



Lead company



# EVALUATION OF ECONOMIC DEVELOPMENT, JOB CREATION AND LIVELIHOODS

PRESENTATION OF EVALUATION RESULTS

27 JANUARY 2021

Evaluation Management Services

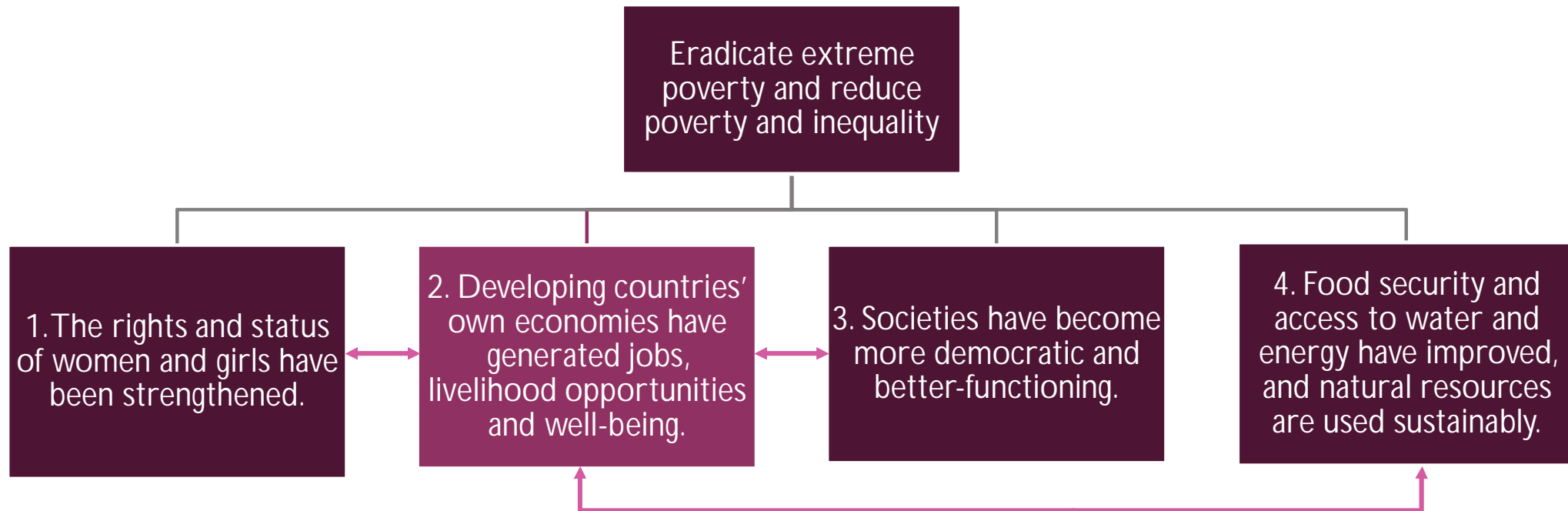
Ministry for Foreign Affairs of Finland, Helsinki

- About the Evaluation
- Highlighted Findings
- Conclusions
- Recommendations

# PURPOSE OF THE EVALUATION

The ultimate purpose of the evaluation is to support the achievement of the impact of Priority Area 2 of the 2016 Development Policy, i.e. that the own economies in developing countries have generated more jobs, livelihood opportunities and well-being.

Policy Priority Areas



# PURPOSE OF THE EVALUATION

Assist the MFA in developing a comprehensive understanding of the most successful interventions and related challenges.

Identify strengths and weaknesses and to improve cooperation with partner countries and institutions

Assess how the related objectives have been achieved through various thematic approaches, cooperation modalities and funding instruments.

Provide guidance how Finland (MFA) could tailor its efforts in the future.

Develop further the effectiveness of development policy and cooperation implementation in the area of economic development, job creation and livelihoods.

**ACCOUNTABILITY**  
Evidence on what has been achieved

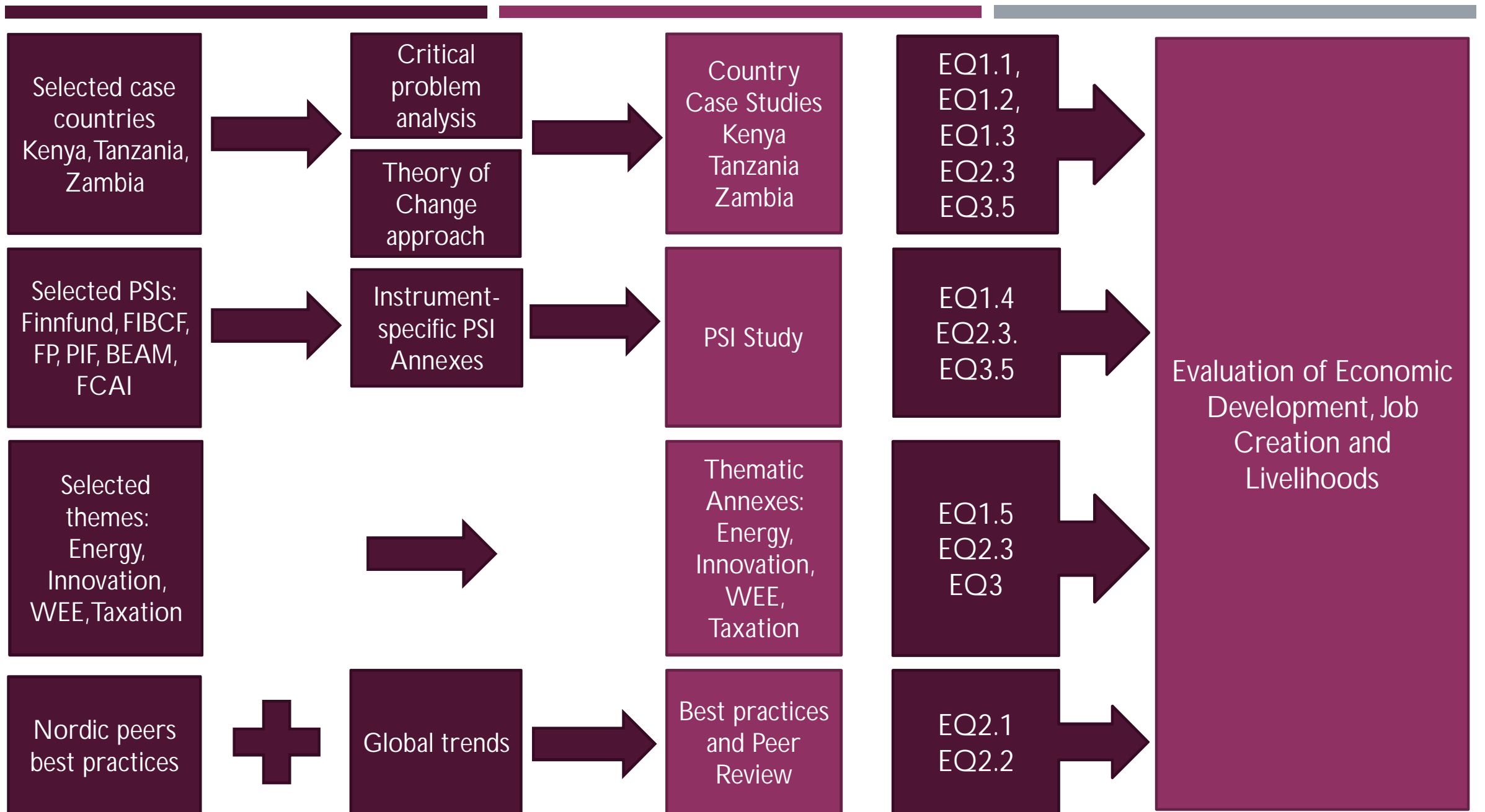
**LEARNING**  
Strategic & forward-looking

## SCOPE

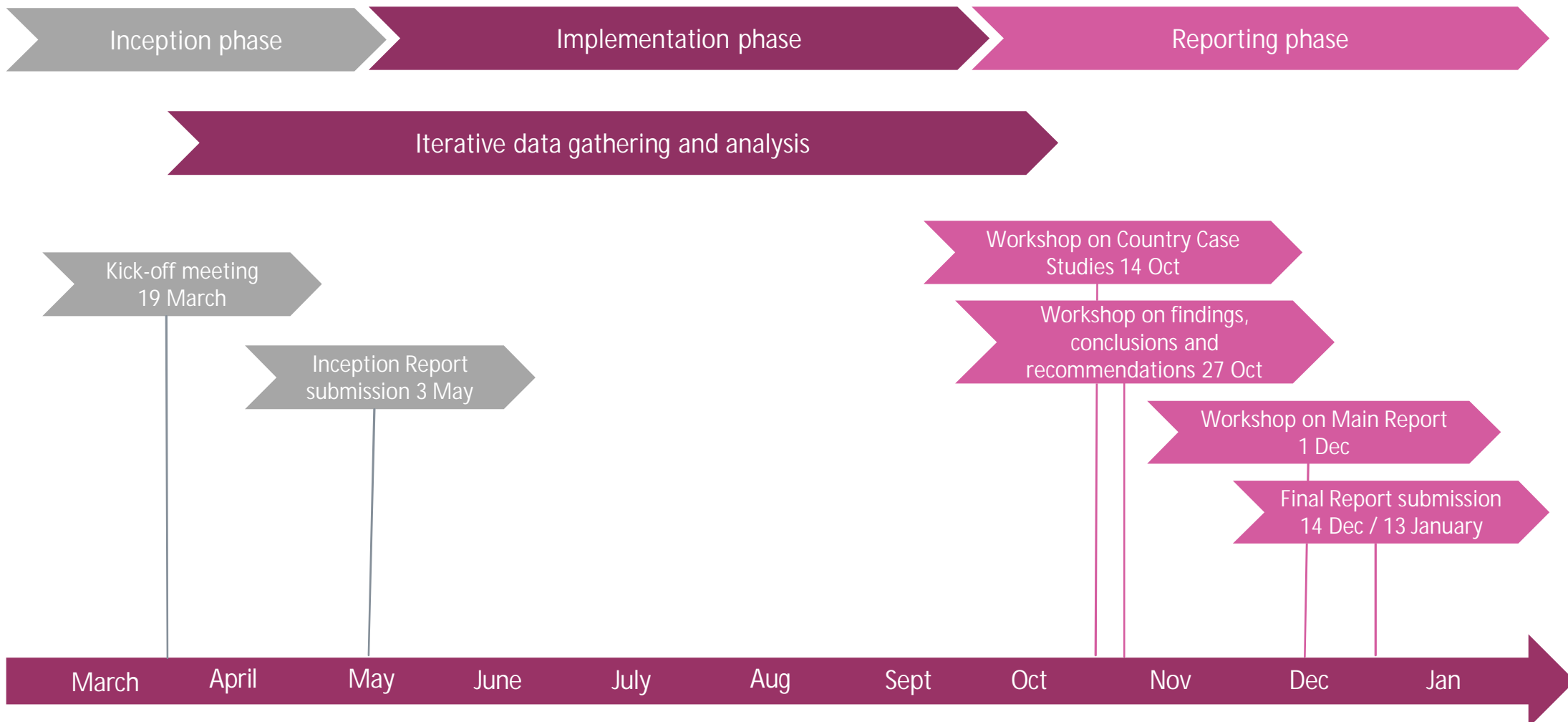
- Time period covered: 2016-2019(/2020) + a forward-looking focus
- Policies, strategies, approaches and interventions classified as contributing to Priority Area 2 (including PSIs).

## CONTEXT

- Finland's 2016 Development Policy
- MFA's Country Strategies and Country Programmes 2016→
- The present Government Programme 2020 - 2024
- Sustainable development goals
- Finland's Africa strategy
- Implications of the Covid-19 situation



# TIMELINE



## EVALUATING IN TIMES OF COVID-19

- No face-to-face meetings: 164 informants were interviewed in Finland, Kenya, Tanzania, Zambia and other locations, such as Geneva and Vienna, making use of online platforms and phone calls;
- In the case countries some of the interviews were shorter than the usual face-to-face interviews. Interviews in Finland were at times longer than usual;
- The iterative data collection may have taken more time/spread over a longer-than-usual time-span, but it also allowed for better corrective measures at the conduct of the evaluation;
- Team Members in the Case Countries assumed new roles, and collaboration between the Members in the Case Countries and Finland was close.



## EVALUATION TEAM



Sari Laaksonen served as Senior Evaluator in the Inception Phase of this evaluation and as Team Leader as of August 2020. Sari is an expert in sustainable economic development, specializing in development policy and strategy, as well as all phases of the Programme and Project Cycle Management, most notably evaluation. Sari has worked in-country for the UN as well as in positions at headquarters of UN-agencies and the WTO, as a donor government representative (MFA Finland), as a start-up entrepreneur and as an International Consultant and CEO.



Tapio Wallenius served as Senior Evaluator in this evaluation with the main responsibility for topics related to PSI, Energy and Taxation. Tapio is a specialist in Development and Climate Finance, Private Sector Development, Impact and Risk Analysis, and Results-based Management (RBM). He has led and conducted numerous evaluations and consulting assignments in these fields and developed various impact analysis and private sector development tools for international, public and private sector organizations. Tapio has worked in management and senior specialist positions in e.g. Finnfund, the MFA of Finland and the Prime Minister's Office.



Sonja Huhta served as Emerging Evaluator in this Evaluation, contributing to the full evaluation process and leading specifically the country case study of Zambia. Sonja specializes in monitoring and evaluation of international development programmes. She is in-house staff at NIRAS and has nearly 10 years of experience in international cooperation as project manager, long-term expert and short-term consultant for donors such as the MFA of Finland, the EU and the Millennium Challenge Corporation in Africa, Latin America and Asia.

## EVALUATION TEAM



Agatha Nderitu served as Country Expert in this evaluation and took the lead in the country case study of Kenya. Agatha has 23 years of experience in private sector development and evaluation, with a particular focus on regional integration and trade related capacity building of SMEs. Agatha has worked in numerous multi-stakeholder contexts with partners including EAC, ITC, World Bank, TMEA, SIDA, Danida, GIZ, WTO, COMESA, SADC and AU across the African continent.



Dr. Kenneth Mdadila served as Country Expert, contributing to the country case study of Tanzania. Kenneth has worked on numerous consultancies and research projects for organizations such as the World Bank, African Development Bank, DFID, UNICEF, UNDP, and WaterAid, covering topics such as inequality and welfare, inclusive economic growth, resource mobilization and public sector financing, inclusion of the private sector in public projects, and role of agriculture in poverty reduction.



Chiwama Musonda contributed to this evaluation as Country Expert, participating in the country case study of Zambia. Chiwama is an Economist with extensive experience in monitoring and evaluation. He is specialized in the fields of policy analysis, private sector development, SME development, trade facilitation and trade development, capacity building programmes as well as political economy analysis (PEA). He has worked extensively both in the public and private sectors in Zambia, but also at regional level in the area of business and economic linkages and regional integration. For the last 10 years, he has been working as an independent consultant.

Claes Lindahl served as Team Leader during the Inception Phase of the evaluation and contributed to the country case study of Kenya.

## SUPPORT TEAM



Petra Mikkolainen contributed to this evaluation by mapping experiences from peer organisations and analysing global trends of private sector engagement and economic development. Petra is a senior expert in international cooperation, specialising in large-scale complex development policy and programme evaluations. Currently, she acts as a Focal Point for the Evaluation Management Services Framework Contract for the Development Evaluation Unit of the MFA of Finland at NIRAS Finland.



Pirkko Poutiainen coordinates the Evaluation Management Services framework contract. Pirkko contributed to the evaluation as a member of the management team, liaising between EVA-11, the evaluation team and the consortium, ensuring knowledge sharing across evaluations and providing internal quality assurance throughout the process.



Isabell Breunig was in charge of managing the evaluation at Particip. She handled mobilization of required logistical, financial and quality assurance resources and supported in finalizing and editing deliverables.

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## COHERENCE AND RELEVANCE – CASE COUNTRIES

- At the level of Country Strategy and intervention planning, the policy framework is well reflected in the case countries. However, maintaining coherence in practice during implementation revealed challenging due a variety of reasons.
- The evaluated interventions show a high degree of relevance to most of the Case Countries' constraints. Relevance was somewhat dented by
  - the limited scale of interventions in Kenya,
  - uncertainties in meeting the needs of the poorest in Tanzania, and
  - prioritising the continued transition from development cooperation to an emphasis on commercial relations over the country constraints in Zambia.

## EFFECTIVENESS – CASE COUNTRIES

### IMPROVING ECONOMIES FOR JOBS AND LIVELIHOODS

- Mixed results across the Case Countries:
  - Forestry programming in Tanzania seems to have been effective;
  - Finland's results in Kenya have been limited in scope; and
  - discontinuation of programmes has adversely affected the effectiveness of results in Zambia.

### HRBA & CROSS-CUTTING OBJECTIVES

- While interventions in Kenya effectively advance HRBA, gender equality and reduction of inequality, their scale limits their impact.
- In Tanzania the scale of the intervention would allow for a wider impact but the forestry programme's ability to effect HRBA, gender equality and reduction of inequality outcomes is not yet clear.
- In Zambia, time pressure and targets for maximising the number of created jobs has limited the ability to specifically target and benefit women, youths and the poor.

# RELEVANCE AND EFFECTIVENESS OF THE PSI

## COVERED PSIs:

- Finnfund
- Finland-IFC Blended Finance for Climate Change (FIBFC)
- Finnpartnership
- Business with Impact (BEAM)
- Public Investment Facility (PIF)
- Finn Church Aid Investments (FCAI)

- All PSIs show at least satisfactory relevance vis-à-vis Finnish development policy goals, and PA 2 specifically.
- When it comes to relevance vis-à-vis partner country needs, there is more variance between the instruments.
- The lack of overall strategic guidance on PSIs and inconsistencies in current steering arrangements appear to affect negatively the effectiveness of the assessed PSIs.
- The PSIs do not constitute a clear continuum of support, finance and services for the growth of companies or commercialization of their innovations.

# AGENDA

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## HAS FINLAND SUCCEEDED OR FAILED – OR SOMETHING IN BETWEEN?

### Evaluation question 1:

To what extent and how are the objectives of the Priority Area 2 being achieved and how relevant and effective have the interventions been in relation to partner country needs?

Finland's support to Economic Development, Job Creation and Livelihoods has generated – and has the potential to generate – many success stories. Most approaches, instruments and interventions are highly relevant and effective.

Yet, limited internal and external coherence, together with the gaps identified in the implementation, limit the success and lead to missed opportunities for creating wider impact.

## HAS FINLAND SUCCEEDED OR FAILED – OR SOMETHING IN BETWEEN?

### Evaluation Question 2:

What can the Ministry of Foreign Affairs learn from its peer organisations, especially the Nordics as well as from emerging international 'best practices' for more relevant, effective and coordinated support for economic development, jobs and livelihood opportunities?

The main lesson for Finland from the global and Nordic experiences reviewed is that boosting economic development and private sector engagement requires a comprehensive approach composed of several interdependent elements.

## HAS FINLAND SUCCEEDED OR FAILED – OR SOMETHING IN BETWEEN?

### Evaluation question 3:

How can the effectiveness of Finnish development cooperation related to economic development be further developed, including if and how the Results-based Management system can be further refined as far as Priority area 2 is concerned?

Making the Economic Development, Jobs and Livelihoods-portfolio more coherent and effective entails resolving some major questions on approaches, setting a clear objective for developing and implementing an Economic development and private sector engagement strategy, addressing issues that limit the uptake of Finland's commercial and foreign policy interests and targeting resources, partnering and innovating in line with the guidance provided by the proposed new policy and its practical, actionable road map for implementation.

## WHAT WORKS?

1. The MFA has developed promising elements geared towards increasing coherence of the Economic development, job creation and livelihoods-portfolio. Significant improvements still need to be made in the coherence of the portfolio (this is further discussed in Conclusion 3).
2. While showing mixed results, most of the MFA's approaches, instruments and interventions are relevant and effective.

## AREAS FOR IMPROVEMENT:

3. The absence of strategic leadership, notably in a form of a comprehensive policy and strategy, to strengthen economic development and private sector engagement, has negatively affected the portfolio's internal and external coherence, and its effectiveness.
4. Gaps in between the different PSIs from the perspective of companies, NGOs and other partners limit building effective business cases for contributing to the development goals.
5. Transitioning from development cooperation to commercial (and other) relations requires developing and applying a strategised process prepared well in advance and sufficient resources to support this challenging process, an effort that Finnish support to Zambia so far has not reflected.

6. Challenges in defining the Economic development, jobs and livelihoods portfolio and even only the PA2-portfolio, scattered and inconsistent data and issues pertaining to the role and formulation of the results framework constrain managing for results.
7. Linked to Finland's overall tendency to channel aid through multilateral organisations and allocate resources through multiple channels, making also interesting new openings, the embassies are both under-staffed, which limits their ability to support private sector, and not always optimally playing their role in the management of the Economic development, job creation and livelihoods-portfolio.
8. While both bilateral and multilateral programming would provide important opportunities for intensified partnering for results, including with the PSIs and companies, these opportunities remain largely underutilized.

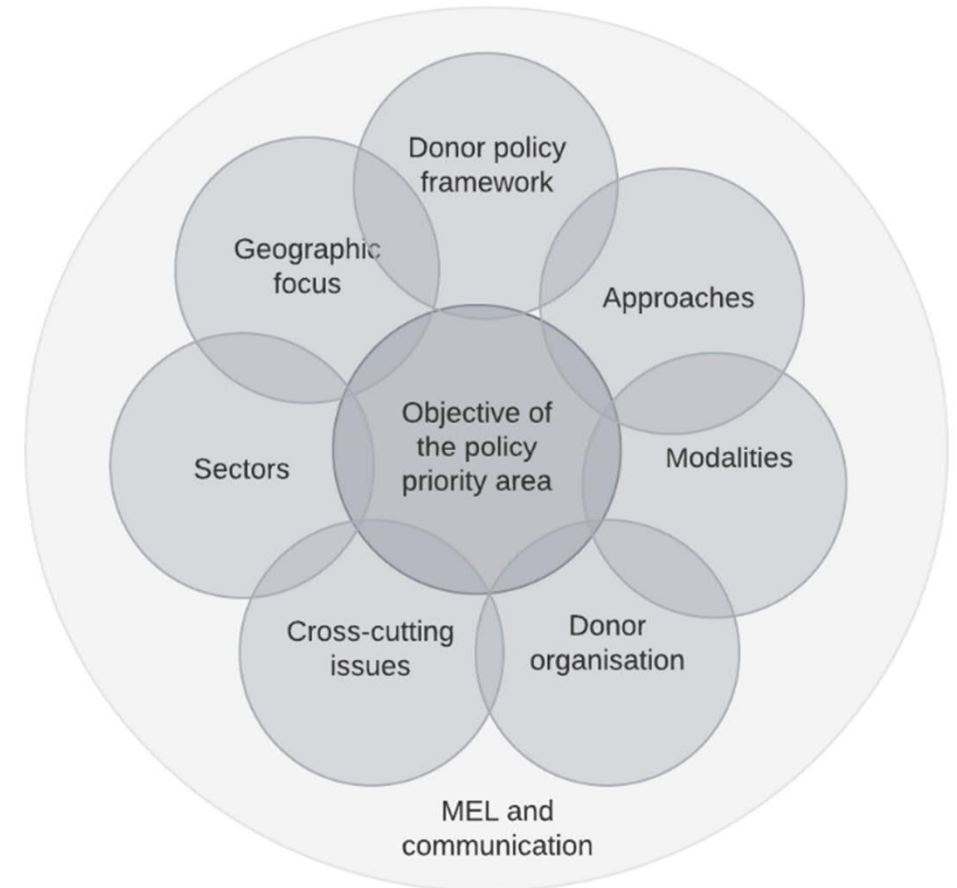
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## STRATEGIC RECOMMENDATIONS

focus on the provision of strategic leadership in the form of a policy, guidelines, and managing for results:

1. Develop a comprehensive, coherent and actionable Policy for Economic Development and Private Sector Engagement.
2. Develop practical PSI Guidelines to accompany the Policy for Economic Development and Private Sector Engagement and, in this context, take also other required action to increase the PSIs' coherence and effectiveness.





## STRATEGIC RECOMMENDATIONS

3. Make transition from development cooperation to an emphasis on commercial relations the business of the whole MFA and its partners. Consider making use of bilateral innovation programmes to build partners and level the playing field for Finnish companies; and providing taxation programming to make the country's DRM more effective.
4. Link implementation of the recommended Policy for Economic development and private sector engagement with strengthening of the management for results of the portfolio.

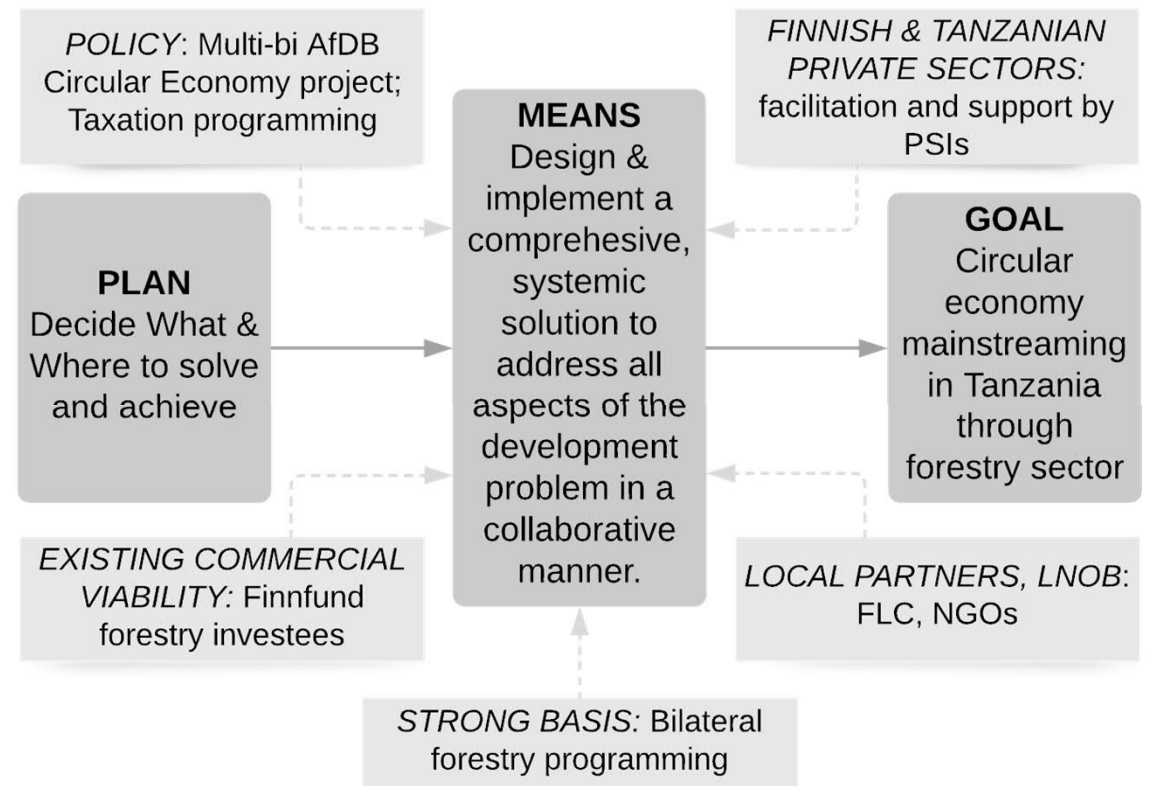
# RECOMMENDATIONS

## OPERATIONAL RECOMMENDATIONS

Serve to guide on implementation approaches, modalities and how the work shall be managed within the MFA:

5. Make implementation of the Economic Development, Job Creation and Livelihoods-portfolio more coherent by strengthening working together across departments and embassies, and by considering making use of more holistic implementation approaches, such as an eco-system approach. Start with a pilot.

(The figure on the right side of the slide is only an illustrative example of key non-exhaustive eco-system or systemic approach that could be considered.)



## OPERATIONAL RECOMMENDATIONS

6. Continue/increase investing into direct, bilateral programmes in selected, strategic sectors, notably on forestry, innovation, Private Sector Development (PSD).
7. Create and seize opportunities for increasing partnering and collaboration with multilateral programming, particularly at the country level, and consider increasing partnering with the EU.



THANK  
YOU!