade-, investment- and private-sector rhetoric.

F6. While policy language on leverage, de-risking and private-capital mobilisation has strengthened, language on additionality remains weaker and less consistent. Across the core development policies, additionality is mostly implied rather than defined; since 2024, mobilisation risks receiving greater policy weight than a clear demonstration of why public intervention is needed beyond commercial incentives alone.

RQ 1.2. How do channels and instruments support achievement of policy objectives, considering their flexibility, usability, and effectiveness?

F7. Finland's broad channel and instrument mix is sufficiently flexible to accommodate the integrated trade-development agenda: Multilateral and EU-linked channels are strongest for scale, leverage and ecosystem access; bilateral, regional and institutional cooperation for enabling conditions and preparation; investment-oriented instruments for commercially viable opportunities; and CSO channels for rights, inclusion and local accountability.

F8. The policy shift has been implemented mainly by repurposing and combining existing modalities rather than by creating a new toolbox. Finnish-interest content is explicit in Team Finland and company-facing instruments, but indirect, conditional or absent in many multilateral, bilateral, institutional and CSO channels.

F9. Usability is constrained less by a lack of instruments than by weak connections between policy dialogue, technical assistance, project preparation, financing and procurement. Global Gateway expands the opportunity set but also increases the project-origination, coordination and co-financing burden placed on Finland.

F10. Private-sector instruments combine high strategic potential with clear usability bottlenecks. Finnpartnership is accessible at the early stage but weakly connected to scale-up; Finnfund is more usable for larger and bankable transactions than for small or early-stage firms; and PIF has generated few implementations because technical, financial and partner-country conditions must align.

RQ 1.2. How do channels and instruments support achievement of policy objectives, considering their flexibility, usability, and effectiveness?

F11. Effectiveness is strongest when channels operate as a sequenced portfolio rather than as stand-alone modalities. Long-term bilateral platforms, institutional expertise, diplomacy, grants, guarantees and investment finance can together create effects that none would achieve alone. Global Gateway amplifies this portfolio logic, but the returns remain uneven across instruments, actors and contexts.

F12. The shift from grants towards loans and investments can increase leverage and reflow under shrinking ODA, but it does not automatically increase effectiveness. Effectiveness depends on additionality, realistic risk-sharing and an RBM system that is both adapted to the newer ecosystem-based architecture and consistently applied. Current evidence indicates strain on both fronts.

F13. Finland is reorganising the institutional architecture faster than it has defined a common operating model for the development–trade–investment nexus. To help to reduce fragmentation, the reorganisation has to be followed with setting of explicit objectives, role allocation, country-level feedback, implementation-stage quality assurance and suitable RBM.



RQ2. Cooperation level A): What changes have Finland's development policy and development cooperation brought about on a) trade and b) investments in partner countries and c) bilateral economic and commercial relations?

RQ2.1. Have supported interventions led to improved trade facilitation, or market access or competitiveness of companies in partner country and in Finland? (a)

F14. Finland supports trade facilitation, market access and competitiveness through a limited but broad and interdependent portfolio. Most contributions are indirect and arise through combinations of enabling-environment support, institutional cooperation, value-chain and CSO programmes, private-sector instruments, development finance, public investment finance, EU and multilateral channels, and diplomatic or Team Finland facilitation.

F15. The resulting trade-related changes are uneven and demonstrated at transaction, firm, value-chain and institutional level rather than in aggregate bilateral trade. Partner-country effects are limited and clearest in improved capabilities, compliance readiness, access to finance and public services; Finnish effects are clearest in market entry, references, supplier opportunities and access to decision-makers or financing ecosystems.

F16. Finland's contribution to trade facilitation is selective and primarily indirect. It has supported regulatory and institutional capacity, digital and information systems, land and logistics-related infrastructure, and regional trade initiatives, but the Review found little attributable evidence of reductions in clearance times, border costs or other system-wide trade-facilitation indicators.

RQ2.1. Have supported interventions led to improved trade facilitation, or market access or competitiveness of companies in partner country and in Finland? (a)

F17. For partner-country actors, the clearest market-access effects arise where Finnish support strengthens standards, certification, traceability and regulatory compliance. These interventions can help producers and firms retain eligibility for external markets, but evidence of increased exports attributable to Finnish support remains limited.

F18. For Finnish actors, market-access effects are more visible: supported interventions have opened entry points to partner-country public sectors, EU and IFI programmes, international organisations and locally financed projects. However, results are concentrated among firms able to engage early, navigate long preparation processes and combine company capability with public intermediation.

F19. Competitiveness effects are selective on both sides. Partner-country firms and organisations have benefited from limited finance, management systems, productivity support, compliance and public infrastructure; Finnish firms have benefited from references, market intelligence, institutional access and financing pathways. These gains are constrained by affordability, weak mid-stage support, limited risk-bearing capacity and erosion of Finland's consultancy and implementation ecosystem.

RQ 2.2. To what extent has development cooperation seed funding succeeded in leveraging additional public or private investment, how and how much? (b)

F20. The MFA deploys multiple ODA financial instruments under its development policy both to make and pro-mote investment in private sector entities in partner countries.

F21. The MFA and related government agencies have also used a variety of non-financial tools to promote in-vestment in ODA-eligible countries or to access EU and other European financing mechanisms for investments.

F22. Finnfund demonstrates strong private-capital mobilisation performance compared with European DFI peers. The final Finnfund and Finnpartnership evaluation concludes that Finnfund does an excellent job of mobilising private finance and is a forerunner in developing institution-level mobilisation channels.

F23. Available evidence suggests Finnpartnership has contributed to investment by smaller Finnish companies in Vietnam but not in Ethiopia. Systematic data on the attributional impact of Finnpartnership grants on investment by Finnish companies in partner countries more widely is limited.

RQ 2.2. To what extent has development cooperation seed funding succeeded in leveraging additional public or private investment, how and how much? (b)

F24. Blended finance funds managed by Multilateral Development Banks are the main instrument used by the MFA to leverage private capital investment. The IDB Invest Finland-LAC Blended Finance Climate Fund (FBF) has struggled to find successful investment projects which have leveraged private capital.

F25. MFA has implemented various bilateral and regional grant programmes, often co-funded or aligned with EU programmes, which aim to improve the investment environment in partner countries and can contribute indirectly to development of investment projects. Evidence of a contribution to local investment is clear from the REILA project in Ethiopia while other projects covered by the Review are too recent to have recorded results.

F26. Through facilitation efforts not involving financial commitment, the MFA and Embassies have been able to leverage Finnish commercial participation in a range of major EU Global Gateway investment projects.

F27. Business Finland investment facilitation activities (now incorporated into the MFA) also constitute an important non-financial instrument for investment promotion. The Business Finland programme in Vietnam has been successful in supporting market entry and investment by mid-size Finnish firms, as well as introducing companies to both Finnvera and Finnpartnership.

RQ 2.3. What types of investments (sectors, scale, origin) have been catalysed? (b)

F28. In terms of the MFA's ODA financial instruments, Finnpartnership is the instrument most directly focused on supporting investments by Finnish companies. Finnfund's primary mandate remains development finance, but since the 2023 ownership steering and the 2024 strategy it has also systematically increased Finnish-interest-related activities.

F29. Non-financial support provided by Embassies and MFA, including facilitation of EU Global Gateway investments, is targeted specifically at facilitating investment by Finnish companies, investments in Finnish companies or investments involving Finnish suppliers.

F30. PIF has catalysed a small number of medium-scale, tied public-sector infrastructure investments involving Finnish suppliers. Implemented projects are concentrated in meteorological and health infrastructure, while a wider pipeline has included water, wastewater, health and other public-service sectors.

F31. Finnfund invests in five core sectors: digital infrastructure and solutions, forestry, agriculture, energy and financial institutions, while MDF blended finance funds have focused predominantly on investment in climate change related sectors. Finnish participation in Global Gateway project preparation has become most visible in digitalisation and education. Finnpartnership is not sector specific.

RQ 2.4. What kinds of partnerships or business linkages have emerged? (c)

F32. Finnish Embassies and companies belong to international business associations in partner countries which can often play a significant role in public private dialogue, advocacy on investment climate issues and sharing of commercial information.

F33. Technical assistance, secondments and delegated-cooperation arrangements have helped build early-stage relationships between Finnish actors and partner-country institutions, especially in digitalisation and public-sector systems, thereby creating footholds for later commercial engagement.

F34. Finnpartnership grants have, in some cases, supported the development of partnerships between businesses, CSOs and international organisations.

F35. Finland-supported UN innovation hubs in Helsinki have created multi-actor platforms connecting UN programmes and country offices with Finnish public agencies, companies, financiers, universities and innovation actors. These partnerships have generated pilots, standards, evidence and institutional access, but their commercial and procurement effects remain selective, indirect and not systematically tracked.

F36. Finland is constructing a Global Gateway-oriented Team National coordination arrangement that may strengthen project-based partnerships, but remains nascent, with unclear roles, incomplete information sharing, insufficient dedicated capacity for project origination and company engagement, and little evidence yet of resulting business linkages.

RQ 2.5. To what extent has development cooperation influenced Finnish companies' engagement in partner countries and organisations? (c)

F37. Finnpartnership has influenced Finnish companies' engagement in Vietnam and Ethiopia by lowering entry barriers and creating trusted platforms for initial market exploration. However, companies still struggled with challenges such as complex regulation, limited understanding of public procurement processes and political instability.

F38. Individual Finnish companies interviewed for this Review have highly valued Finnish Embassy non-financial support in facilitating investment deals and engaging with government agencies on regulatory hurdles.

F39. In isolated cases, tied public-investment support has combined Finnish technology, institutional expertise, financing and Embassy facilitation into a partner-country public-service offer rather than a stand-alone equipment sale. The meteorological-services model provides the clearest example, but its transferability to other sectors and multi-company ecosystems may be limited.

F40. Beyond direct grants, Embassy support and PIF, bilateral, delegated and UN-linked programmes have influenced Finnish companies' engagement by creating pilots, evidence, references and trusted access to partner-country institutions, particularly for specialised and smaller firms. These entry points have seldom converted automatically into sustained commercial business, as firms still require mid-stage finance, consortium capacity and long-term follow-through.



RQ3. Cooperation level B): To what extent have trade and investments supported by Finland's ODA generated development effects?

RQ 3.1. To what extent trade and investments have generated development effects in support of sustainable development? What evidence can be found on sustainable or inclusive effects?

F41. Development effects related to systemic changes supporting sustainable business and investments have primarily been achieved in bilateral and multilateral cooperation and CSO projects. Contribution from other funding instruments and channels has remained limited. Radical reduction of bilateral cooperation raises concerns on Finland's weakening contribution, while the EU Global Gateway is expected to increasingly contribute to such changes in the future.

F42. The role of supported business endeavours in strategically promoting an enabling environment for business and investments at the level of government policies, structures and services has been limited. However, the focus sectors of some instruments have clear contribution linkages to such processes. Especially Finnfund reports tangible results in strengthening financial institutions and promoting digital infrastructure, but in other instruments and channels related development effects are largely yet to be realised.

RQ 3.1. To what extent trade and investments have generated development effects in support of sustainable development? What evidence can be found on sustainable or inclusive effects?

F43. A major share of the development effects of business endeavours has been related to direct effects of company activities on people and environment. Also, some promising development effects contributing to systemic changes in core areas of government duties were found in education sector and meteorological services, while a large share of activities potentially contributing to such changes are still at an early stage.

F44. Achievement of development effects in business endeavours is understandably directly dependent on companies' success in initiating, sustaining and expanding their businesses in target countries. However, projects and activities designed for addressing specific development challenges have the tendency of generating more development effects. At the same time, mixed evidence on achieved effects reflects both challenges in adjusting RBM to MFA's support to business endeavours, and emphasis on narrow quantitative monitoring at the level of companies and funding instruments and channels.

F45. Linking supported business activities to other development activities or actors may increase their potential for generating development effects. At the same time, depending on thematic and geographical focus, private sector cooperation doesn't always support other development actors in achieving their intended development effects.

RQ 3.2. How do achieved development effects incorporate human rights principles and cross-cutting objectives of Finland's development policy?

F46. Human rights principles are most visible in the development effects of projects implemented by or with more traditional development cooperation actors. While companies' potential in promoting especially transparency and equality is evident, their human rights-related efforts have mainly focused on human rights risk management.

F47. Part of the trade and investment-related activities, especially those related to climate sustainability and environmental protection, promote CCOs in a targeted manner. However, in most company activities, CCOs are mainly, even though not systematically, addressed as part of corporate sustainability due diligence.

F48. While the focus on people in most vulnerable situations remains overall limited in supported business endeavours, priority given to promotion of Finnish companies' businesses is weakening the emphasis on development effects in more fragile country contexts.

F49. The views on the importance and added value of CCOs in ODA funded trade and investment work especially with Finnish companies vary within MFA. The CCOs cover core elements of corporate sustainability work. At the same time, recent studies show that systematic implementation of related sustainability due diligence in companies is not a given.

RQ 3.3. How well have risks been managed in the initiatives that promote trade and investment?

F50. Finland has a comprehensive and generally appropriate risk-management framework that applies across development cooperation and has been adapted to different trade and investment instruments. The framework is strongest in ex ante screening, approval and assignment of risk-management responsibilities.

F51. Risk management is less consistently used as a continuous management and learning tool during implementation. Across trade and investment instruments, financial, credit and operational risks are generally monitored more systematically than the adverse sustainability effects that supported activities may create.

F52. Adaptive risk management has worked where Finland and its partners retain close operational knowledge, active governance and authority to adjust implementation. However, portfolio-level and systemic risk management remains weaker, particularly where risks cut across projects or Finland operates through multilateral and EU structures.

RQ 3.3. How well have risks been managed in the initiatives that promote trade and investment?

F53. The contraction of bilateral and selected multilateral engagement—including the associated loss of specialist capacity at missions and in Helsinki—risk eroding the long-term country platforms, field presence, institutional relationships and enabling-environment work through which the Review found the most credible combined development and trade-investment effects.

F54. The increasingly fragmented implementation architecture—marked by a growing number of Finnish public agencies and public-linked entities taking on EU and delegated-cooperation roles—creates both opportunity and a capacity risk. Without clearer mandates, quality assurance and division of labour, Finland may overextend public implementers while weakening the consultancy ecosystem that provides international project management, consortium leadership and routes for other Finnish firms.

F55. Finland's current development-trade-investment architecture risks systematically underserving small and medium-sized companies (SME): opportunities with Global Gateway, IFI and delegated-cooperation often require long preparation periods, co-financing, home-office capacity and bid resources beyond most SMEs, while the support between early Finnpartnership grants and bankable transactions remains thin.

F56. Finland does not yet have a single, reconciled and results-oriented register of Global Gateway and Team Europe projects and pipelines involving Finnish public or private actors. EU public tools are informative but non-exhaustive and do not constitute a live investment, financing or company-opportunity pipeline. This weakens transparency, national coordination, opportunity capture and attribution of development, financing and Finnish-benefit results.